



NPS2

Reaching the Next Level of
Customer Experience Leadership

By Deborah Eastman

Overview

Get an introduction to NPS2, the next generation of the groundbreaking Net Promoter methodology. Find out how Net Promoter has evolved to incorporate years of experience and real-world application and learn about the four pillars of NPS2. Get an overview of how to apply each aspect of the methodology to your business.



About the Author

Deborah Eastman, Chief Customer Officer, Satmetrix

Deborah has spent her career with a passion for customer success. After 15 years of top sales performance, she has held a number of executive leadership positions in sales, marketing and consulting. As the Chief Customer Officer at Satmetrix, Deborah works across the organization to continuously innovate the customer experience, and deliver tangible value to Satmetrix clients. She brings firsthand experience at deploying a global Net Promoter program at KPMG Consulting where she integrated customer feedback into the strategic account management process. Working with customers across all industries, she brings breadth of experience to help organizations accelerate their program results.

Deborah is a frequent speaker and blogger on the topics of Net Promoter, Customer Experience, and Social Media. Previously, she was Executive Vice President of Sales & Marketing for Biz360, a social media company. Before Biz360, Deborah served as a Partner for KPMG Consulting and Vice President at BearingPoint. In 2000, Deborah was selected by Consulting Magazine as one of the top in her field for developing a partnership between KPMG and Cisco which resulted over \$100m in incremental revenue and a billion dollar investment.

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Introduction

NPS Then and Now

More than ever, customer experience plays a critical role in business success. The spread of subscription businesses has placed an increased focus on customer lifetime value. Transactional businesses understand the value of repeat purchases, and everyone understands the value of positive referrals as people increasingly look to their peers and social media for purchasing advice, rather than responding to traditional marketing.

Learn how Net Promoter has evolved from its origins as a research-based, data-driven approach into an integrated discipline that draws on more than a decade of experience and best practices, and find out how to apply the principles of NPS² to your business today.

Evolution of Net Promoter

Net Promoter has gone through three major stages.

Research

Net Promoter was introduced to the business world in a 2004 Harvard Business Review article by Fred Reichheld, based on research done with Satmetrix. The research proved the link between high NPS and business growth. Net Promoter inspired change, getting companies beyond market research and instead focused on a more operational, ongoing approach to customer loyalty. Early on, best practices were based on anecdotes, but there wasn't enough research to definitively guide companies.

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- Demonstrated financial linkage
 - Best practice from anecdotes
 - Inspired change

Adoption

In 2007, Satmetrix set out to assess the experience of NPS early adopters, so that others could learn from their success and have the best chance of developing a Net Promoter methodology that predicted future growth accurately. The results were codified in the book *Answering the Ultimate Question* and in Satmetrix certification courses. Adoption continued to grow, as companies turned to Net Promoter as a practical driver of improvement and growth.

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- Defined operational model
 - Practical best practice learning
 - Industry acceptance

Integration

Today, we've seen best practices evolve, and now have a much clearer sense of what's most effective over time. We also see the need for increased innovation and differentiation in customer experience. Simply getting the basics right is not enough in today's market. And we see that businesses benefit most from embedding customer satisfaction and loyalty data into the day-to-day operations of the business.

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- Proven best practice
 - CX innovation
 - Integrated into business operations

Pillars of NPS2

NPS2 was developed around three pillars.

Market Dynamics

In 2004, when NPS was introduced, social media was in its infancy. Today, with its growing power, social media amplifies the impact and power of recommendations.

More and more companies are also shifting to a subscription model – think about Massage Envy and Dollar Shave Club. That shift highlights the need to focus on customer lifetime value more deeply.

With disruptive upstarts like Uber and Airbnb arriving on the scene, we've also seen the power of customer experience to differentiate companies from their competition.

Best Practice Learning

We know a focus on the customer journey is important to the success of a customer experience program.

Closed loop effectiveness is key, so thinking through what actually works has been critical.

Without enterprise adoption, it's hard to get the full effect of Net Promoter; getting customer feedback into the hands of your employees drives action.

Linking customer data to other business data puts customer feedback into the context of the business.

