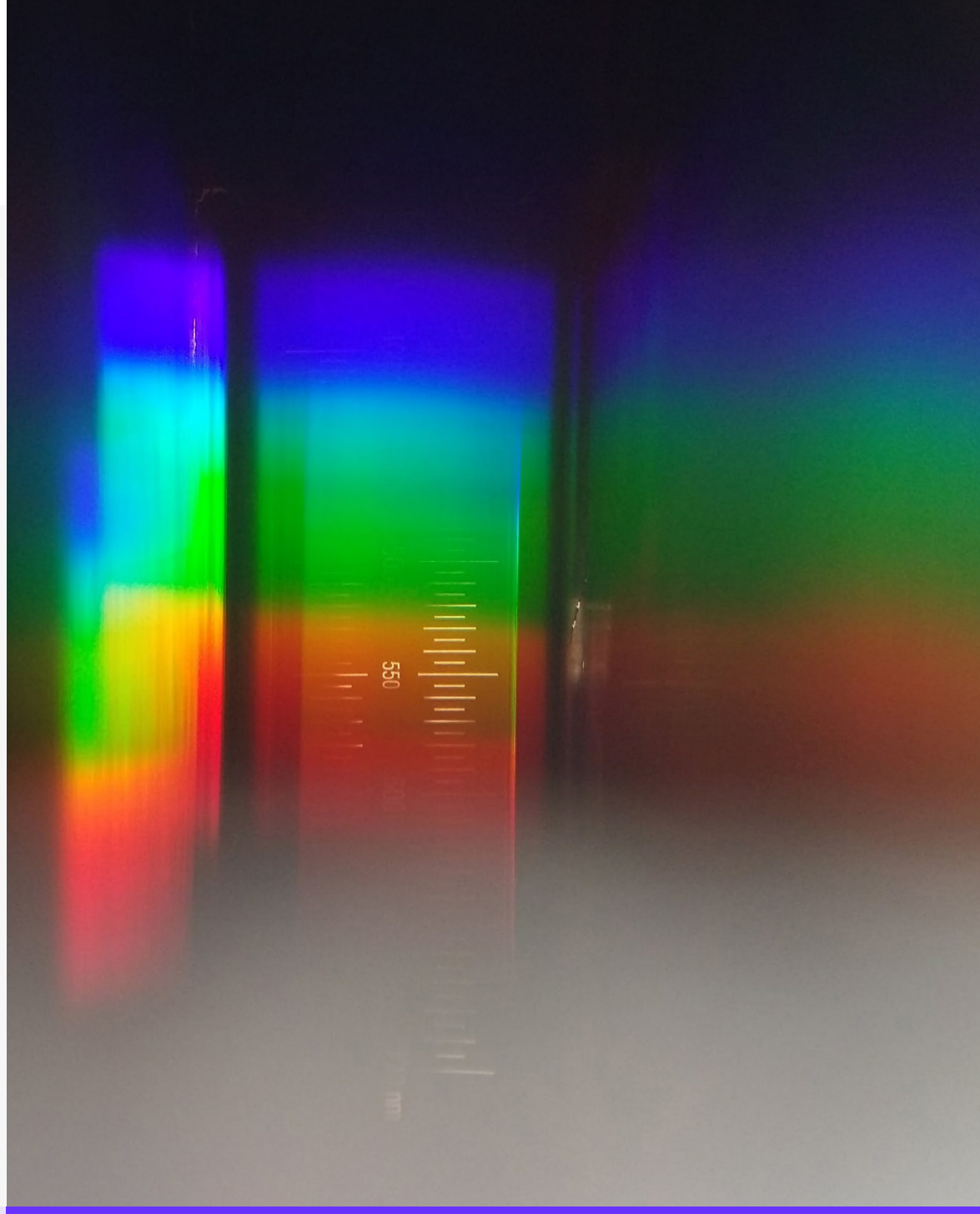


The Complete Guide to NPS Basics and Beyond

Use these demonstrated best practices to build
the right NPS foundation



- **Introduction and Caution** ₃

- **What's in This Guide** ₄

 - NPS Metrics and Scales ₅

 - NPS Customer Strategy ₁₃

 - NPS Data Collection ₁₈

 - NPS Survey Execution ₂₆

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- **Conclusion: Taking the Next Step** ₆₅

Introduction and Caution

Widely adopted, globally recognized, and time-tested, Net Promoter Score (NPS) holds pride of place when it comes to the measurement of customer experience performance. But how do you do it right? Our research shows that the vast majority of CX programs fail to deliver financial outcomes, so clearly a fair number of companies are getting things wrong.

We've compiled clear guidance for implementing basic best practices for NPS. Read on for demonstrated best practices in ten key areas.

A Word of Caution

The best practices here are necessary but not sufficient for the kind of modern, AI-driven NPS program that delivers irrefutable business outcomes. To reach that goal, you'll need a sophisticated, comprehensive strategy for synthesizing your customer and company data into always-evolving Net Promoter Scores for literally every customer. But if you follow these best practices, you'll have a solid starter program, ready to evolve into the program your C-suite is looking for.

If you are just getting starting with NPS, pause your planning and implementation until you've absorbed these best practices. If your existing program doesn't have these best practices in place, it's not too late to get your house in order.

Get to Know **Spectrum NPS**

Throughout this guide, we refer to Spectrum NPS. Our explanation of this groundbreaking transformation of NPS is in the Metrics and Scales section.

WHAT'S IN THIS GUIDE

40 NPS Best Practices in 9 Key Areas

We've organized our guidance on basic NPS best practices around nine key areas. At the beginning of each section, you'll see a note about how to go beyond basics in that area. We conclude with advice about next steps to take to kickstart your program leadership.

NPS METRICS AND SCALES

NPS ANALYTICS

NPS CUSTOMER STRATEGY

NPS REPORTING

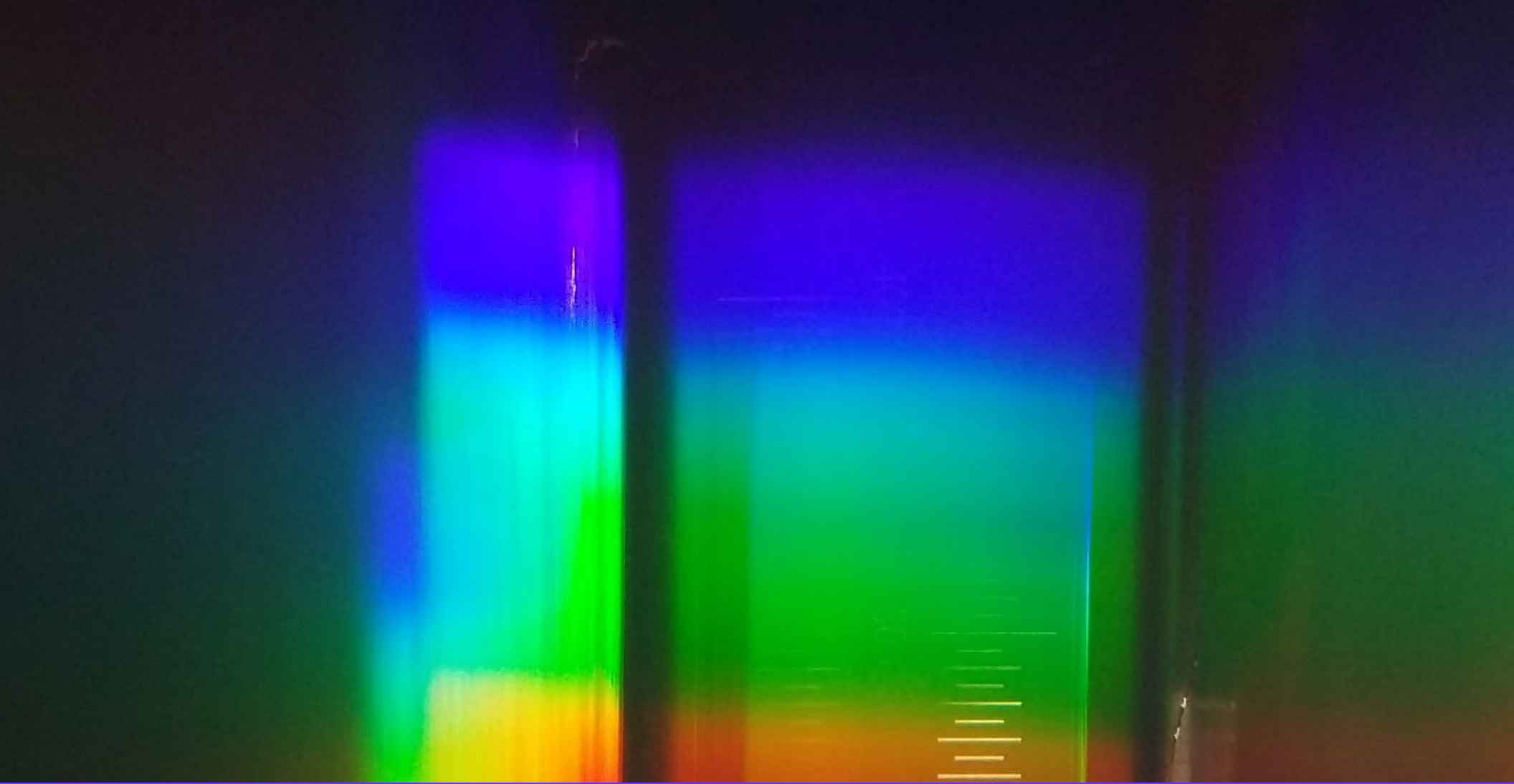
NPS DATA COLLECTION

NPS GOVERNANCE AND ACCOUNTABILITY

NPS SURVEY EXECUTION

NPS COMMUNICATION

TAKING ACTION WITH NPS DATA



NPS Metrics and Scales

NPS Metrics and Scales

Learn what makes NPS unique as a measure of customer experience and dive into details of how to get your attitudinal and other metrics right.

NPS DEFINED

RIGHT METRIC

SPECTRUM NPS

SCALES FOR NPS AND MORE

PRIMARY METRIC

OPERATIONAL KPIS

Beyond the Basics

Foundational NPS practices related to metrics look primarily at data you get when seek direct feedback from customers. It's limited by response rates – a problem that only gets worse over time – and response bias. Taking metrics to the next level means transforming robust, always-on streams of operational data into calibrated, AI-created scores, so that you have a personalized Net Promoter Score for every customer based on their ongoing interactions with your company.

What's So Special About the Net Promoter Score?

NPS is the brand measure of the total customer journey, the sum of all parts, encompassing both the rational and emotional aspects of loyalty over the life cycle of the relationship. NPS measures customer loyalty and should be used to assess the overall customer relationship.

It is important to keep in mind that NPS is a relative, not absolute, performance measure. What matters more than your actual score is the score relative to your company and your industry, as well as the direction of movement and the proportion of customers and in category.

NPS is based on responses to the Likelihood to Recommend question, "How likely is it that you would recommend <brand> to a <friend /family member/colleague>?" It uses an 11-point scale, with 0 at the low end. Avoid any prompts such as color coding the scale or explanatory verbiage about what the scores mean; doing so introduces bias. This is critical to maintain the integrity of the question. NPS validity allows for benchmarking both within your organization and within your industry.

The score is calculated by subtracting the percentage of Detractors from the percentage of Promoters. While Passives are not directly mentioned, they do play a role in the calculation as the more Passives there are, the percentage of Promoters and Detractors is impacted. Thus, the

Passive categorization is extremely valuable in setting customer strategy and focusing action.

$$\% \text{ of Promoters} - \% \text{ of Detractors} = \text{NPS}$$

At its core NPS is about separating customers into 3 categories that behave differently and deliver different economic outcomes. Research going back to the origins of NPS continues to validate the distinct behaviors of these 3 designations. The fact that these categories are directionally correct and are easy to understand drives employees at all level of the organization to take appropriate action and monitor shifts in status across the 3 categories, ultimately improving NPS.

Promoters (scores of 9-10) These are your most loyal customers. They are the most profitable, spending more and staying longer. Their cost to serve is low. The positive word of mouth spread by Promoters reduces acquisition costs and drives growth. They are open to partnering with you on innovation.

Passives (scores of 7-8) The risk represented by Passives is often overlooked. While not at immediate risk of churn, their ambivalent connection to your brand makes them highly susceptible to offers by your competition. They are very price conscious impacting profitability. Passives are unlikely to spread positive word of mouth so provide little value in acquisition efforts.

