SATMETRIX

Getting Started With Net Promoter®

Satmetrix Net Promoter Fast Start Edition is a well-defined, proven approach for initiating the Net Promoter Discipline™ and seeing results in as little as six weeks.

Benefits of Net Promoter Fast Start Edition

Many organizations elect to begin their Net Promoter Discipline with Net Promoter Fast Start instead of a full implementation because of time constraints or resource limitations.

Net Promoter Fast Start offers companies the opportunity to:

- Understand the sample creation and survey delivery process

- Get a first look at the Net Promoter Score

- Gain an understanding of the data to plan for next steps

- Determine appropriate strategy for a full implementation
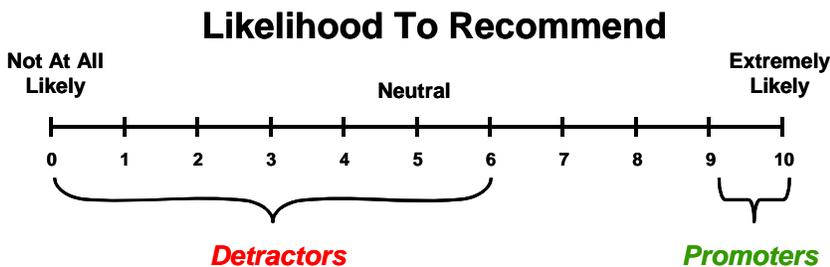
What Is Net Promoter?

Net Promoter is a customer-centric discipline that fuels profitable business growth through its ability to provide actionable, relevant customer insights. Developed by Satmetrix Systems, the Net Promoter Discipline is based on a unique metric that has been proven in industry after industry to be the single most reliable indicator of a company's ability to grow.

This metric, called the Net Promoter Score (NPS), was created by Satmetrix and loyalty expert Fred Reichheld of Bain & Co. It asks customers a single question: "Would you recommend this company or product to a friend or colleague?" Customers can be categorized into three groups according to their answer to this "likelihood to recommend" question (based on a 0-to-10–point rating scale):

- **Promoters** (those who answer 9 or 10) are loyal enthusiasts who will keep buying from your company and who urge others to do the same, fueling your growth.

- **Passives** (those who answer 7 or 8) are satisfied but unenthusiastic customers who are more vulnerable to competitive offerings.

- **Detractors** (those who answer 0 through 6) are unhappy customers who may be buying for the wrong reasons (e.g., they are trapped), and who can damage your brand and impede growth through negative referrals.

To calculate your company's NPS, take the percentage of customers who are promoters, and subtract the percentage who are detractors:

% of Promoters - % of Detractors = Net Promoter Score (NPS)

Likelihood To Recommend

% Promoters − % Detractors = Net Promoter Score

Making Net Promoter Work

In most industries, the Net Promoter Score leader shows superior growth, averaging more than twice the rate of the competition. Achieving success with Net Promoter, however, requires much more than simply calculating your NPS—it requires a commitment to building a customer-centric focus into your business.

A successful Net Promoter Discipline includes 5 elements:

1. Metrics proven to link to growth
2. Leadership practices that instill customer focus, passion, and values
3. Organizational strategies to ensure adoption
4. Integration with core business processes
5. Operational systems to support the initiative

So in addition to the systematic, timely collection and analysis of customer data, a true Net Promoter Discipline will integrate those customer insights into everything from employee incentives to operational systems, all with the end goal of driving action to improve the customer experience and thus create more customer promoters.

Net Promoter Fast Start Edition

There are two basic approaches for implementing a Net Promoter Discipline: a staged approach, which builds over time, and a full-scale implementation, which is a complete solution that goes live in one big launch.

Net Promoter Fast Start Edition is the first building block of a staged approach. Designed for companies with less time or limited resources to launch the complete discipline at once, Net Promoter Fast Start requires less upfront planning, fewer infrastructure integration requirements, and can be completed in as few as six weeks. Comprising best practices refined over years of delivering Net Promoter implementations, Net Promoter Fast Start offers companies a structured roadmap to a true customer-centric business focus.