Thought Leadership

Improving the customer experience requires innovation. We partnered with CX thought leaders to expand our thinking into areas such as:

Engaging employees

Activating promoters

Developing a customer centric leadership culture

Understanding the emotional experience

Our Thought Leadership Partners

Our partners in developing NPS2 include:



Colin Shaw
Beyond Philosophy



Jeanne Bliss
Customer Bliss



Joseph Jaffe
Author and Speaker



Sean Risebrow
*Customer Experience
Leader*




Bill Lee
*Center for Customer
Engagement*



Rijn Vogelaar
*Super Promoter
Academy*

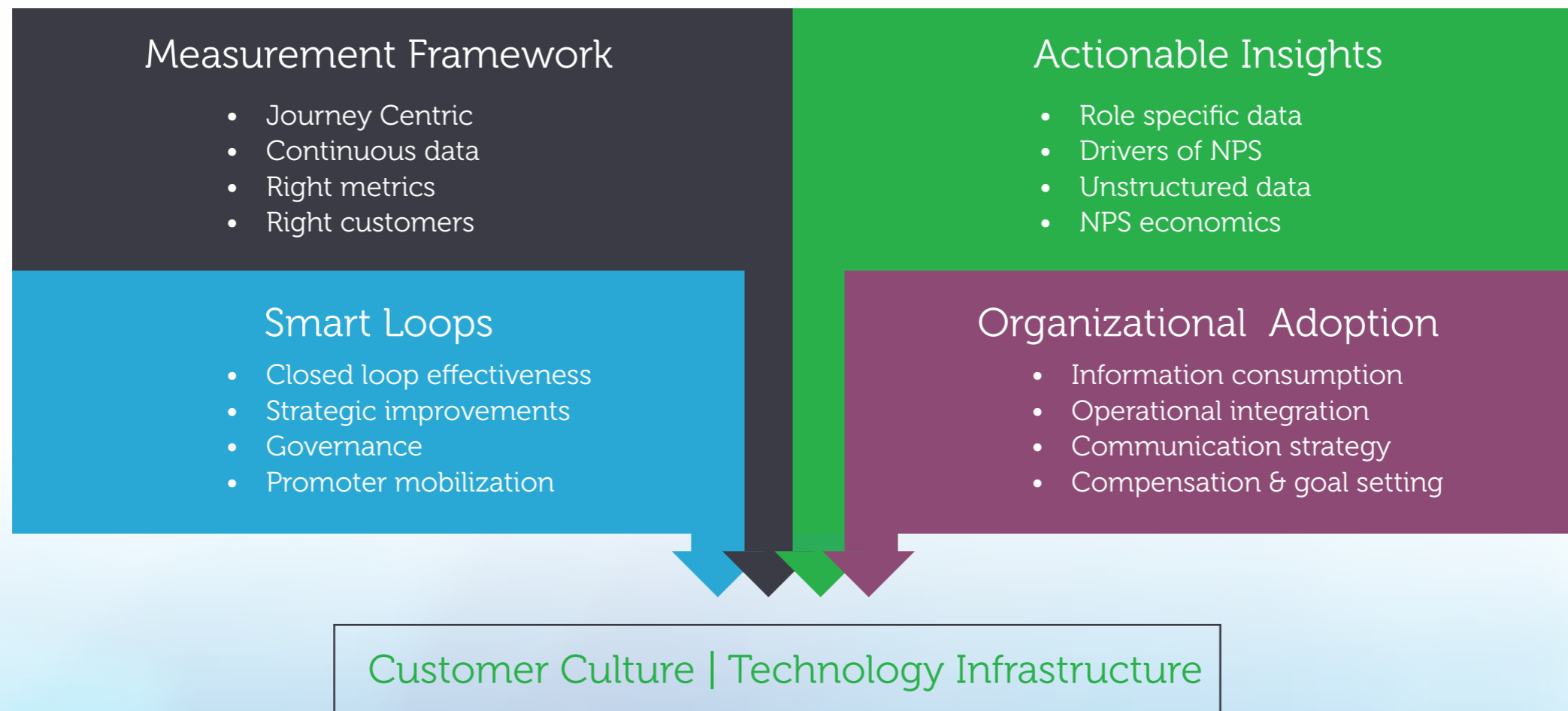


What's Different?

NPS1		NPS2
Focus on Score	A single minded focus on the score can be restricting. Looking at the customer journey in its entirety helps keep the focus on the customer experience at every point along the way.	Focus on Journey
Survey Data	Surveys aren't the only source of insight. NPS2 widely expands the data that helps monitor the customer experience.	Data Diversity
Detractor Recovery	Recovering detractors is important, but thinking holistically means gaining insight into root cause and building relationships.	Smart Closed Loop
Infrequent Measurement	To influence real change, it's not enough to measure customer satisfaction and loyalty every once in a while, customer data needs to be part of a daily flow of information that's integrated into the business.	Continuous Data
Fragmentation	In the early years, companies got so eager that they measured NPS everywhere, creating fragmented systems. Integrated systems respect customers more, and provide an enterprise framework for understanding the customer experience.	Integration
Data Collection	Shift the energy spent thinking about data collection to thinking about data consumption. How can you promptly get data to employees, in formats that encourage action?	Information Consumption
Promoter Stagnation	Promoters are a powerful resource. Rather than letting them languish, engage promoters to share their advocacy and help in acquiring new customers.	Promoter Development

NPS2 Core Themes

NPS2 has four core themes. Focus on these key areas to ensure that your company gets the most from the discipline.