Key Takeaway

Net Promoter Score, NPS, is the most widely adopted, globally recognized, and time-tested measurement of customer experience performance, revealing loyalty and demonstrating proven links to behavior and financials. It is not the same as satisfaction.

Spectrum NPS: The Evolution Is Here

CX leaders are well aware of the limitations of survey data. It represents a small percentage of customers, is gathered only periodically, is strictly attitudinal in nature and often poorly structured due to less than optimal survey design.

Spectrum NPS is the future of NPS. It still classifies customers into 3 categories – Promoters, Passives and Detractors – that behave differently and have different economic outcomes. The advantage is that Spectrum NPS enables organizations to continually engineer outcomes that are more targeted and aligned with corporate objectives.

How does this happen? It's all in the underlying use of real-time operational data. Spectrum NPS programs continue to use attitudinal data collected by surveys, combining feedback with

attitudinal data with the operational data created by customer events and continually collected in various systems throughout the business.

Spectrum NPS analytics use machine learning to build continuous predictive Net Promoter Scores for 100% of your customers. This means business leaders have relevant NPS information in their hands on every customer all of the time. Because Spectrum NPS analytics uses operational data, customer attitudes can be directly traced to the various operating KPIs used by teams throughout the organization.

Spectrum NPS provides a superior measurement and creates real-time NPS programs that drive constant, targeted improvements.

Key Takeaway

Historically, Net Promoter Score has been derived solely from survey data, but this approach, called Survey NPS, is fundamentally limited. Forward-looking organizations build programs based on Spectrum NPS, a more powerful metric that includes operational data and relies on machine learning.

What Is a Primary Metric?

A primary metric is the key attitudinal measure for a given customer feedback survey. While the right primary metric may vary per feedback type, e.g. relational, transactional, only one primary metric should be used within a survey.

The primary metric for a survey should be asked as the first question, since in that way it gathers the most reliable, top of mind indicator of a respondent's overall experience without any bias from subsequent questions. This holds true whether it is measuring an end to end journey perspective (as with the Likelihood to Recommend question to determine the Net Promoter Score) or measures a specific interaction or experience (when another primary metric is more suitable).

The primary metric in feedback collection serves two key functions. First, it is the key indicator that the organization focuses on when looking at overall performance and performance by business unit, segment, or region. Second, it is foundational for both qualitative and quantitative analytics to enable prioritization of improvement initiatives and experience optimization.

For foundational CX programs especially, the primary metric is generally an attitudinal measure. More advanced programs enhance their insights by incorporating behavioral metrics in their analysis, such as repurchase or renewal, or a related operational metric such as on time delivery.

Key Takeaway

In a solid NPS program, the right primary metric may vary per feedback type. Only one primary metric should be used within a given survey.

How Do I Choose the Right Metric?

For feedback on the overall customer relationship, Net Promoter Score (NPS), is the best practice primary metric. It is the globally recognized, time tested measurement of loyalty with proven links to behavior and financials.

NPS is determined based on responses to the Likelihood to Recommend question which must be displayed on an 11-point, 0 - 10 scale with 0 on the left to eliminate a positive bias.

The Likelihood to Recommend question reads as follows:

“How likely is it that you would recommend <brand> to a <friend/family member/colleague>?”

In cases where a “real” likelihood to recommend is not applicable as customers are not in a position to recommend or the brand is not visible, a hypothetical scenario can be woven into the Likelihood to Recommend question. For example, government employees may be prohibited from recommending vendors, so the question could

read “If policy allowed, how likely is it that you would recommend <brand> to a <friend/family member/colleague>?”

While these principles for relational feedback hold true in a B2B scenario, there may be exceptions in a B2C scenario. For instance, when the transaction itself is the extent of the “relationship” with the brand, either Overall Satisfaction (OSAT) or Customer Effort Scores (CES) may be used just as it would be for transactional feedback collection as outlined below.

For transactional feedback collection, measuring the experience of a particular interaction, the best practice primary metrics are Overall Satisfaction (OSAT) and Customer Effort Score (CES).

The nature of the touchpoint interaction determines which is appropriate. OSAT is a more all-encompassing measure than effort and will fit a wider range of interactions than CES. CES is best at identifying process inefficiencies and is most often used in a call center/support center environment. We recommend OSAT to be on

either a 7-point or 5-point scale. CES, developed by CEB, the Corporate Executive Boards is on a 7-point scale.

The OSAT question reads as follows:

“Overall, how satisfied were you with your recent < specific interaction including date when possible> experience?”

The CES question reads as follows:

“To what extent do you agree or disagree with the following statement: <Company> made it easy for me to handle my issue.”

Using NPS to measure a specific transactional experience or event, even when adjusting the Likelihood to Recommend question specifically to the experience, has proven confusing to organizations as they have trouble distinguishing relational NPS with transactional NPS. For this reason, we do not recommend use of the Likelihood to Recommend question or the Net Promoter Score in transactional data collection.

Key Takeaway

Determining which primary metric should be used in a given survey depends on the type of feedback being collected, relational or transactional.

Are You Exercising Scale Discipline?

Consistency in the scale of customer survey questions is important, not only across your organization, but throughout a survey. Consistency in scales by feedback type, e.g. relational or transactional, across your organization enables comparable data analytics. Consistency in scale throughout a survey contributes to the overall ease of survey taking for the respondent, reducing the potential for survey frustration.

Greater granularity in analysis is valuable, particularly for predictive models. For that reason, we recommend standardizing on the 11-point (0 to 10) scale used in the Likelihood to Recommend question that forms the basis of the Net Promoter Score (NPS). Continuing to use the 11-point scale when you measure driver/attribute satisfaction in NPS relationship feedback makes analysis more reliable. That being said, the mode used for data collection, e.g. mobile app, may dictate the need for a more concise scale, either 7-point or 5-point for measuring driver/attribute satisfaction in a relationship survey.

When it comes to transactional or event feedback, in which the primary metric is likely to be satisfaction, simplicity is key. Satisfaction should be on either a 7-point (1-7 with 1 on the left) or a 5-point scale (1-5 with 1 on the left) / 5-star rating. Having a mid-point to anchor the scale is important, thus we discourage 6-point and 4-point scales. A 3-point scale is too limited in range

and hinders meaningful analytics. The trend to 5-star ratings via apps for consumer feedback is expected to continue. The use of smiley faces for customer experience ratings is problematic due to the need to have at least 5 options and interpretation of the 5 faces may vary widely by respondents.

Regardless of scale range, only the endpoints of scales should be labeled, providing clarity on high and low ends of the scale. Labeling of scale points beyond the end points introduces ambiguity and poses challenges in interpretation by the respondent. Another challenge with multiple labels is comparable translation. In general, numerical differences are easier for the respondent to understand. We discourage use of a “neutral” label in the middle of scales, and it should be noted that it was not used in the original research that established the value of Net Promoter Score.

The “not applicable” or NA option may be added as appropriate to Satisfaction or Agree/Disagree scales to give the respondent a way to indicate they are not in a position to give a rating for a specific experience or attribute.

Key Takeaway

Rating scales matter for NPS and other CX metrics. Consistency, scale range and scale labeling all impact the validity of responses and ultimately your ability to perform meaningful analytics.

Uncovering the Valuable CX Data Hidden Within Your Business

NPS, the industry dominant attitudinal metric, is the brand measure of the total customer journey, encompassing both the rational and emotional aspects of loyalty. Traditionally, companies have turned to survey responses about the drivers of satisfaction and to open-ended comments to help them understand the factors behind customer loyalty.

Relying solely on survey responses to understand the causes of loyalty presents a few challenges. For example, the data set will always be limited, and will always be limited to self-report, rather than observation. To overcome the challenges of survey-only data, we recommend combining your attitudinal data with operational data, which by nature is more objective and quantitative.

Here are the types of operational data you should work to include:

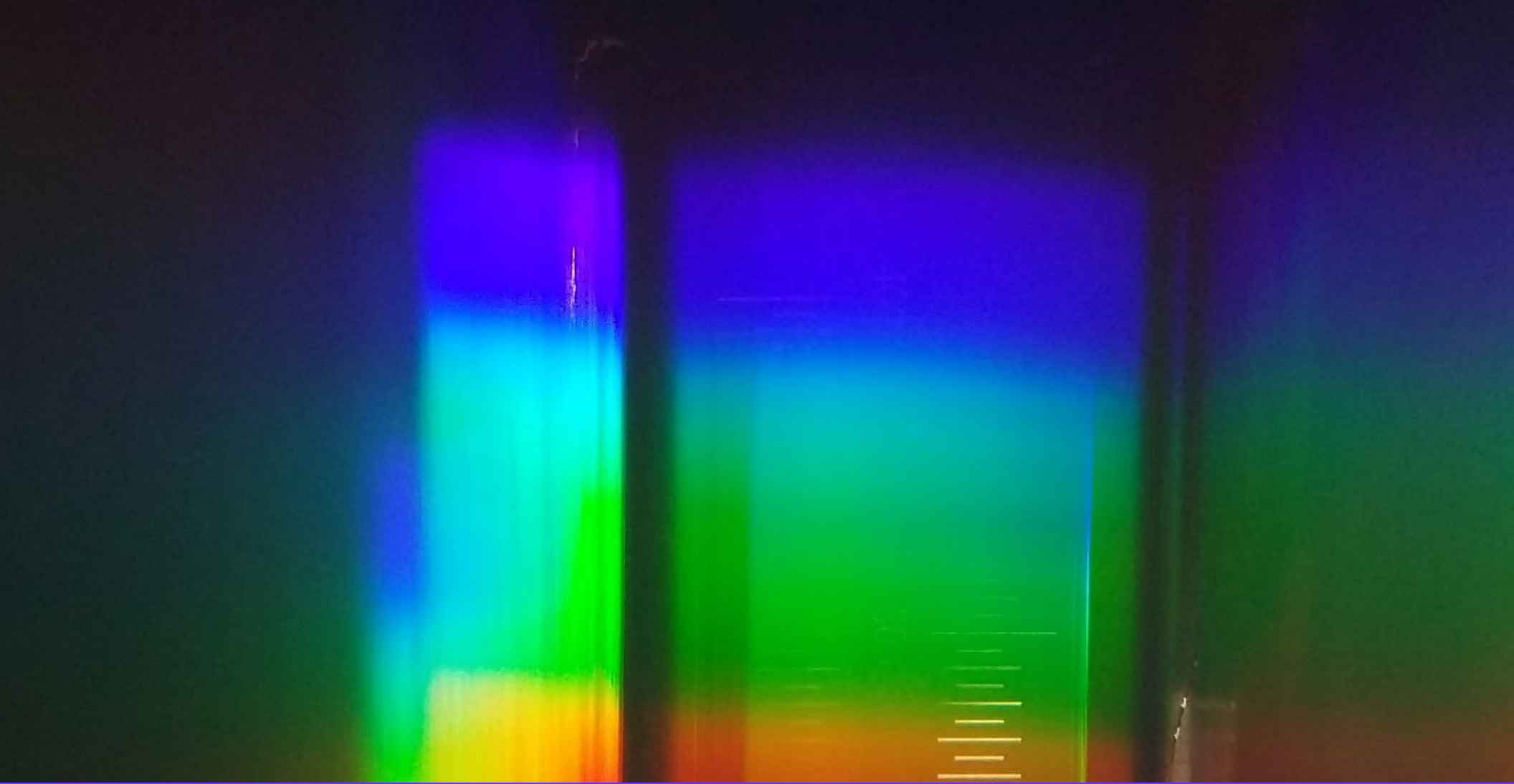
- **Customer Profile Data**
Demographics, contact details, psychographics, etc.
- **Customer Behavior Data**
Visits, clicks, views, events, actions taken
- **Customer Transactional Data**
Purchases, renewals, returns, licenses, etc.

- **Customer Engagement Data**
Usage, consumption, interactions etc.
- **Customer Service Activity Data**
Service calls, chats, web sessions
- **Operational Performance KPIs**
On-time delivery, first call resolution, uptime, etc.

To effectively combine operational data with survey data to create insights into customer behavior, you'll need analytics driven by machine learning. Algorithms use survey data to continuously calibrate your understanding of operational data, delivering reliably, predictive scores delivered by Spectrum NPS. Spectrum NPS produces complete, continuous insights connected to business operations and outcomes.

Key Takeaway

Operational metrics aligned with the customer journey and tied to NPS are a rich source of data that can deepen your insights on the customer experience and amplify the impact of your program. They are a key part of Spectrum NPS.



NPS Customer Strategy

NPS Customer Strategy

Thinking through your customer journey and profiles guides almost every aspect of your NPS program.