As the first phase of the staged approach, Net Promoter Fast Start Edition enables you to explore the Net Promoter Discipline and see what it can do for your organization before making the full investment in a complete solution. The insights learned from this phase are then used to refine the solution in an ongoing process of optimization.

Features and benefits of the staged approach:

- Exploratory in nature
- Comprises a series of refinement steps
- Follow-up and action planning can be implemented and communicated as you go
- Provides the opportunity to prepare for full deployment:
    o Design/refine processes for contact collection (survey participation)
    o Become familiar with reporting and results analysis
    o Refine follow-up processes: limit exposure and training expenses by targeting specific end-users
    o Determine appropriate training strategy for larger roll-out

Requirements

Net Promoter Fast Start Edition has fewer base requirements than a full implementation. You must provide a list of contacts, including segmentation information, for those customers that will participate in the program. The contact list and its segments need to reflect the distribution of the customers across the business being measured, so having an understanding of the key demographics and segments within your customer base is highly important. In addition, Satmetrix will need access to stakeholders who can answer questions about their business and the goals of the program to refine the feedback process and data analysis. If your company doesn't currently have a CRM system or ready database of customer contacts, you may want to develop a strategy for collecting contact information to construct a small but representative sample of customers.

Deliverables

Net Promoter Fast Start is designed to give you an understanding of your current Net Promoter Score as well as insight into what factors would drive changes in the score. The results are analyzed and presented by a Net Promoter Discipline Certified Business Consultant. The insights derived from these analyses contribute to a broader understanding of your customer base and how to align your customer experience for optimal financial results.
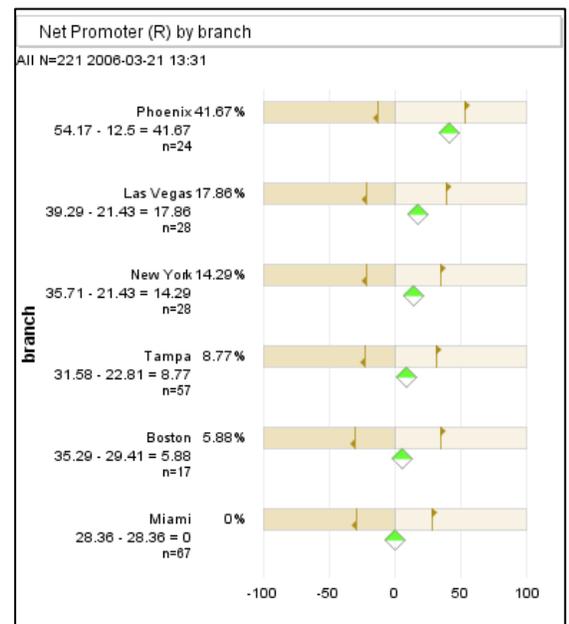
Net Promoter Fast Start helps you understand:

- Your Net Promoter Score (NPS)
- Referrals and purchase intent
- Key drivers of "Likelihood to Recommend"
- Competitive performance

Understand Your Net Promoter Score (NPS)
The core of the Net Promoter Discipline, the NPS metric measures the percentage of promoters minus the percentage of detractors, providing a reliable indicator of your growth potential. Learning what drives this score is fundamental to a successful Net Promoter program.

The NPS analysis includes:

- Net Promoter Score measurement
- Breakdown of Net Promoter Profiles
  - Profiles of Promoters, Passives and Detractors based on demographics and experience information (key segments)
- Analysis of relationship between segments and Net Promoter Profile

Net Promoter (R) by branch
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Phoenix 41.67%	54.17 - 12.5 = 41.67, n=24
Las Vegas 17.86%	39.29 - 21.43 = 17.86, n=28
New York 14.29%	35.71 - 21.43 = 14.29, n=28
Tampa 8.77%	31.58 - 22.81 = 8.77, n=57
Boston 5.88%	35.29 - 29.41 = 5.88, n=17
Miami 0%	28.36 - 28.36 = 0, n=67

Seeing Net Promoter Scores by region enables the organization to understand where to focus efforts on creating more customer promoters

Understand Referrals and Purchase Intent

Understanding the financial impact of promoters and detractors on your business is critical. Besides spending more with your company, customer promoters are likely to refer others through word-of-mouth. By quantifying not only new business brought in by referrals, but also the cost savings in marketing, etc, of not having to attract new customers, you gain the ability to estimate the potential lifetime value of the customer. In addition, having insight into customer purchase intent enables you to predict and adapt to buying patterns and shifts in your customer base.