And don't forget the underlying foundational elements: a customer-centric culture, and a technology infrastructure that enables and even guides your goals.

Measurement Framework

Think about everything in the context of a customer journey, and create a measurement framework that reflects your thinking.

Don't start by deciding where to deploy surveys, or which organizations to hold accountable for a score. Instead, evaluate the customer journey first. Think about how you can best understand the journey at each stage – you might already have access to data that gives you insight. You're aiming for an integrated view.

A key message here is the combination of relationship and transactional data. Relationship surveys identify drivers of loyalty, but you need transactional measures to monitor performance at moments of truth each day.





Actionable Insights

Driving action begins with delivering actionable insights to people throughout your organization. A focus on democratizing your data help ensure that employees at all levels feel empowered to act.

When your goal is to use the insights you gain from customer feedback to drive action, it's helpful to think about the employees who consume the information. Consider their roles and their goals. Broadly, they'll fall into one of three categories: frontline, management, and executive.

Frontline employees have a goal of increasing retention. That means they need insights that support them in an effective closed loop workflow. They'll need easy access to individual comments so they can understand the issues they are helping to resolve. And don't forget to empower them to encourage the sharing of positive comments.

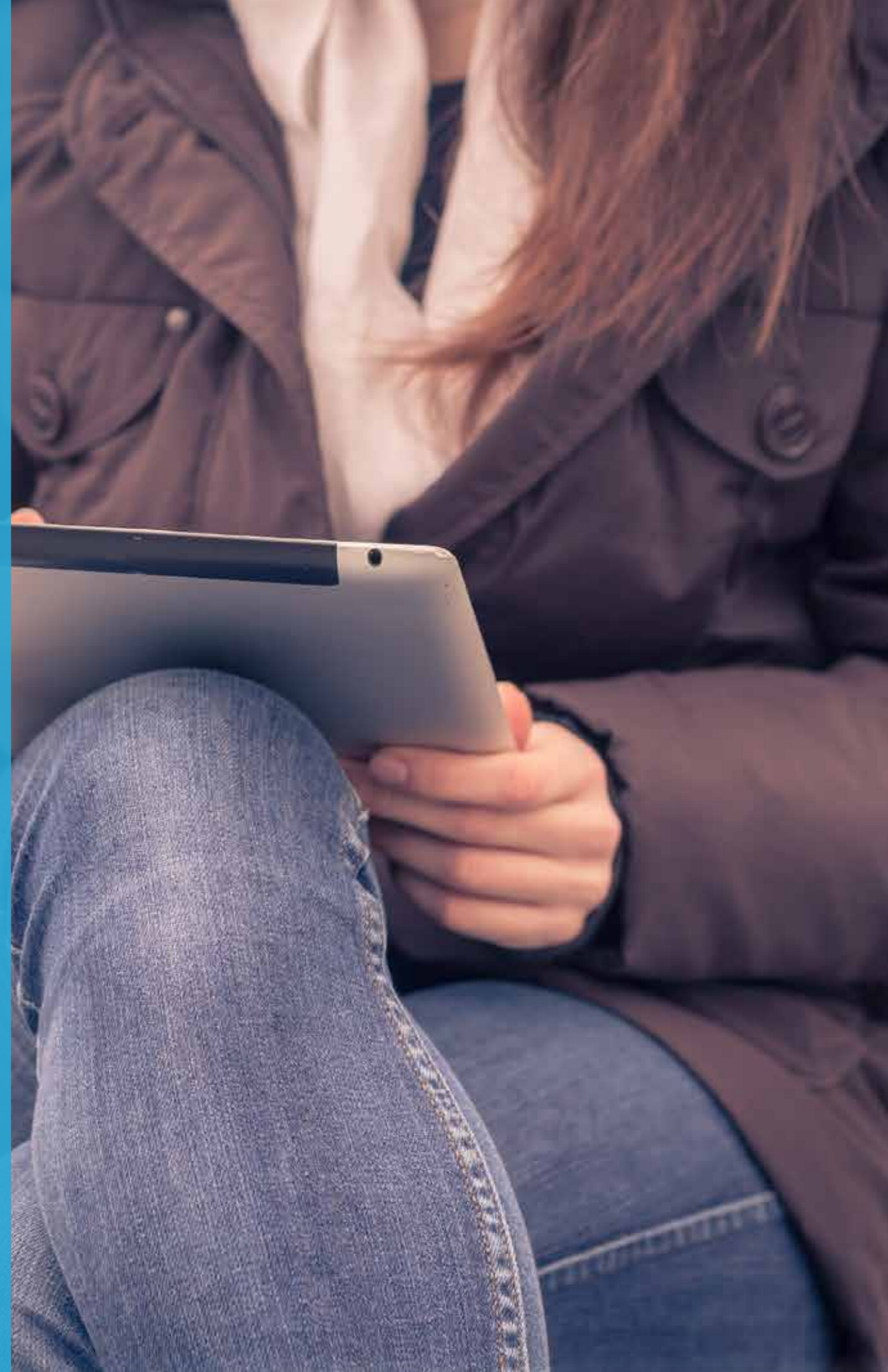
Management employees have a goal of improving experiences. To do that, they need insight into loyalty drivers, that is, the factors that influence customers' loyalty and satisfaction. They also need to understand employee performance as it relates to those loyalty drivers, and they need a clear view of gaps between customers' expectations and their experiences.