JOURNEY MAPPING

NPS PROGRAM SEGMENTATION

Beyond the Basics

These foundational NPS practices are critical for understanding and improving the customer experience. Your insights will be limited by your data. Taking your customer strategy to the next level means you'll need to radically expand the data you routinely analyze and include, going far beyond attitudinal data to operational metrics and data culled from customers' daily experiences and interactions.

Journeys That Lead to the Right Destination

While NPS is the sum of all experiences with your brand, early life, mid-life and endpoint touchpoints along the journey will have varying degrees of impact on Likelihood to Recommend, and therefore on the Net Promoter Score. Journeys are not always sequential, and sometimes go backwards and forwards, reflecting the various paths which a customer may take while moving along the journey. Yet it is still convenient to think in terms of a series of events.

The experiences with the greatest impact are called “moments of truth.” From the customer’s perspective, moments of truth are the key interactions that make or break their relationship with you, ultimately impacting their decision to stay or leave. If they go well a customer likely stays with you, if they go poorly a customer will be looking at competitive options. A common mistake we often see is that organizations think of moments of truth from the sales point of view, e.g. chose us as a vendor or renewed contract, rather than from your customer’s point of view.

Your data collection design should be reflective of your client’s journey from both the end to end experience perspective and the touchpoint perspective. Solicited customer feedback, along

with operational KPIs and financials, can then be layered over the journey to provide an even more powerful view of your client’s experience and contribute to predictive models.

A journey map is a living tool to be revisited and updated with a regular cadence involving customers and internal departments such as sales and operations. Your journey maps allow you to:

- Visualize the end-to-end experience from the customer’s point of view
- Understand how both touchpoint factors (such as processes) and cross-touchpoint factors (such as omni-channel or disparate systems) influence the experience
- Understand what the truly impactful experiences are
- Select the most effective mechanisms to capture data for specific touchpoints
- Determine the timing and frequency of gathering data
- Align functional area accountability
- Establish employee connections to the customer experience
- Underlay multiple data types and metrics to the journey

Journey Mapping Tips

- Use customer language, not internal language, e.g. use “select” or “purchase” rather than sales
- Think sequentially. What does the customer do right before each stage and right after each stage?
- Consider what the customer is trying to accomplish at each stage
- Consider the customer’s expectation at each stage based on your brand promise
- Identify the points of pain a customer might experience at each journey stage
- Identify the moments of truth along the journey – interactions that have high impact
- Document people, processes and systems that align with an individual touchpoint as well as across touchpoints
- Validate your journey maps with actual customers

Key Takeaway

NPS is an outcome of the entire customer journey defined through the lens of your customer, and different customer segments may value elements of their journeys in different ways.

★ Moment of truth

Early life

Mid-life

— **Endpoint** —

Customer Stages	Learning About ABC Co.	Vendor Evaluation	Contracting Process	Onboarding	Ordering	Product Availability	Delivery	Ongoing Product Use	Customer Service	Ongoing Account Mngt	Renewal Process
Customer pain points	Many product solutions and brands so hard to select which		Not easy Takes to long	Expectation gap	Too complicated		Wrong time	High maintenance	Don't understand issue	Don't understand our business	Discussions start to late
							Wrong place		Slow to fix	Not proactive	New needs not recognized
							Wrong Quantity				
Accountable function	Marketing/ Sales	Marketing/ Sales	Sales/Legal/ Finance	AM	Sales	Mfg/ Warehouse	Warehouse/ Transport	Product	Customer Service	Sales/ AM	Sales
Internal pain points	Large number of products, not clearly distinct	Reactionary	Agreements not standardized		Transition to online	Supply chain	Distribution network/ Legacy systems		Disparate levels of expertise		Learn of risks too late
Touchpoint interactions	Website	RFP content dev	Contract types	Onboarding plan	Rep		Date, determination and Comms	Maintenance guidelines		Quarterly business reviews	Rep/AM
	Rep visits	Sales presentations	MSA	Transition meetings	Online		Date change comms	Innovative solutions		Needs based solutions	CS
	Literature	Literature		Comms	Order desk		Order accuracy			Comms	
Metric: SAT			SAT	SAT	SAT	SAT	SAT	SAT	SAT	SAT	SAT
Metric: KPIs				Operational KPIs	Operational KPIs	Operational KPIs	Operational KPIs	Operational KPIs	Operational KPIs	Operational KPIs	Operational KPIs
Metric: KPIs	NPS measures the end to end journey experience and the brand relationship										
Financials	Revenue by segment; by NPS category (Promoter, Passive, Detractor); by account										

Who Is Your Customer? The Answer May Not Be Easy

Segmentation is grouping customers by attributes or behaviors that represent key distinctions. Understanding how a customer's experience varies by segment across their journey with you enables you to better target high value customers for journey optimization. The approach you take will vary depending on whether you are B2B or B2C or B2B2C.

In B2B, the individual is a part of an account. Segmentation by account means looking for mutually exclusive data clusters which will enhance your data analytics, e.g. region, revenue tier, tenure, products purchased. As you define your key segmentation categories, we recommend that you not only consider how you currently view data, but how you would like to see data in the future. Additionally, ask yourself if the category is a true differentiator.

Before we move on to B2C, be reminded that there are a couple of instances where you may benefit by applying the behavioral segmentation typically seen with consumers to the individuals who make up the account. A common example of this is identifying the influence level of individuals within the account, e.g. C-level stakeholder, senior manager, decision maker, influencer, end user. In the case of a software company with a high volume of users, defining profiles or personas may yield great insights.

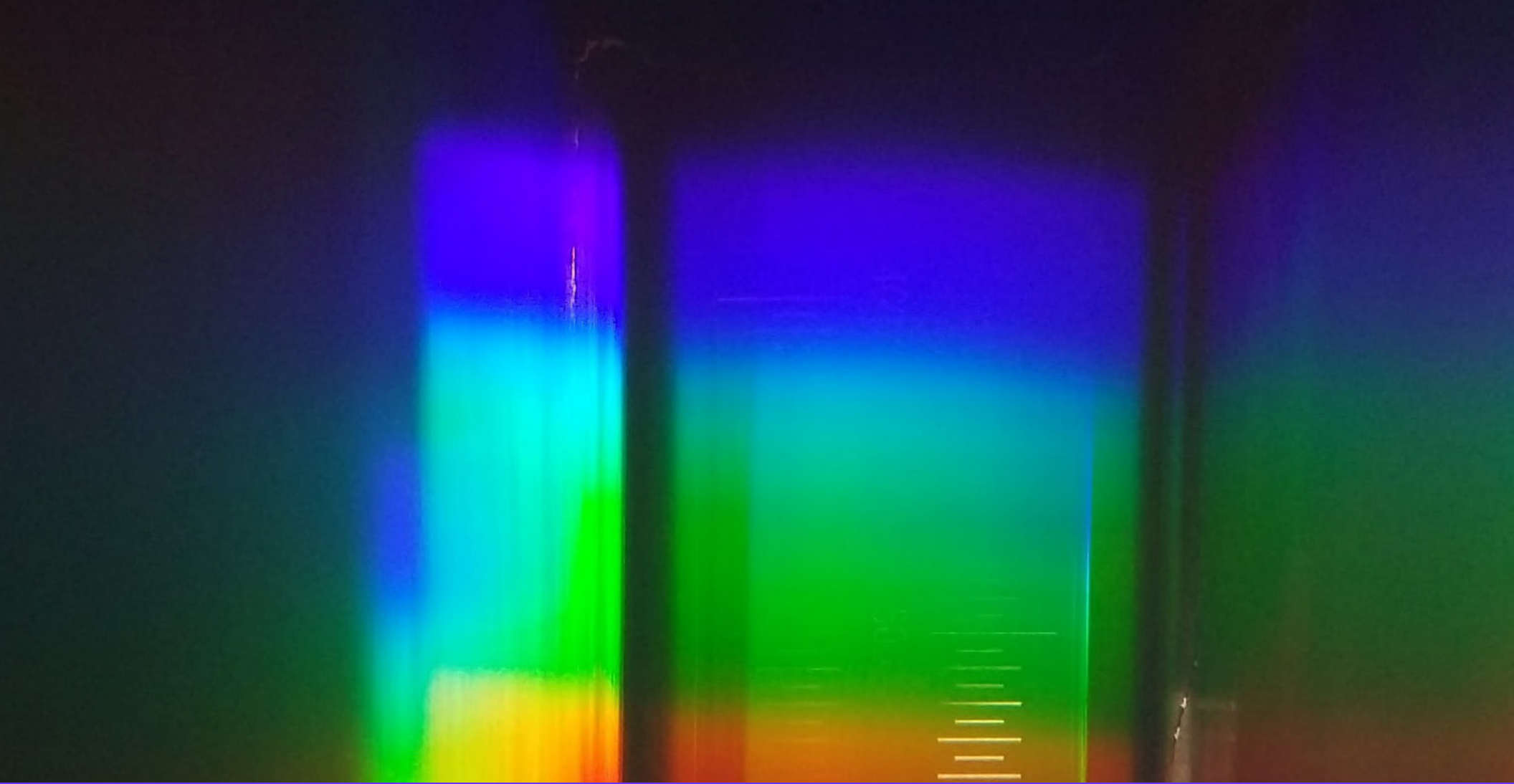
In B2C creating personas is a form of behavioral segmentation that works well as you are dealing with a large, homogenous universe. Personas are the human representation of a group of customers, a way of bringing a scenario to life using characters who typify a particular customer group. When thinking about customer journeys it can be helpful to look at what the journey with an insurance company would look like for John, who is 46, married with two children, technically savvy, enjoys cycling and eats healthy. Keep in mind that personas can overlap segmentation as outlined earlier, for instance customers in segment A can be like John or Mary another persona.

You may be asking; how do we define who is our customer in B2B2C. We recommend that you consider it to be the business, your economic buyer while keeping in mind the importance of the consumer experience and how it impacts your business customer.

Ultimately, we encourage you to think of segmentation as a tool to help develop your customer strategy. Which customers are the best targets for experience optimization to deliver financial and competitive gain for your business.

Key Takeaway

Starting your NPS program by asking yourself who your customer is may seem like an oversimplification, but answers within an organization often vary widely. Accurate customer segmentation delivers great value.



NPS Data Collection

NPS Data Collection

Knowing the types of data available is a first step. After an overview of types, we focus on best practices for collecting attitudinal data through direct feedback from customers.

DATA TYPES

SURVEY FREQUENCY

SURVEY FORMAT AND LENGTH

Beyond the Basics

Far too many programs stop at the foundational step of collecting NPS scores through surveys. Even those programs that follow the demonstrated best practices in this guide by building out additional sources of attitudinal data usually stop before they take the transformative step of including operational data, which is a critical building block for predictive scoring. A complete, connected, and continuous set of data is a prerequisite for predictive scoring and a visionary NPS program.

Is Your NPS Data Collection Aligned with Your Customer Journey?

Traditionally, gathering survey feedback has been the sole approach to understanding customer experience. We now know that survey data alone is inadequate to deliver the business outcomes you seek. A combination of data types is necessary to provide a holistic picture of loyalty, enabling models predictive of behaviors and financials. There are four categories of data to be organized along the customer journey.

Relationship Data

Traditionally surveys have been the sole approach to gathering relational feedback. Relationship surveys measure the customer's end-to-end journey experience with your brand or organization. This series of events, some very important and some not so important, shape a customer's perception of the entire relationship. Relationship data enables touchpoint prioritization and journey optimization. Additionally, relationship feedback maps the path of Promoters, Passives and Detractors, enhancing your ability to develop winning customer strategies. The relationship survey format needs to be robust enough to cover Likelihood to Recommend, journey stage

experiences, brand reputation drivers and open comments while being concise and relevant to the respondent.

Transactional Data

Transactional surveys provide a real time flow of feedback data on a specific interaction or event. Transactional feedback enables quick service recovery and bottom-up root cause learnings that direct touchpoint optimization. Improvements made can be tested and monitored. However, we do not recommend a transactional survey for every touchpoint along the customer journey as improving the experience of a particular touchpoint may not improve business outcomes. Analysis of the relative impact of a particular touchpoint on NPS informs where to implement transactional feedback measures. The survey format for transactional feedback needs to be short and focused solely on a specific experience.

Operational Data

Operational KPIs aligned with high-impact journey touchpoints are essential elements in building a data architecture to support decision making,

including the establishment of minimum performance thresholds by segment/channel. When thinking about KPIs, keep in mind the distinction between internally focused KPIs and customer focused KPIs. Delivery for instance is often a key touchpoint. You may have an internal KPI to track delivery time which measures time from order getting to warehouse to shipment leaving warehouse. However, the only KPIs that may matter from the customer perspective is the time from placing the order to delivery.