The referrals analysis enables you to understand:

- References and referrals – gain insight into the reference dynamic (multiplier) for your business, i.e., are references working for you?
- Purchase intent, so you can gauge future revenue potential

Understand Your Drivers of "Likelihood to Recommend"

Drivers represent key functional touch points for the customer. How are these customer interactions performing? Which are driving the Net Promoter Score? Examples of drivers to be explored include: Overall Value, Company Reputation, Buying Experience, Support Experience, Product Experience, Sales Materials, On-line Experience, Product Delivery Experience, Billing Experience.

The key drivers study includes:

- Analysis of drivers/customer comments; identification of themes
- Analysis of scores from stated questions using qualitative feedback
- Expectation gaps
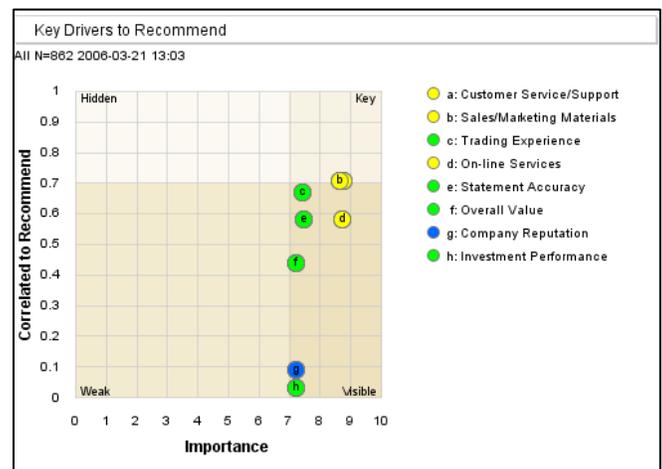
Understanding the key drivers that impact loyalty shows you where to invest for maximum return

Understand Competitive Performance

Key to any business strategy is an understanding of your competitors. With Net Promoter Fast Start, you can see how your competitors' NPS matches up with your own. At an even more granular level, you can see exactly where you are over- and underperforming vs. your key competitors.

The competitive analysis reveals:

- Key competitor "recommend" scores
- The "recommend" gap between you and your competitors
- Performance gaps (company satisfaction–competitor satisfaction

What's After Net Promoter Fast Start?

The next step in the Net Promoter Discipline roadmap is to move to a fully operational system designed to involve the whole company: Net Promoter Standard Edition. The roadmap below shows the typical evolution of a Net Promoter Discipline.

Future

Net Promoter Discipline Roadmap

Now

Expand
Supporting Transactional Systems

Support insight with additional customer touch-point analysis

Operationalize
Role-based Reporting

Implement account and functional-level action plans; incorporate customer feedback in decisions

Standard Product
Net Promoter Standard/ Enterprise Edition™

Deploy an operational system; move from measurement to management

Baseline Performance
Net Promoter Fast Start Edition™

Gain a basic understanding of the Net Promoter dynamics within your business using a staged approach

Net Promoter Standard/Enterprise Edition

Net Promoter Standard/Enterprise Edition is an ongoing, enterprise-wide operational system that delivers customized actionable insights to key members of your customer teams.

Highlights of the Standard/Enterprise program include:

- Global coverage (multi-language, world-wide)
- Role-specific version (executive vs. end-user)
- Workflow integration (triggers)
- Role-specific dashboards and reporting
- Linkages with other operational systems

Talk to your Satmetrix representative to learn more about the Net Promoter Discipline and what approach makes sense for your organization.

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