Executives have a goal of profitable growth. They need to understand NPS by segment and have a clear view of trends across regions and lines of business. A focus on the financial linkage between NPS and growth is critical for executives, too.

Smart Loops

Smart loops take closed loops to the next level. Companies know the importance of getting back to customers promptly and working to resolve concerns – closed loops are a great tool for Detractor recovery and that's been the main focus. But smart loops take the process beyond detractor recovery, making sure you're reaching out to Passives and Promoters to understand root cause, or build stronger relationships.

Smart loops also move you beyond the basic operational closed loop process. While the closed loop process can support operational improvements within a particular functional area, smart loops help you improve the cross-functional aspects of the customer experience. You could improve points in the journey where customers are "handed off" from one department to another, or get a view of the overall process, and look at truly innovating the customer experience with new capabilities.





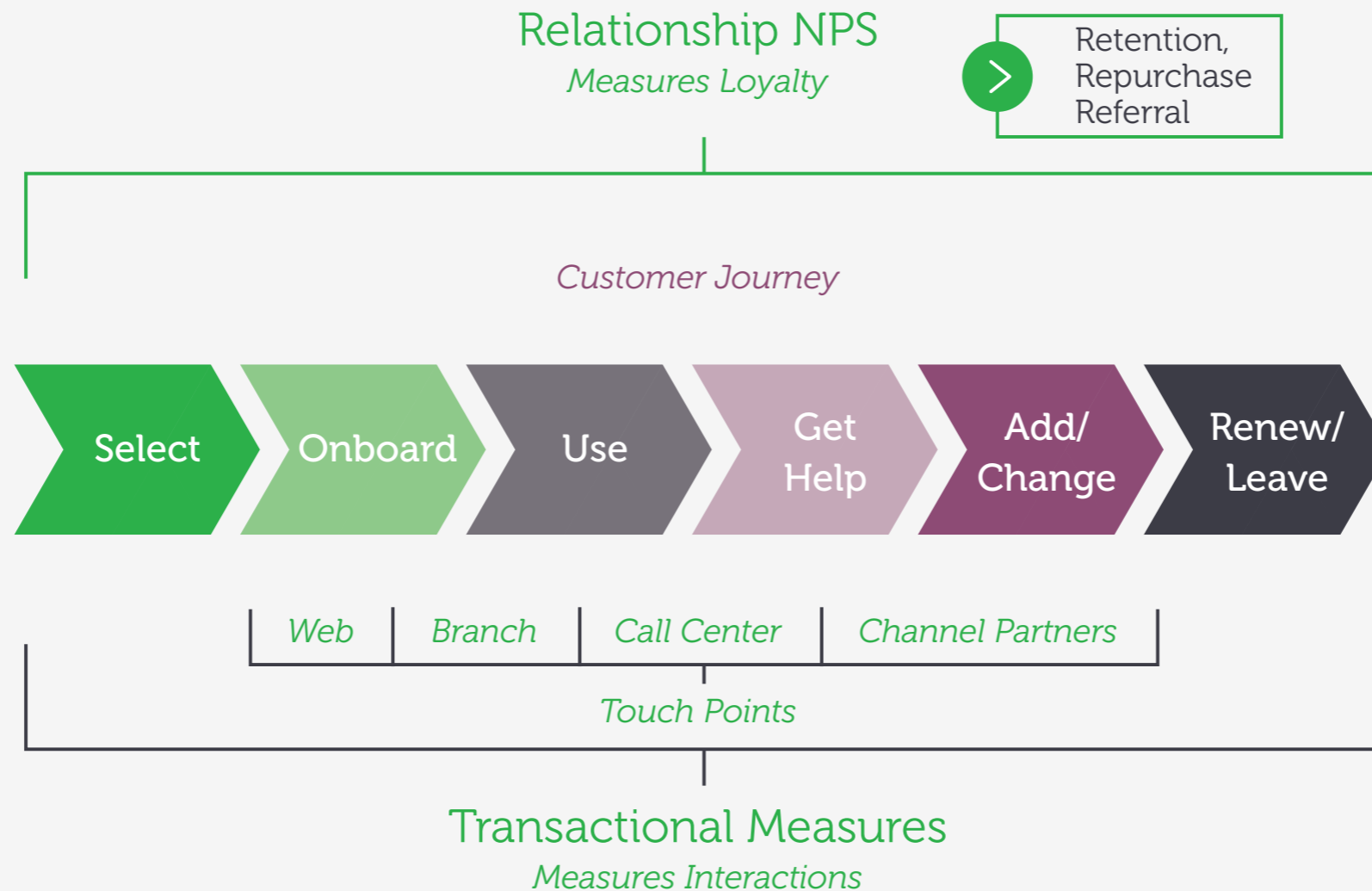
Organizational Adoption

Thinking again about the need to shift from a focus on deploying surveys to a focus on distributing actionable information, how can you build a reporting strategy that allows you to engage your stakeholders in Customer Experience Management? You need to make sure that you