Financial Data

Financials are an extremely rich source of data, offering multiple opportunities to engineer desired outcomes for your business. Layering revenue over various customer journeys, e.g. journey by segment, journey by NPS category, journey by account, sharpens your ability to make changes in areas that will deliver the greatest impact on revenue growth and competitive position.

All four data types, when properly calibrated, are the underpinnings of predictive modeling.

Key Takeaway

Looking at NPS and the customer experience with a journey view is essential to understanding the types of data you need to gather.

How Fresh Is Your Data?

At a certain point NPS and other customer experience data reaches its expiration date. It has lost its value in terms of relevance and the opportunity to act upon. A challenge for CX programs is ensuring the customer data disseminated to your organization is as fresh as possible.

When it comes to relationship feedback, sending surveys once or twice a year in “waves” is no longer adequate in terms of frequency. It also gives the impression to your employees that attention to NPS is only required once or twice a year, rather than an ongoing engagement with customers integrated into business operations. We recommend a “waveless” approach with surveys going out on a continual basis. It should be noted that this can be easily accomplished without impacting survey toxicity rules, which should remain in effect.

Where continuous surveying is not feasible, we have seen a batched approach work well. A subscription-based software company for example can use account batching with survey timing based on renewal date. The advantage is that feedback is available to account stakeholders 6 months in advance of renewal date. This gives teams time to intervene with at risk accounts in time to “save” the renewal. We recommend having your survey tool integrated with your CRM to seamlessly automate survey timing based on renewal date.

On the next page is an example from a software company who chose survey outcast 9 months in advance of renewal to provide sales teams with key information to guide their renewal strategies.

For transactional feedback there are two approaches to keep data flowing. Better in terms of real time feedback is the Always On option. This could be via a mobile app or a kiosk always ready to receive your customer’s feedback in the moment they are experiencing your product or service. The other is a triggered invitation to provide feedback at the conclusion of an event or interaction. The delivery mechanism could be text or email, keeping in mind that it needs to be sent soon after the event so the experience is still fresh in the customer’s memory.

The optimal scenario for fresh data is the Spectrum AI model where machine learning is applied to multiple attitudinal and operational data inputs to continuously deliver the most powerful CX metric, Spectrum NPS.

Key Takeaway

Data on NPS and customer attitudes is like fruit. It goes bad very quickly. Business today moves so rapidly that what was once considered acceptable in terms of data frequency is no longer adequate.



SURVEY FREQUENCY

How Fresh Is Your Data?

EXAMPLE

Q1 2020	Q2 2020	Q3 2020	Q4 2020
Oct Nov Dec 2020 Renewals	Jan Feb March 2021 Renewals	April May June 2021 Renewals	July Aug Sept 2021 Renewals

What Does a Good Survey Look Like?

Relationship surveys need to collect data about both key touchpoints along the customer journey and brand expectations, in addition to the overall relationship. Transactional surveys need to be focused on a few topics that are relevant to the specific experience or event.

Both relational and transactional formats need to begin with the appropriate primary metric and continue with a combination of open ended and driver questions to maximize both quantitative and qualitative analytics.

Regardless of feedback type, question flow needs to be smooth and logical, beginning with broad, top of mind feedback and continuing to specifics. Great questions lead to great responses which lead to great analytics.

Here are a few other considerations in crafting your survey questions:

- Relevance of questions by segment and role
- Clarity of language
- Globally appropriate native language
- Avoid question redundancy
- Avoid asking what you should already know about your customer

- Avoid asking about more than one thing in a driver question
- Consider how well questions enable analytics
- Consider whether questions address areas you are actually capable of taking action on
- Survey length should be measured in minutes to complete.

When considering survey length, keep in mind that business clients have a lot invested in you and are willing to spend more time providing feedback than consumers. In a B2B scenario we recommend a relationship survey should be able to be completed in 5 minutes or less. For a B2B transactional survey, 3 minutes or less. For consumer relationship surveys respondents should be able to complete in 3 minutes or less. For consumer transactional surveys, completion should be possible in 1 minute.

Key Takeaway

Successful survey-based feedback collection for NPS programs is a balancing act between your need to gather adequate, actionable feedback and your audience's desire to easily and efficiently provide feedback.

Relationship Feedback Format

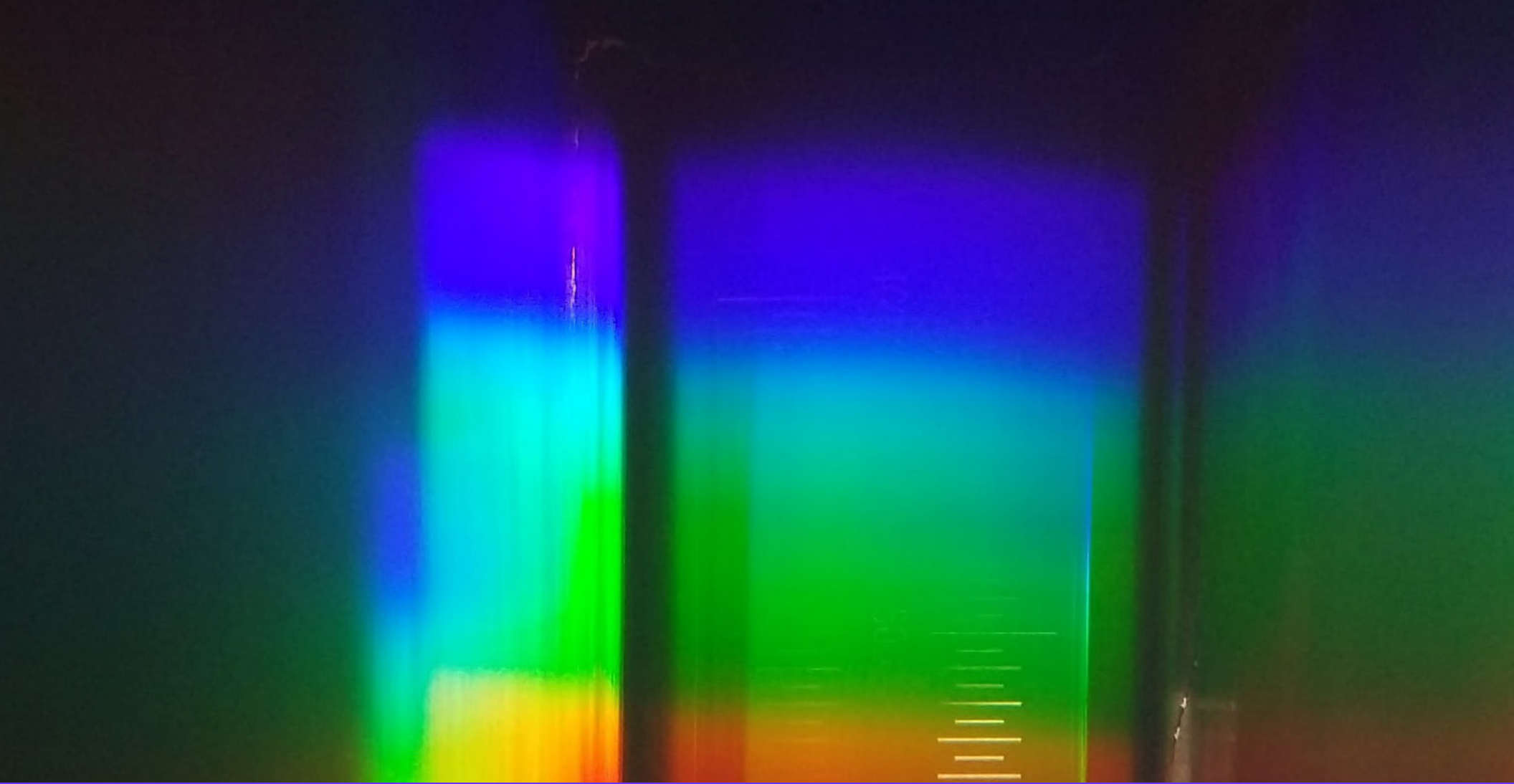
EXAMPLE

Question Type	Question	Analysis Enabled
Primary Metric	NPS – Likelihood to Recommend Brand	Overall Performance
Comment Question	Reason for Likelihood to Recommend Score	Qualitative Insights
Key Drivers	Journey Stage Performance Drivers (rational drivers of NPS) Business Value/Brand Promise-related Drivers (emotional drivers of NPS)	Quantitative Insights
Comment Question Options	What do we do well? What is the one improvement would you like to see us make?	Qualitative Insights

Transactional Feedback Format

EXAMPLE

Question Type	Question	Analysis Enabled
Primary Metric	OSAT – Overall Satisfaction with the Specific Experience	Overall Performance
Comment Question	Reason for Score	Qualitative Insights
Key Drivers	Performance Drivers assessing service, people, process, or systems	Quantitative Analysis
Comment Question Options	What did we do well? What could we do better?	Qualitative Insights



NPS Survey Execution

NPS Survey Execution

For any customer experience program, attitudinal data collected through direct customer feedback is foundational. Getting it right sets you up for moving on to a more comprehensive program.

DATA QUALITY STANDARDS

SURVEY TOXICITY

IMPROVING B2B RESPONSE RATES

INCENTIVES FOR NPS SURVEY PARTICIPATION

Beyond the Basics

Customer feedback has standalone value, of course, but for visionary NPS programs, the deeper value comes from its utility for calibrating an AI-driven understanding of the customer experience. Treat your feedback execution as a critical element for building your complete data set, but don't make the mistake of stopping once you have data from direct customer feedback.

Great NPS Surveys, Poor Data: What Went Wrong?

The time to be thinking about NPS survey data quality is before your surveys are live. Here is our checklist for monitoring data quality.

- **NPS Validity** The validity of your survey-based Net Promoter Scores is based on an accurate implementation of the recommend question and correct calculation of the score. Likelihood to Recommend needs to be the first question presented; the scale needs to be an 11-point, 0-10 scale; 0 is on the left to avoid a positive bias. Correct NPS calculation is as follows: % of Promoters minus % of Detractors; presuming a category for non-respondents in order to include them in the calculation should never be done and invalidates your score.
- **Timeliness of Data Capture** Data should be measured at the appropriate point in the customer journey, which for relationship data collection means the respondent has actually experienced the full journey. Additionally, make sure no major inaccuracies or biases are introduced due to timing choices, e.g. sending a relationship survey right before a

planned price increase in the hopes of receiving a better score.

- **Comparable Data Sets** Period to period comparisons should be based on substantially comparable data sets as much as possible.
- **Representative Respondents** Respondent profiles and quantities need to accurately reflect the underlying business and likely linkage to overall financial performance. Response needs to be of sufficient level, though not necessarily statistically significant, to create confidence in scores. While statistical significance is not required, a reasonable threshold for participation needs to be set by segment and region.

When it comes to determining the right mode for feedback collection, it's about striking the right balance across several factors such as cost, potential for bias, type of feedback being requested and audience preference. Some modes such as phone interviews are costly, susceptible to bias and inefficient for most audiences. Email on the other hand is inexpensive and without bias, but

not appropriate for in the moment transactional feedback or relationship feedback for certain audiences. Digital mechanisms are recommended, and we expect the trend towards the use of mobile apps, kiosks and tablets to continue due to low cost, lack of bias and ease for respondents.

Ideally one mode which enables ease of outreach on your end and ease of response by your customers is feasible. Should you find a need to employ multiple modes to achieve a representative sample, it is critical that the survey questions and scales are consistent regardless of mode.

The question then becomes whether or not to weight results by mode. For business customers, where volume is generally low, we do not recommend weighting by mode for simplicity's sake. However, in the case of consumers, where volumes are high, we recommend weighting by mode to normalize data within segments or regions if there is a material mix of modes. Note that this recommendation assumes adequate sample size with no other difference in the sample composition, and a statistically significant difference in scores.

Key Takeaway

A great NPS survey design is of little value if feedback collection is not properly executed. Establish protocols for data quality and modes for collection to ensure your organization will have the necessary level of confidence to direct decision making.

How Soon Is Too Soon?

Survey toxicity is most likely to occur in B2B where the universe of contacts is more limited than in B2C. A lack of protocol typically results in decreasing response rates. Fortunately, most survey tools can automate the survey send rules you put in place.

We recommend the following:

- An individual should not be sent a relationship survey more frequently than every 6 months.
- An individual should not be sent a triggered transactional survey more frequently than every 90 days.
- The frequency of always-on transactional feedback is self-controlled by the customer
- Should a relationship and transactional survey overlap, priority should be given to the relationship survey outreach.