give leaders in sales, marketing, product, service, and indeed every area of the business, the information they need to keep their operations focused on the things that matter to the customer, and to drive improvement and innovation.

You'll also want to ensure that customer data is built into the operational rhythms of the business. One way to support that goal: Meet your internal users where they are. Build a user interaction model that makes it easy to share data, investigate root cause, and access in mobile environments.

Map Diverse Data to the Journey

Here's a deeper dive into applying the pillars of NPS2 in your business. To optimize your journey, you need the right data – the right customers – at the right time.





NPS

Do It Right

One of the most common errors we see is in the use of the Net Promoter Score question. First, know that NPS is fundamentally a brand measure. It reflects your customers' overall experience of your brand, not a single interaction. Understanding how and when to use NPS is critical if you want to link it to retention, repurchase, and referral.

Measure

Key Moments of Truth

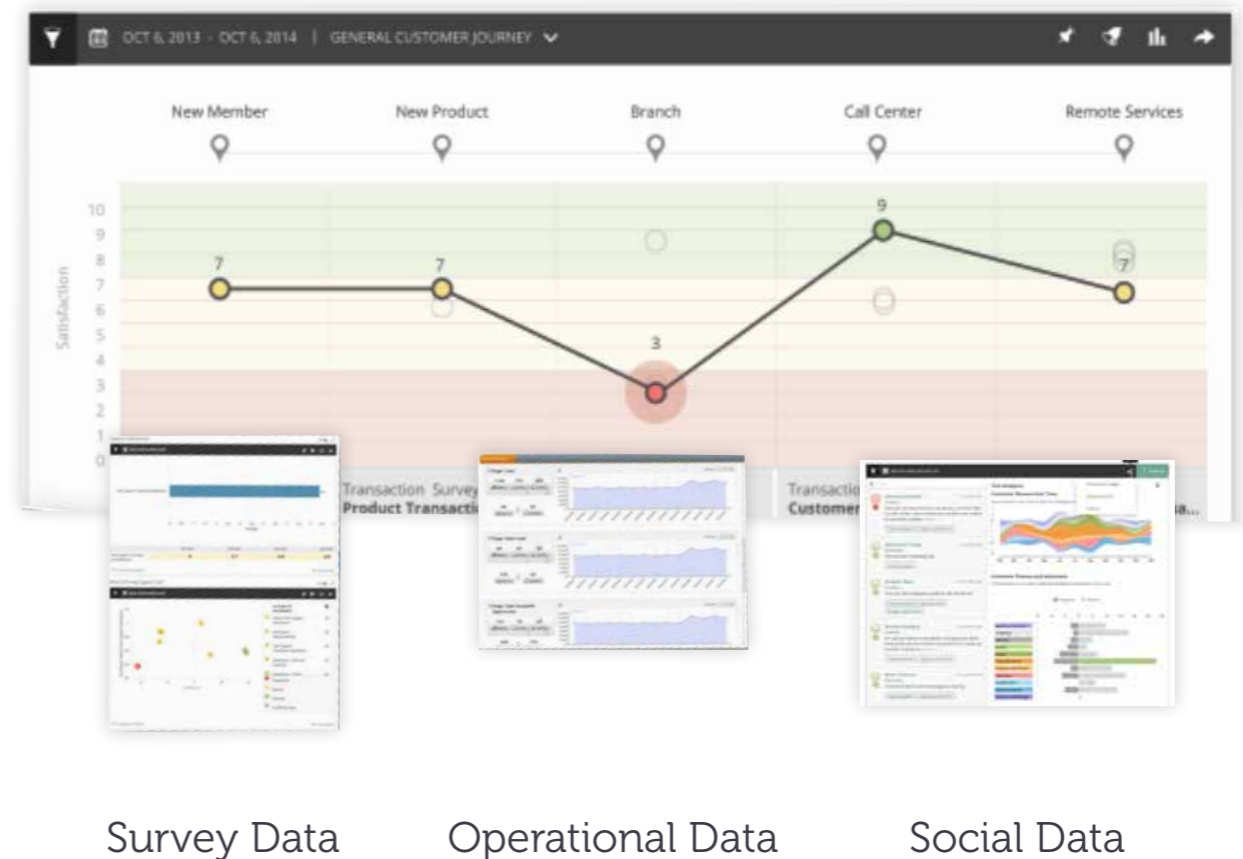
Now, along the way, you want to continuously evaluate key moments of truth. Onboarding might fall into this category; it sets the tone for the experience. After the onboarding experience you might want to measure the experience with the sales process, the purchase process, and/or initial impressions of your product or service.

You might use NPS during a transactional survey, but you must always keep in mind that your customer's willingness to recommend cannot be separate from their experience with that interaction with their overall experience.

Connect Data to Journey

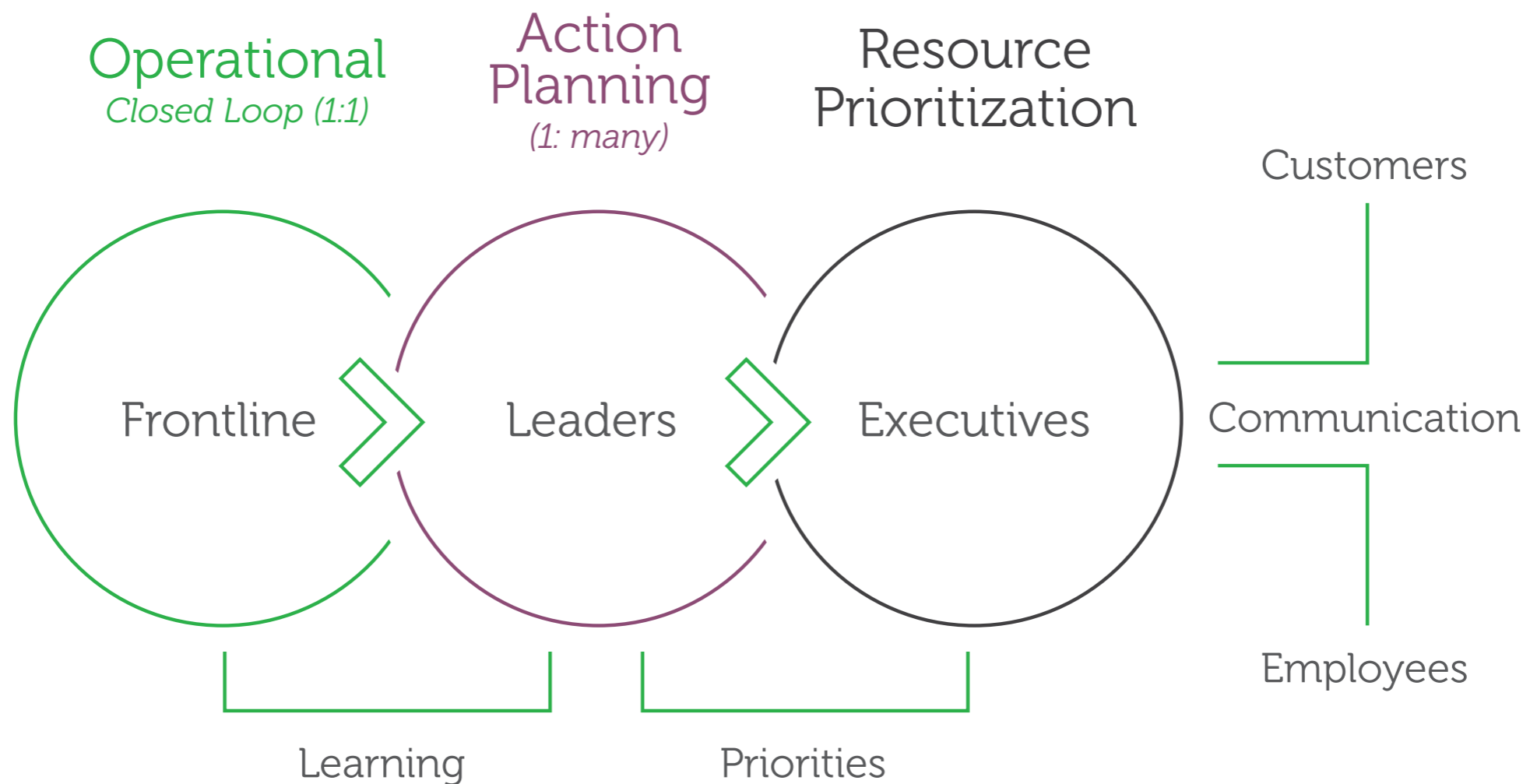
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- Survey data might be the right measure for some points, whether relationship or transactional.
- Social data might be a good measure of product performance in the market.
- Operational data might illustrate the threshold for creating Promoters and Detractors at particular touchpoints.