Remember, the way you survey customers is part of the customer experience. Demonstrate your respect for customers by carefully considering the amount of time you ask them to spend providing feedback.

Key Takeaway

In any NPS program, reaching out to an individual contact too frequently can result in survey fatigue. Rules to avoid what is often called survey toxicity are crucial to maintaining the ongoing nature of your dialog with customers.

Demonstrate Your Commitment to Action to Boost Responses

B2B NPS survey processes differ somewhat from B2C and higher response rates are common. We believe that response rates above 40% are achievable and are likely to provide highly reliable results.

First, let's consider your very largest customers. If, for example, you are in the situation where 40 customers provide half your revenue, it is realistic to target a 100% response rate. We recommend getting several decision-makers and influencers to provide answers in each large account. Having an executive sponsor on the customer side can help in two ways: First, the sponsor can encourage his or her colleagues to participate. Second, committing to provide the sponsor with results and an improvement plan can motivate your own colleagues to complete the work.

Here are some techniques we have found particularly useful for improving response rates for survey invitations sent by email:

- Prior to sending relationship surveys to your clients, it's effective for the account owner to outreach personally, reinforcing the mission of your program, the value of candid feedback and improvements already made. We've seen that arming account owners with talking points works well and eliminates the introduction of bias, such as discussion of what the score means or asking for a specific score.
- Embed the initial rating question in the outbound email. Research by our own team members and third parties suggests that this improves response rates by a factor of 2.5x to 3x. Clicking on the rating number should take the respondent to a web page with the remaining questions. When that page opens, the rating should already be filled in.
- Make the invitation as personal as possible. At its most basic, this means starting with 'Dear Mary' and not 'Dear Customer,' bearing in mind that using first names only is not acceptable in some cultures.
- Remind people of the improvements you drove using the last survey results and promise to make the same effort again this time.
- Use what behavioral economists call "nudge" techniques with your reminder email, suggesting that responses are commonly given. For example: "We have already received over two hundred improvement suggestions from other logistics professionals. Please add your voice to theirs so we can make the improvements that really matter to you."
- Work on the quality of your contact list. If a person never answers, ask them why or remove them from the list. Another sign of a poor list is a bounce rate over 5%.
- Finally, establishing protocols for spacing surveys sent to an individual contact can go a long way in avoiding survey fatigue amongst your customer base resulting in better participation levels.

Key Takeaway

To improve B2B NPS survey response rates in the medium term, demonstrate that you act on the input. In the short term, direct marketing and other techniques have been shown to help.

Your Business Model Should Guide Survey Incentives

The familiar principle “First Do No Harm” should be applied when it comes to offering incentives to customers to participate in your NPS surveys, or other customer feedback surveys. Will customers be offended? Will incentives skew your results? Could the time, effort and cost involved be better directed elsewhere? The answer often varies depending on business type.

Regardless of business model, keep in mind:

- Incentives of any kind introduce bias.
- Some incentives are more likely to offend than others.
- The resources required to run an incentive program can be significant.

In a B2B model, the use of incentives to encourage survey participation by your customers should be unnecessary. Respondents understand that your VOC program is an ongoing dialog, with you listening and making continuous improvements based on what customers say. There is a clear benefit to participation. When this perception of mutual benefit is lacking, you may feel offering an incentive is the best short-term option.

Keep in mind however that many of your contacts in a B2B context are not allowed to accept anything that might be considered a gift. Even

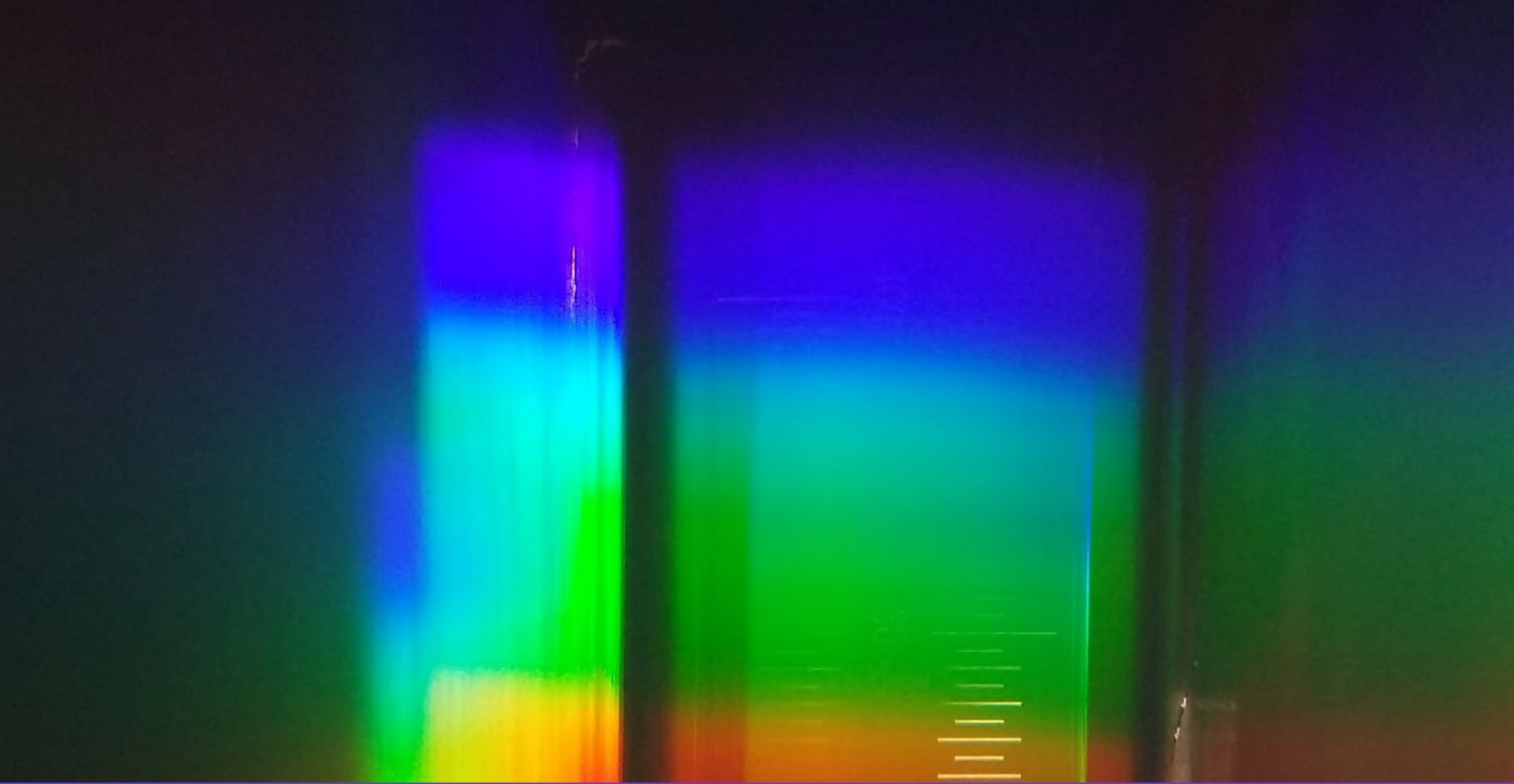
where that is not the case, the idea of any kind of monetary offering is likely to offend especially at the senior management level. We recommend a commitment of a charitable contribution as the preferred motivator for B2B customers.

Encouraging consumers in a B2C model to participate in surveys is more challenging. Again, a self-benefit is the best motivator. That being said, consumer response rates tend to be low and you may struggle to achieve adequate response without some kind of incentive.

Your choice of incentive should be guided by both the demographics of your audience and the value of the product or service you provide. For instance, a \$5 coupon offered to a college student purchasing coffee at the campus Starbucks makes sense. For higher value products or services, a sweepstakes offer is a better option. Technology prizes such as tablets have been shown to be particularly enticing.

Key Takeaway

NPS survey response incentives are controversial. We offer context to help you decide what's right for you and your customers.



Taking Action with NPS Data

Taking Action with NPS Data

Data without action is a waste of everyone's time.
Think through what you'll do with the insights you
gain.

CLOSING THE LOOP

ACTION PLANNING

MOTIVATING EMPLOYEES TO ACT

Beyond the Basics

A strong program based on these fundamental NPS best practices will have robust follow up and clear plans for acting on insights, but your follow up and actions are only as good as the data set you have. Plan now to take your program to the next level by expanding your data set so that you have reliable insight on the complete customer base. For that, you'll need predictive scoring, or Spectrum NPS.

NPS Closed Loop Keeps the Dialog Open

The concept behind NPS programs is a simple one: Customers speak... the business listens... the business acts. It's critical that customers understand that you are listening and taking action.

The first level of taking action on NPS feedback (or other survey responses) is "closing the loop," which means getting back to customers in response to their feedback. Doing so gives you a chance to learn more, solve problems, prevent bad outcomes, and demonstrate your good faith.

We encourage you to think about your closed loop strategy in terms of opportunities:

- **To recover** customers at risk of churning
- **To mitigate** risk of negative word of mouth
- **To grow** through identifying additional sales opportunities
- **To leverage and build** relationships; to identify advocates for your brand
- **To compete** through a consistent, robust process that distinguishes you from your competition
- **To evolve** as an organization where closed loop learnings feed into improvements across teams, processes and systems.

The most successful programs we see exercise what we call 100% closed loop, meaning they follow up with all respondents. Of course, different kinds of conversations are needed with different customers.

Design your process to be specific to the survey and the type of response. Be sure to provide training to those responsible for following up with customers. Most survey tools have the capability to automate a closed loop alert which notifies a pre-determined designated person that a response has been received from a customer that requires a follow up.

Build the following components into your closed loop process:

- Definition of alert type, e.g. an NPS of 0-6 indicating a Detractor
- Designated owner: For relationship survey follow up this would ideally be someone who is familiar to the customer and has an ownership stake in the relationship; for transactional follow up someone familiar with the department, e.g. support, delivery, is appropriate. A dispatch method of dispersing alerts can also be effective if a designated owner is not feasible in your organization.
- Additional individuals who should receive a notification; an FYI that the response has come in, but no action is required of them.
- Expected time frame for follow up to occur
- Method of follow up

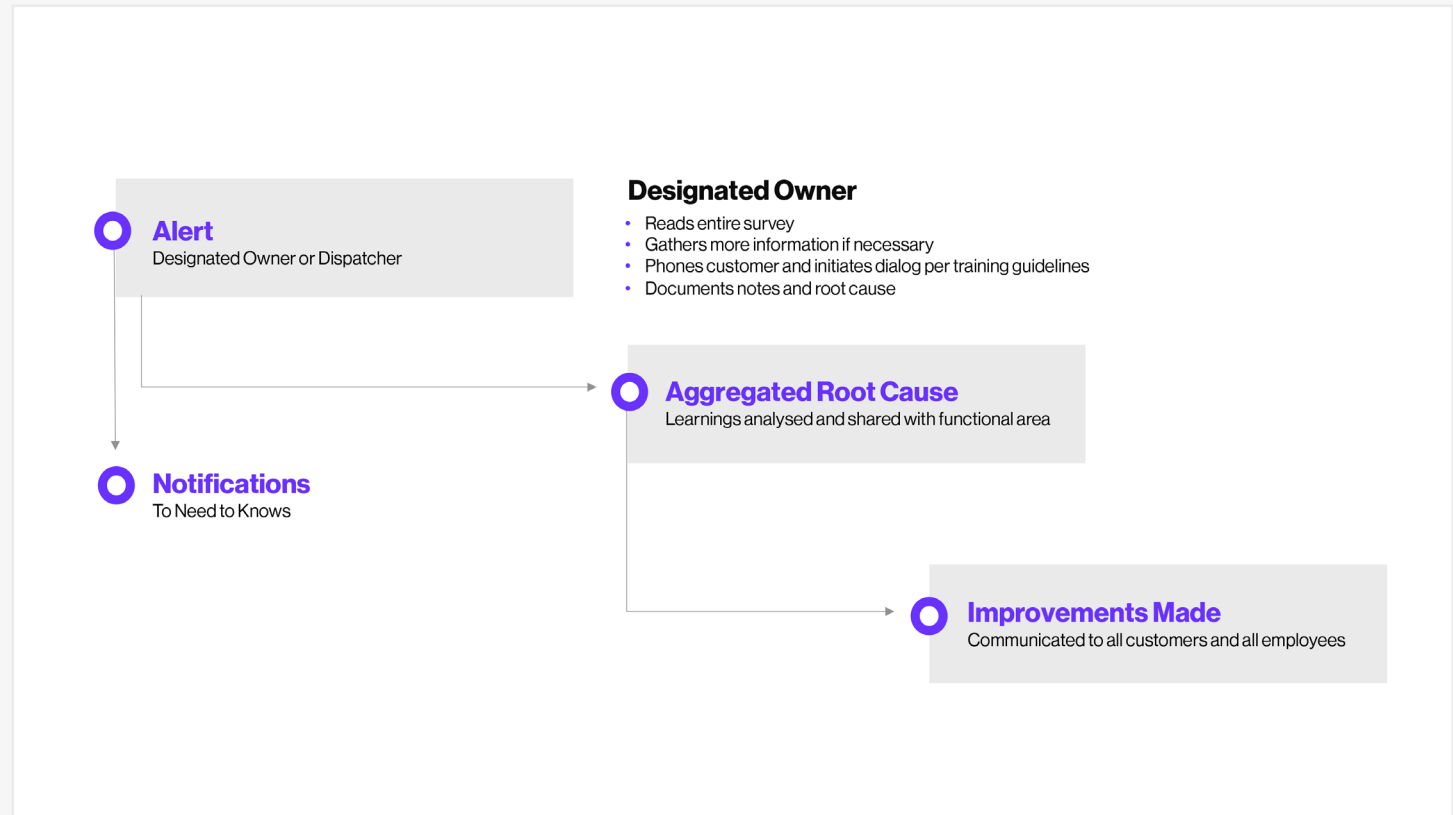
- Documentation required
- Process oversight owner

Train those responding to customer feedback to consider the type of feedback received. For example, for responses to Detractors (on an NPS survey) or those with negative experiences, the focus should be on what went wrong and how you can fix and/or avoid a reoccurrence. In speaking with Passives or mildly negative respondents, spend time reviewing comments, particularly around suggested improvements. Ask open ended questions. Remember that even Promoters and Passives may have some areas of low satisfaction by attribute which you need to better understand.

Conversations with Promoters or those with positive feedback are a great opportunity to strengthen relationships and leverage those relationships to secure testimonials and references. As Promoters can be a great source of ideas for innovation and testing, consider extending them an invitation to join an advisory group.

Closed Loop Workflow

EXAMPLE



Key Takeaway

The NPS closed loop offers an important way to improve the customer relationship and encourage ongoing feedback. It should encompass all types of customer feedback, not just NPS responses.

NPS Action Planning for the Greatest Impact

NPS planning lets you prioritize the business performance issues that impact a large number of customers or a key customer segment. It allows you to go beyond the individually focused work of closing the loop. It is no easy task and where many programs stagnate.

Get your program over the hump by organizing your thinking about what action planning should look like for your business and structuring teams based on areas of expertise, skills and sense of collaboration is a good starting point.

When it comes to functional area and cross functional action planning, we've seen organizations where Lean Six Sigma and Kaizen are part of the culture adapt those processes quite well to addressing customer experience improvements. However, that level of sophistication is not required to be successful in action planning.

Here is a simple way to approach action planning:

- Clearly state the action item
- Objective
- Document the background: Why was this action item chosen? What are the analytics supporting impact of this on NPS or OSAT?
- Business Impact: Provide economic impact
- Obstacles: Document obstacles to successful execution of improvements
- Objective: Goal or target
- Project Plan: Task list or Gantt Chart
- Result

Creating clear processes is the link that translates data insights into action. It's the difference we see between programs that merely collect data and programs that deliver real change and the resulting financial gains.

Key Takeaway

NPS action planning takes longer than closing the loop, but it also offers greater impact on the business because it lets you address needed functional and cross functional actions.

NPS Action Planning for the Greatest Impact

EXAMPLE

Action Level	Objective	Process	Timing	Teams	Skills Required
First Level	<ul style="list-style-type: none"> Recover Grow Leverage Compete Learn & Evolve 	Closed Loop on Individual Feedback	Immediate	Designated Owner of Relationship or Touchpoint	Education & Training: <ul style="list-style-type: none"> Value of Closed Loop Conversation Starters Root Cause Identification
Mid-Level	Touchpoint Optimization	Operational Improvements: <ul style="list-style-type: none"> Identification Prioritization Implementation 	Quarterly	Functional Area Planning Team	Business Process Improvement Training Root Cause Analysis Feasibility & Impact
High Level	Journey Optimization	Strategic Initiatives: <ul style="list-style-type: none"> Prioritization Resourcing Execution Planning Implementation 	Quarterly or Semi-Annually	Cross Functional Planning Team	Group Facilitation Business Process Improvement Training Root Cause Analysis Feasibility & Impact

Who's to Blame When Employees Don't Take Action on NPS?

The magic formula for getting your employees to act on NPS data is making the behavior both easy to do and something they are motivated to do. Making something easy to do requires two things: process and training. Without prescribed processes, supported through training, inertia takes hold. In such scenarios we often hear comments like, "I'd like to help with improving the customer experience, but I don't know what to do."

Yet clear process alone isn't enough because it doesn't create motivation. People need to understand the why, the value of the exercise, the impact of what they are doing. Only then will they be motivated to carry out the processes you have laid out for them. Sharing examples of "wins" from taking action is a great motivator. Some examples: The follow up with a client whose needs were not being met revealed an opportunity for an upsell to a better solution; The decision maker for a large software contract was hearing repeated usability complaints from the users and root cause inves-

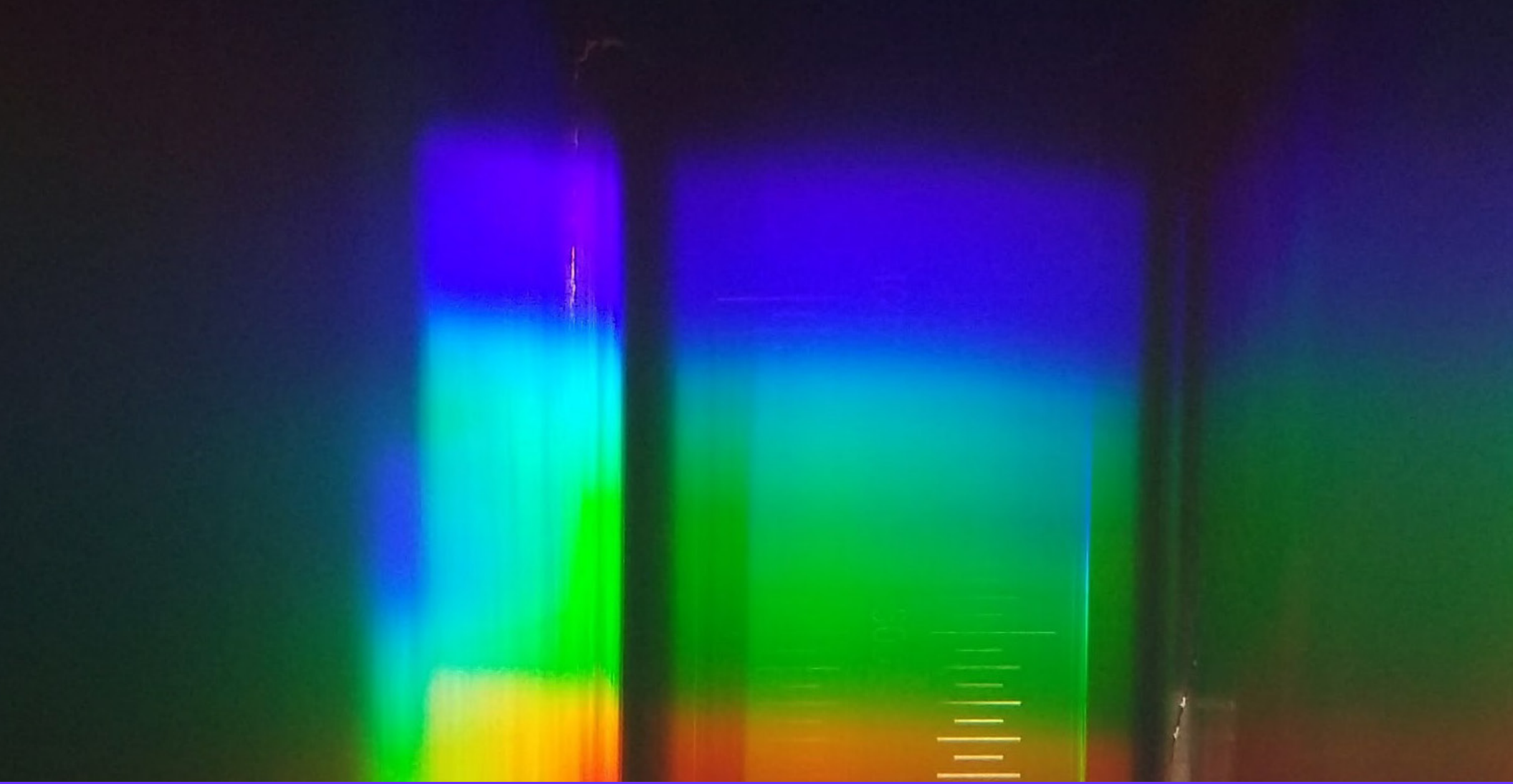
tigation led to a training session that solved the issue.

While many organizations use financial incentives to "motivate" employee behavior, helping employees understand that treating customers well is simply the right thing to do is a more powerful source of motivation. The CX team can play a key role in establishing a customer centric culture throughout your organization.

You will also want to leverage reporting and the use of triggers to further empower your employees to act. It's not uncommon to see customer feedback data being distributed in a very fragmented way, without clarity and accountability. Keep in mind the reporting needs to be role-relevant, distributed to those who are accountable, and deliver clear direction. Triggers to highlight the urgency to act can be included in reporting distribution to make it even easier for employees to do the right thing.

Key Takeaway

NPS survey response incentives are controversial. We offer context to help you decide what's right for you and your customers.



NPS Analytics

NPS Analytics

How should you interpret all the attitudinal data you collect with your best practices? That's the role of good analytics.

ACTIONABLE NPS INSIGHTS

REPEAT RESPONDER ANALYSIS

TEXT ANALYTICS

Beyond the Basics

Just as you can only act on what you know, you can only analyze the data you have. Even the most comprehensive, multi-part attitudinal data will only ever cover a fraction of your customer base. Visionary programs use analytics that incorporate machine learning to transform operational data into customer insights, with attitudinal data as a critical tool for calibration.

Turning NPS Data to NPS Insights You Can Use

NPS data is just data until you use analytics to transform data to insight. Prioritize making your insights actionable so that you can do what matters: improve the customer experience.

A critical step in making sense of customer feedback is identifying where to focus when it comes to enacting change. Unfortunately, we see many companies continue to report NPS and even set NPS targets without identifying and acting upon specific improvements that will impact NPS. Vague platitudes such as “Put the Customer First”, while good for increasing organizational awareness, do little to direct decision making.

Analysis of data tied to journey drivers will yield the greatest insights, particularly when operational and financial data sources are integrated with your survey data. Analytic tools range from basic correlation to sophisticated AI models, with the level of sophistication mirroring the depth of your insights, from a retrospective view indicating what happened to a forward-looking view of what will happen.

If you are new to CX survey analytics here are some helpful guidelines:

- **Begin by examining** components of the overall customer journey in terms of correlation to NPS.
- **Look for differences** in the journey experience by NPS category – Promoter, Passive, Detractor. Also look for differences in the journey experience by key customer segments.
- **Identify “moments of truth”** along the customer journey, meaning those interactions where the experience is highly correlated to likelihood to recommend.
- **Sharpen your understanding** of which variables have the greatest impact by applying regression (the impact of a change in one or more variables on NPS) or relative impact analysis (the impact of each individual independent variable in relation to all variables on NPS)
- **Gain additional perspective** by analyzing open comment text by theme and sentiment. Text analysis provides an additional perspective on customers’ top of mind thoughts and sometimes yields interesting competitive learnings. However, even when volume by category is high, text analytics is more limited than quantitative analytics when it comes to understanding how impactful the issue is.

- **Prioritize** 1-2 moments of truth seen in high value segments for action planning

The steps above can provide valuable insights from your survey data determining what matters most to your customers NPS performance. However, organizations today need insights on the experience of all customers. You need to predict what your customers will do in order to make better business decisions. This link can now be made through a predictive model, Spectrum AI.

When building a predictive model, the underlying data sources are key. Relying solely on survey data is inadequate as it represents a small portion of your customers base and becomes less relevant rather quickly due its periodic nature.