Tying the right data to the right touchpoint on the journey gives you the insight you need to effectively manage the customer experience across a complex and changing journey.

Smart Loops, Smart Results



Smart loops go beyond the traditional front-line closed loop process for detractor recovery to incorporate more holistic thinking. Here's some more detail on what smart loops look like when you apply them to your business.

Operational Smart Loop

The operational closed loop happens at the front line. It's a one-to-one interaction with a customer who has provided feedback, and it's typically used as a service recovery mechanism. Turn this into a smart loop, instead of just a closed loop, by doing two things.

First, put a high priority on capturing what you learn about root cause during the operational closed loop process and feed that learning into your overall improvement loops.

Second, focus on opportunities for relationship building. That's especially important in B2B businesses, where relationships are central to the business model. Account owners can use the operational closed loop to strengthen relationships and drive greater sales in the long run.

Operational *Closed Loop (1:1)*



Action Planning Smart Loop

The operational smart loop must feed into a broader loop that brings together operational leaders to think about what you see across the organizational silos and how to continuously improve the end to end customer experience.

In addition to identifying improvements that happen within a division or group, such as a call center or a support organization, you need to take a holistic view of the experience and understand the interdependencies between the departments.

Participants in the action planning smart loop should think about how data and insight can be used to improve operations within each group, but also about opportunities to improve the customer experience across the organization as a whole.

Action Planning *(1: many)*



Resource Prioritization Smart Loop

The final smart loop involves prioritizing the improvements identified during the action planning process, according to what will make the most impact on customers, and feeding that into the executive decision making process.

We often see that the investment decisions being made in the executive suite are disconnected from the things that are most important to customers. Depending on your company's Net Promoter distribution, it might be critical to focus on moving Passives into the Promoter category, for example. Or Promoter development and engagement might be key. The resource prioritization smart loop is the time to make sure executives align investments with what matters most to customers.

At the end of this process you should have a robust communication strategy for reaching both customers and employees. Explain what you've learned about what you're doing well, where you have opportunities to improve, and what steps you have planned.

Resource Prioritization



Driving Adoption

The fourth pillar of NPS2 is organizational adoption. One critical element of this work: information consumption. Think through the different consumers of information – are you delivering the information each organization needs to incorporate customer data into day-to-day decisions? Or is your data getting pigeonholed with a single organizational group?

Contact Center	Service Leaders	Product Leaders	Sales Teams	Marketing
Performance by Center	Performance by Region	NPS by Product	Account Health	NPS by Segment
Agent Performance	Technician Performance	Experience Gaps	Journey Performance	Brand Attributes
Closed Loop Management	Closed Loop Management	Promoter Engagement	Reference Programs	Promoter Activation
Experience Gaps	Experience Gaps	Supportability	Revenue Risk	Competitive Performance