To achieve next level insight companies are expanding the data sphere beyond survey feedback to include operational KPIs and financial data. Machine learning and predictive analytics are applied to this richer data set to deliver Spectrum NPS, an evolved, better NPS which is enabling organizations to make even better decisions in real time, ultimately delivering transformative business outcomes.

Key Takeaway

Actionable NPS insights are a step up from NPS data, and getting there requires excellent analytics. Simple reports on CX performance are not enough to illuminate the elements of customer experience need to be prioritized for improvement.

NPS Data from Repeat Responders Delivers Unique Insights

There are two approaches to comparing repeat responder data. The most common approach, which can be used in both B2B and B2C, is to compare the NPS of individuals who have responded in both the current period and the previous period. At a high level you will want to check the trend of the group NPS to see if the change in repeat responders' score aligns with the change seen for all respondents. If the trends are similar it reinforces that the change you are seeing overall is real.

The next level analytics is tracking how individual loyalty may have shifted period to period. For simplicity's sake we recommend you do this using the NPS categories – Promoter, Passive, Detractor. A helpful way to visualize this is an Alluvial Diagram, which shows the flow and change in proportion from one period to another. The change in repeat responder group NPS is indicated at the bottom while the shift in categories over time is highlighted by the colored bands. The thickness of the band represents the volume. A deep dive into understanding what's behind the shifts will determine your goals by category: recover, grow, evolve.

Another, quite similar, approach can be used in B2B. As the true indicator of loyalty for an account is the unit rather than an individual, analyzing repeat account NPS can be even more effective. The caveat here is that you have an adequate number of respondents per account. We recommend at least 3 respondents per account for each period.

Here are some guidelines for determining whether an account is overall Promoter, Passive or Detractor.

- If there are more Promoters than Detractors in the account, it's a Promoter
- If there are more Detractors, it's a Detractor
- If there is the same number of Promoters and Detractors, it's a Passive.

As you start linking operational data to your serial Detractors and staunch Promoters you will be better positioned to develop a customer strategy that delivers revenue growth.

Key Takeaway

To verify NPS data validity, data from repeat responders is an important tool. A comparable, representative sample of your customers from period to period increases confidence that any change in NPS is real.

Explore the Four Levels of Text Analytics

We suggest using text analytics software to screen customers' answers to the open questions in your surveys, then letting humans make the final decisions about priorities.

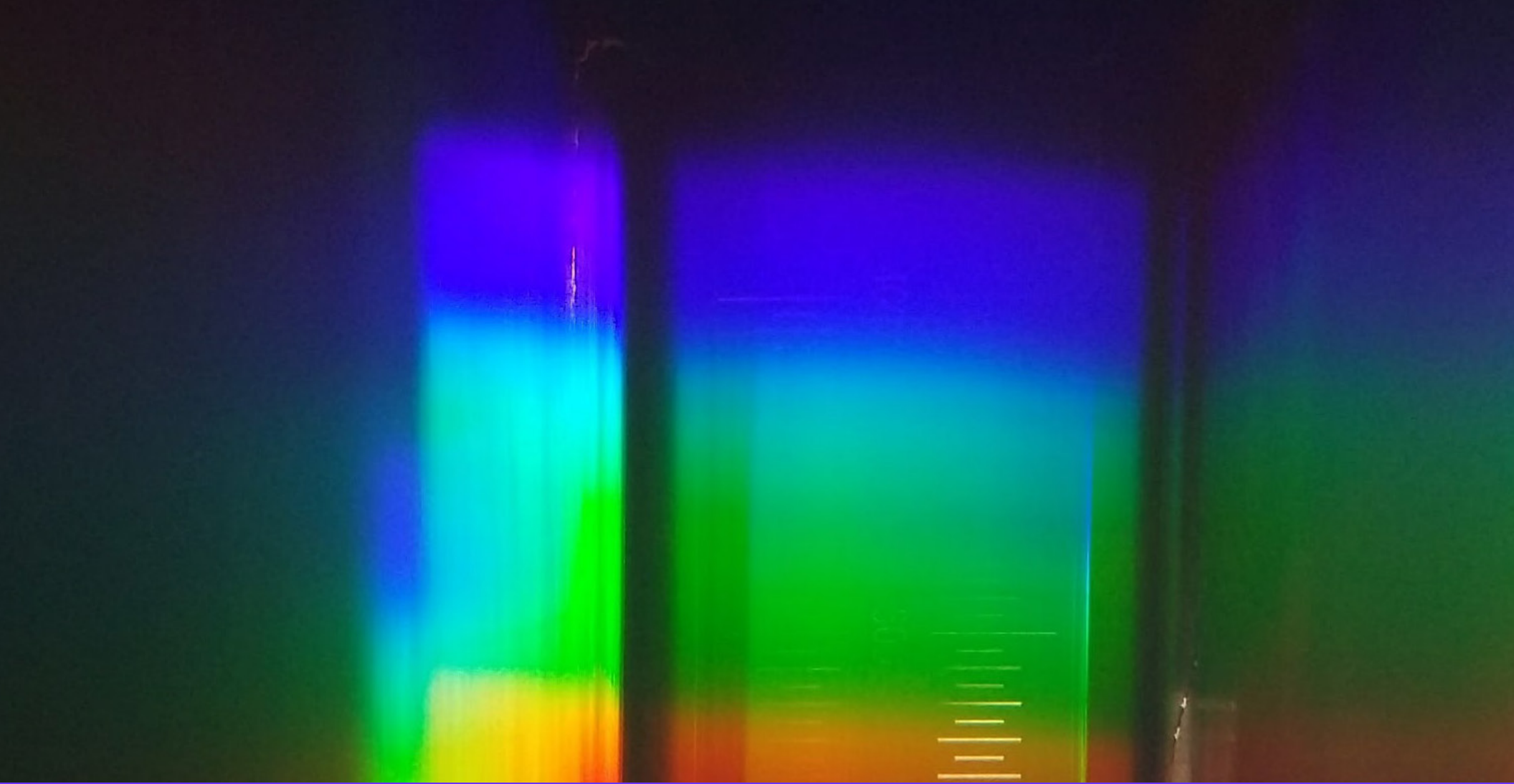
Here are the four levels of text analytics that we recognize

- Single word concepts are often shown as word clouds and are marginally useful. Yes, your customer talked about 'service' a lot, but was it good service or bad service? And what service are they referring to? 'Service', 'Services', and 'Support' will appear as separate items.
- The addition of basic language structure recognition provides multi-word concepts such as 'Deluxe hamburger' and 'high-end burger.' Note that these will be shown as different topics.
- The next level adds sentiment into the equation. The multi-word concept is qualified in some way, usually in terms of positive or negative sentiment. We start to see themes, usually grouped in terms of what customers liked and did not like. 'The air conditioning was too cold', and 'The whole family was freezing' would appear on a long list of themes with negative sentiment but would not be grouped together.
- The addition of a taxonomy gets to the heart of Natural Language Processing. This allows the grouping of topics that mean the same thing but use completely different words. 'The clown frightened the children' and 'The main act was unsuitable for young people' would be grouped together, as the software will recognize that they probably mean the same thing.

It's a sophisticated area. Many software providers will produce a free analysis for you. We suggest providing them with the largest file of open text responses you have and comparing what they can do with them. We suggest using text analytics software to screen customers' answers to the open questions in your surveys, then letting humans make the final decisions about priorities.

Key Takeaway

Get more insight into your NPS data with text analytics. Know what's possible using software that supplements human expertise.



NPS Reporting

NPS Reporting

How you deliver analysis to stakeholders and executives can be the difference between an action-oriented reception and being challenged, or worse, ignored.

PRESENTING TO DRIVE IMPROVEMENT

WEIGHTING NPS RESULTS

CULTURAL DIFFERENCE IN NPS

NPS AND CORPORATE STRATEGY

INSIGHTS BY CUSTOMER SEGMENT

Beyond the Basics

It's very common for colleagues and executives to challenge the data from NPS programs, even when these foundational best practices are in place. Those challenges often expose the hard truth that customer experience data is not good enough. Even smart analyses and weighting strategies aren't enough to overcome the fundamental deficits in the underlying data set. There's no way around it: You'll need more complete data to build a program that delivers real outcomes.

NPS Results Presentations that Achieve Action Accountability

When planning for results presentations we recommend you begin by giving thought to how to organize the results. Here are some key considerations:

- NPS is a relative, not absolute performance measure so your numerical score may not matter. What matters is your score relative to your company and relative to your industry competitors. Initial focus should be on NPS relative to your business, in the context of trends over time and average performance across areas of the business.
- Establishing a baseline requires time, adequate volume, and data consistency. Three periods of data collection are generally sufficient to establish a baseline. In a B2B environment, where you are not surveying the same customers each quarter, evaluating comparable respondent data sets is an important consideration in establishing a baseline.
- Deltas are the most interesting points, warranting investigation to understand the underlying factors. Keep in mind that some changes are meaningful, while others where the change is slight, are not.
- There is value in looking at the distribution of your NPS categories - Promoters, Passives, and Detractors – to understand the relative percentages.
- Additionally, understanding the differences in the experience of these three customer segments allows you to replicate the Promoter experience.

- NPS by business line and/or key segment is another valuable view,

As a general rule, the score should not be adjusted, but understood in context. Scenarios such as these need to be communicated along with results:

- A one-time event either within your business, e.g. a product recall, or within your industry, e.g. regulatory change
- Cultural differences seen across the globe in scoring practices

Your next challenge is crafting your presentation in such a way that engages your audience while clarifying action accountability. These are our suggestions:

- Consider crafting the presentation in a story telling mode to maximize group engagement.
- A few customer narratives or comments which support data analytics bring the human factor into the data and resonate with the audience.
- Actions being proposed for consideration should have leverage. The impact of proposed actions on NPS and financials must outweigh the effort and investment required to institute the change. Relatively modest changes can have relatively high impact and should be prioritized.
- Accountability for action prioritization and implementation is the ideal outcome of a results presentation.

Key Takeaway

Presenting NPS results and engaging your organization to take action should go hand in hand so that stakeholders perceive the value of the program and of NPS.

Culture Affects NPS Results, But Competition Is Local

When launching a company's first major customer experience initiative, CX leaders soon face the challenge of providing their first executive reports. It is extremely common that they fall into a specific reporting trap that in turn leads them to waste time and energy. The reporting trap is any table or graph that compares countries' survey results with each other.

This is not intuitively obvious. Your CEO probably wants countries to compete for the title of CX champion, believing that such competition is appropriate and healthy. She sees that the NPS numbers in Brazil and Mexico are fifteen points higher than in the United States. She sees that those in Japan and the Netherlands are as much as 40 points lower. Now she knows who has to be rewarded and who has to be punished. The problem is that she is simply wrong.

There are enormous cultural differences in the way people respond to customer surveys. Brazilians and Mexicans tend to be extremely generous

in their evaluations. Australians, Japanese, Korean and Dutch customers tend to be extremely reluctant to give the maximum score. We have seen this play out again and again in double-blind benchmark research in various industries.

These differences apply both to your company and to your competitors. What this means is that your comparisons must be both local and external. It does not matter that your US NPS is 45 while your NPS in Korea is 3. When you are doing business in Korea, you are competing locally, not in the United States. What matters is whether your local competitors' scores and trends are better or worse than yours.

When we have clients who have difficulty believing this we simply ask them to compare operational performance between their countries. They usually find there is no meaningful difference in such KPIs and come around to accepting that the cultural differences are real.

Key Takeaway

Cultural differences in NPS are real and can be substantial, so CX leaders need to avoid internal comparisons between countries.

NPS Reporting on Customer Segments Drives Insight and Action

Your relationship survey should ask the Likelihood to Recommend question, but a few others that uncover drivers of satisfaction and brand promise insights. This should give you at least the following segmentation:

- Promoters, Passives and Detractors usually have differing driver analysis results. We suggest providing the top three drivers for each, adding color by including the top improvement suggestions seen in responses to open questions.
- It can be particularly interesting to consider repeat responder trends separately from first-time responses. If repeat responders have seen you implement the main improvements they have suggested, they should show a positive trend. Naturally, if you have done nothing with their suggestions, you should expect a negative trend.
- In B2B situations involving large customers it can be useful to separate the answers of decision-makers from those of decision-influencers and end users. Consider the example of a company that provides restaurant services for large clients. The views of the procurement leadership matter far more than the views of individuals who simply eat the food.
- Most B2B companies have customers who vary substantially in size. Presenting results for the top 50 customers in addition to the overall averages will provide interesting perspectives. When doing so, adding relevant quotes from named executives of the largest clients is particularly useful in motivating people to act.
- Demographic splits can be useful. For example, we have frequently seen that men and women give substantially different responses when asked about high-tech products.
- And don't forget to tie survey subsets to operational data. For example, an e-commerce company could look at how responses and suggestions differ between customers who received their deliveries as promised compared to those who did not. This will also demonstrate to executive leadership that CX reports are not an isolated phenomenon but are an integrated part of your company's performance.