An Example: Product Leaders

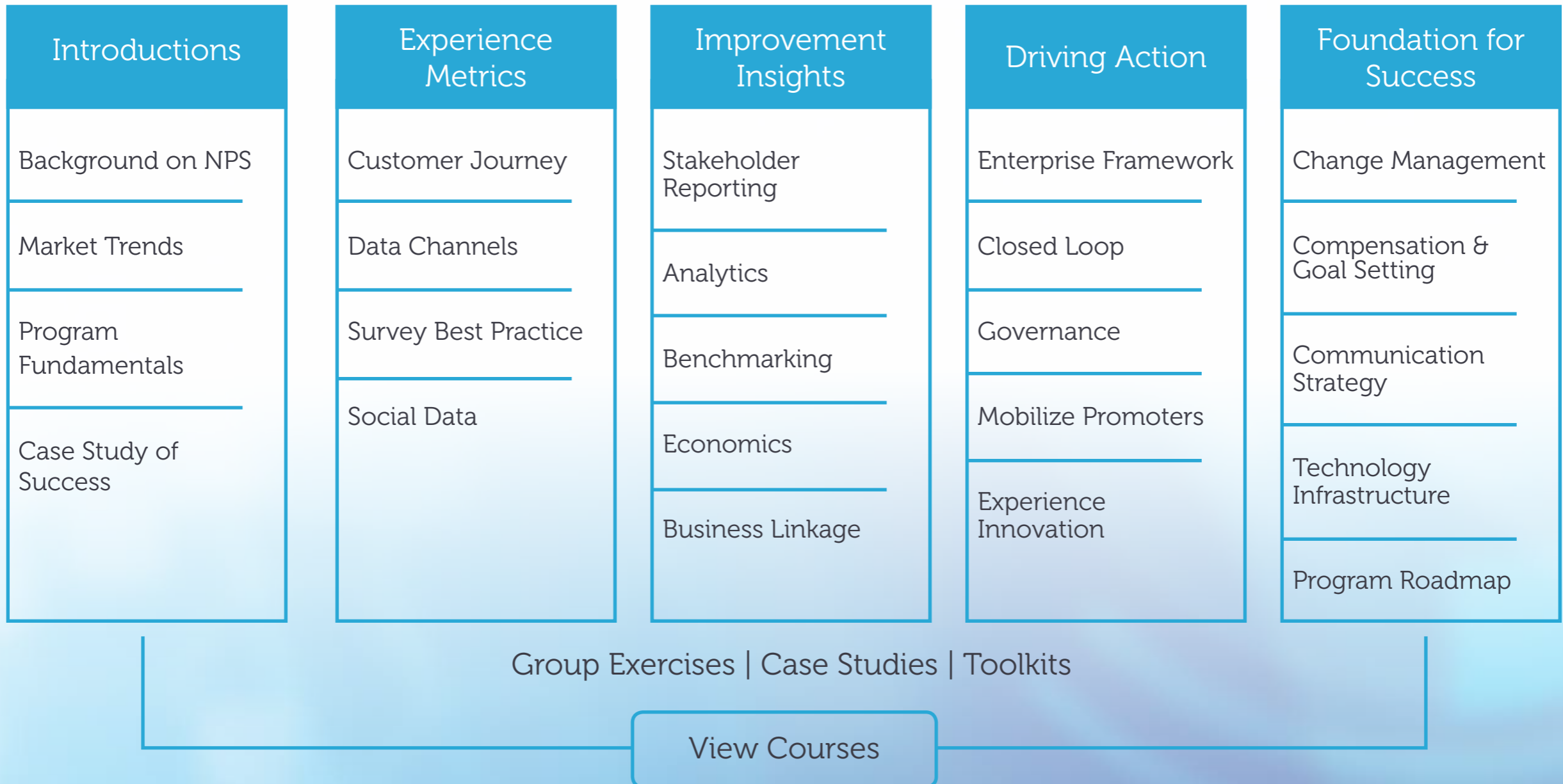
Let's take an example of an organization that can benefit from an in-depth understanding of customer feedback and data. As you think about delivering information to your product management leaders, consider how they might be using the information to guide their planning and decisions.

NPS by Product	Experience Gaps
How does NPS vary by product?	How does the brand NPS affect their ability to cross-sell their products?
Promoter Engagement	Supportability
How might Promoters get engaged to help with innovation and to guide the product direction?	How is the call center affected by the supportability of the products?

Always be thinking about how you can easily, continuously share insights from your customers across organizational boundaries.

Learn More

Ready to take your knowledge of NPS2 to the next level? Join us for an upcoming certification our course and join a community of customer experience experts. All our content has been updated to reflect the new NPS2 methodology. In two and half days, you'll cover these and other concepts in depth.



About Satmetrix

With more than a decade of practical experience and best practices research built-in to our products and services, Satmetrix delivers customer experience management success. Satmetrix not only helps organizations manage the customer experience, but also transforms the way they do it. Our software draws on more than a decade of practical, in-the-field experience helping companies build and deploy successful CEM programs, based on the proven, ground-breaking Net Promoter methodology that we co-created. Find out how we can help you take your customer experience management program to the next level.

Data

Our annual NPS benchmarks, drawing on 15 years of customer data and ongoing research on NPS best practices.

[Learn More](#)

Technology

Satmetrix helps companies to measure and manage the customer experiences that drive their business with the most complete, powerful, and user-friendly platform for CEM on the market today.

[Learn More](#)

Expertise

Our consultants have worked with over 1,500 global organizations, business units and leadership teams to move their customer experience programs forward.

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