Key Takeaway

NPS reporting should provide actionable insights, but overall averages are unlikely to be useful. Engage your audience and drive improvement when you report by customer segment.

Tread Carefully When Weighting NPS Results to Avoid Bias

If your survey sampling tactics produce survey results that over- or under-represent portions of your customer base, you may want to consider weighting your results. Public opinion pollsters commonly use this tactic when they adjust by demographic factors to better match the likely voting population, for example. While the practice can create more accurate polling that predicts behavior, it can also have the opposite effect by skewing the results inappropriately or raising questions of results tampering.

The same applies to customer experience data, whether survey results or operational performance information. If you are present in 50 countries, are all represented in your sample? If you are going to present an average result for NPS or for on-time delivery across your entire company,

should your sample be weighted by the revenue in each country? Our suggestion is that it should, everything else being equal. If Brazil represents 13% of your revenue, it should have that weight in your result calculations.

One of the other factors that may need to be compensated for is data collection mode. You should do your best to understand whether collection of data via text messages, email, telephone surveys or other methods bias results in some way. In a perfect world, you should do this by so-called 'A / B testing'. This means you randomly assign customers to different survey methods and compare the results. If there are only small differences, don't worry about them. If the differences are substantial, they need to be compensated for in your results.

Key Takeaway

Weighted NPS results may aid understanding, but they can also introduce bias, create confusion, and keep you from taking needed action. Tread carefully.

NPS Reporting Should Demonstrate Alignment with Company Strategy

An example of the most common questions asked by those who receive a CX report for the first time is, “I see the NPS for my business unit is 38. Is that good or bad?” Competent customer experience leaders must report the answer to that question and to many others. Your approach to that task should demonstrate an understanding of company strategy and seek to reflect and inform it.

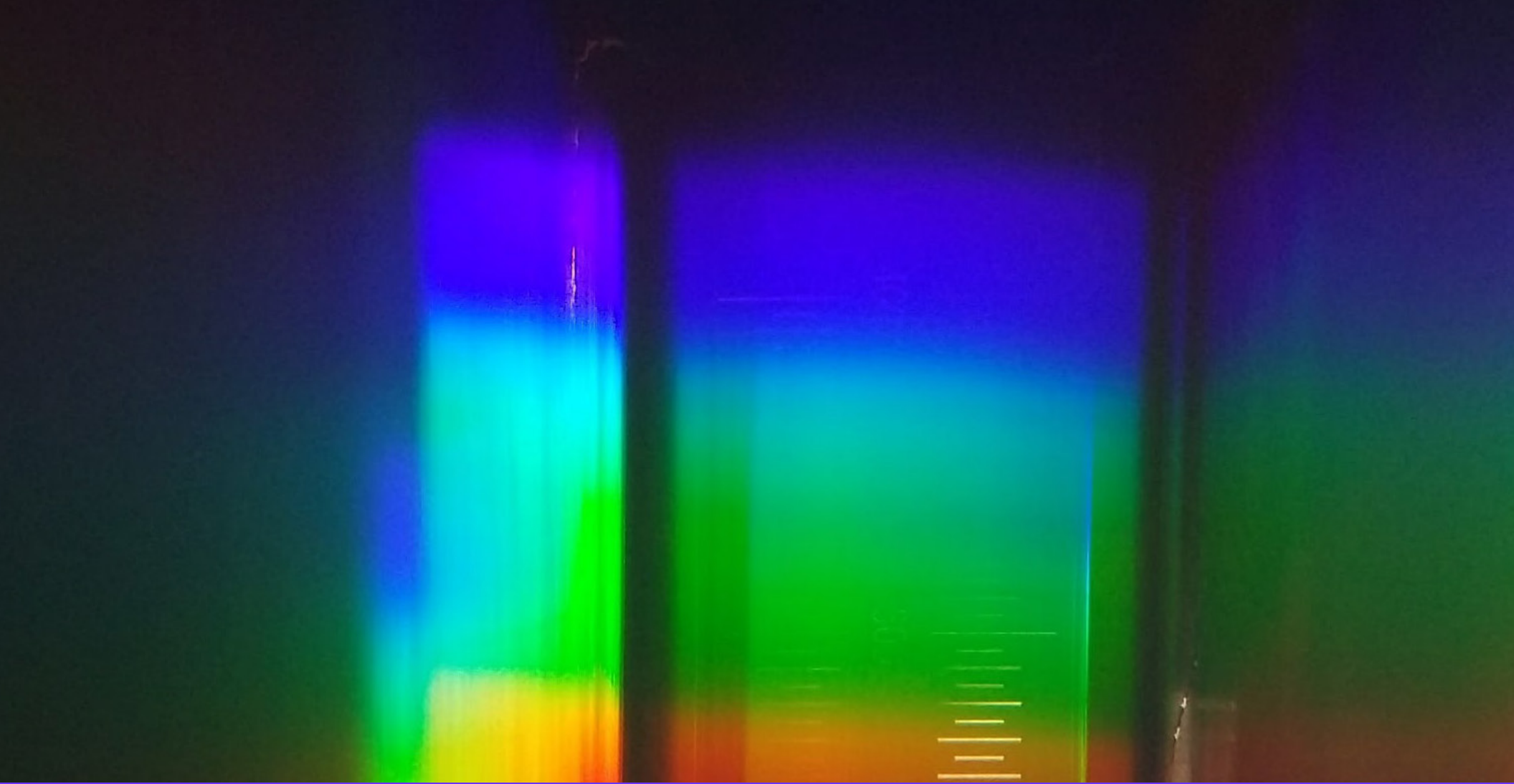
First, consider the top-level question: what is a good score? The answer is that a good score is one whose trend is better than that of the main competitor. After all, if you improve, but your main competitor improves more, your competitor will take market share from you. If you don’t happen to have any competitive information, a good score is one that is better than your previous one.

That said, the most important effort to be made is to put the aggregate results and possibly individual subsets into the context of the overall company strategy. If, for example, the number one strategic priority the company has set for the year is the opening of subsidiaries in five new countries, it is critical to be able to report on customer experience for those countries. Otherwise the CX leader will appear to be a disconnected report card producer rather than a full team member.

But what if you don’t have any data for the new countries? This is where stories must enter into play. Talk to local staff in the new countries to understand what is going well and where they are having competitive challenges. Do your utmost to get direct quotes from customers that reflect these realities. “It is fantastic to see Acme here in Brazil. We finally have a good alternative to Pinnacle.” And if it has not yet been practical to survey customers, you can still ask your Brazilian employees how likely they think customers are to recommend your company and why. Doing this will be far better than appearing disconnected from corporate strategy.

Key Takeaway

NPS reporting is a great way for CX leaders to demonstrate their understanding of, and alignment with, company business strategy.



NPS Governance and Accountability

NPS Governance and Accountability

Having the right structure for accountability is critical for your team's initial and ongoing success. It's also key to aligning your NPS program to company strategy.

WHY NPS GOVERNANCE MATTERS

NPS PROGRAM ROLES & RESPONSIBILITIES

NPS TEAM SKILLS

EMPLOYEE INCENTIVES FOR NPS

EFFECTIVE NPS TEAM STRUCTURE

Beyond the Basics

A strong governance and accountability approach can help carry to your program from its beginning to more advanced operations and impact. Be sure your governance team understands that its remit includes continuing engagement with an evolving program over the long haul. Leverage your team to help navigate the challenges of building the data assets you'll need to practically align your CX efforts to company strategy and outcomes.

For NPS Program Success, Craft a Clear Vision

Like all strategies, customer experience strategy is about resource allocation. Where are you going to concentrate your scarce resources to make a difference? What initiatives are you going to fund and staff that will give you a competitive advantage? If every business and function make these decisions independently, adopts its own measurement systems, trains its people in independent ways, the result is what business strategists call 'a big mess'.

Think about military strategy. No president of any country at war ever declared 'We are all in charge of our military strategy. Just go out there and win.' That makes no sense whatsoever, and the same is true of CX strategy. You must explicitly state what you are trying to achieve, both internally and externally.

We live in a dynamic world. A single person must be in charge of your company's strategy and governance. And it is critical that person is in touch with corporate leadership to ensure CX strategy is aligned with business strategy.

They need to drive common understanding and actions based on the following dimensions:

- **Customers:** How have wants and needs been changing over time and how well do you and your competitors serve those expectations?
- **Partners:** What do your distributors, resellers and implementation partners want from you and how well do you and your competitors meet those needs?

- **Competitors:** How have your traditional competitors been improving customer experience? Are new competitors emerging who offer revolutionary experiences that will disrupt your market?
- **Industry dynamics:** What changes in your industry will affect the experiences you and your competitors can offer and which of these changes really matter?
- **External factors:** How are influence such as government regulation changes going to affect your customer experience strategy?
- **Internal realities:** What is your ability to execute on any of the insights you gain from answering these questions?

These are the top-level questions that must be answered in a comprehensive CX strategy. To be effective, multiple answers and multiple strategies must not be allowed. This requires a strong CX governance structure with a single leader.

Key Takeaway

Successful NPS programs rely on clear CX vision, mission, leadership and execution strategy. The "everybody is responsible for customer experience" message may sound good, but it is a recipe for failure.

Top Five Skills for NPS Team Success

Our research shows that most customer experience programs – up to 95% -- fail to make a meaningful difference in terms of business growth or financial outcomes. Indeed, the main output of many teams is sets of reports and scorecards. It's not enough.

Here are the top five skills we believe are necessary for strategic alignment and financial success:

1. **Analytical skills.** Consider this a core competency. We observe that many NPS team members lack basic knowledge of statistics. We recommend formal training, either in the classroom or online. Analytics go well beyond surveys. Teams need to be able to understand the relationships between trends in survey, operational, and financial data.
2. **Financial acumen.** The overall CX leader, at the very least, needs to have reasonably deep financial skills. They need to be able to confidently predict the relationship between operational performance, CX metric performance, and the financial results they want to improve.
3. **Collaborative Reputation.** Customer experience team members need to be able to drive improvement work that crosses organizational boundaries. In B2B, for example, we believe your very largest customers should each have their own improvement plan, managed by a CX team member.
4. **Persuasive Nature.** NPS team members rarely work on their own. They often need to persuade other people to take customer-centric actions. The only ways we have of getting others to take action are by what we say and what we write. We need to be good at both. In addition to formal training on how to make effective presentations, we suggest making the subject an occasional focus for team meetings.
5. **NPS Certified.** Formal NPS training confers the skill set and perspectives critical to thoughtfully managing an effective program. We respectfully submit that the Net Promoter Masterclass course is the place to go.

This list covers understanding customer-related data, determining its financial impact, driving improvements and communicating change. We believe these skills are essential to the majority of CX work.

Key Takeaway

Many NPS team members have some but not all of the skills needed to drive CX success for your company. Expand your team skill set to include these five must-haves.

Our Framework Helps You Build an Effective NPS Team

Before discussing reporting structures, let's start with the functions we believe should be present in an excellent corporate NPS team. Here are some of the most important:

- **Data sourcing and analytics:** Until recently this meant customer surveys, double-blind benchmark surveys, and developing the insights and recommendations from such data. That's no longer enough. You'll need to bring in financial and operational data, at the very least, both to prioritize improvements and to monitor progress.
- **Communication:** All senior leaders, including those on the NPS team, need to be able to communicate insights and priorities effectively both inside and outside the company.
- **Action management:** The NPS team leader needs one or more trained project managers who will lead improvement work that crosses company businesses and functions.
- **Training:** Designing and/or selecting, implementing and constantly improving customer experience training for all levels of the company ensures adoption of common language and methodologies.

- **Coordination of listening posts beyond VOC feedback:** If your company does not already have one, we suggest setting up a customer complaints person or team. Start internally by giving employees the ability to let you know about customer complaints.

Reporting structures within the NPS team may be less important than the reporting lines of the team's top leader. Ideally, the top NPS leader reports directly to the CEO, or at least to someone on the executive leadership team. The Chief of Staff, if one exists, can be a good reporting line, especially given that this role controls agendas and areas of focus. Alignment with sales also works well.

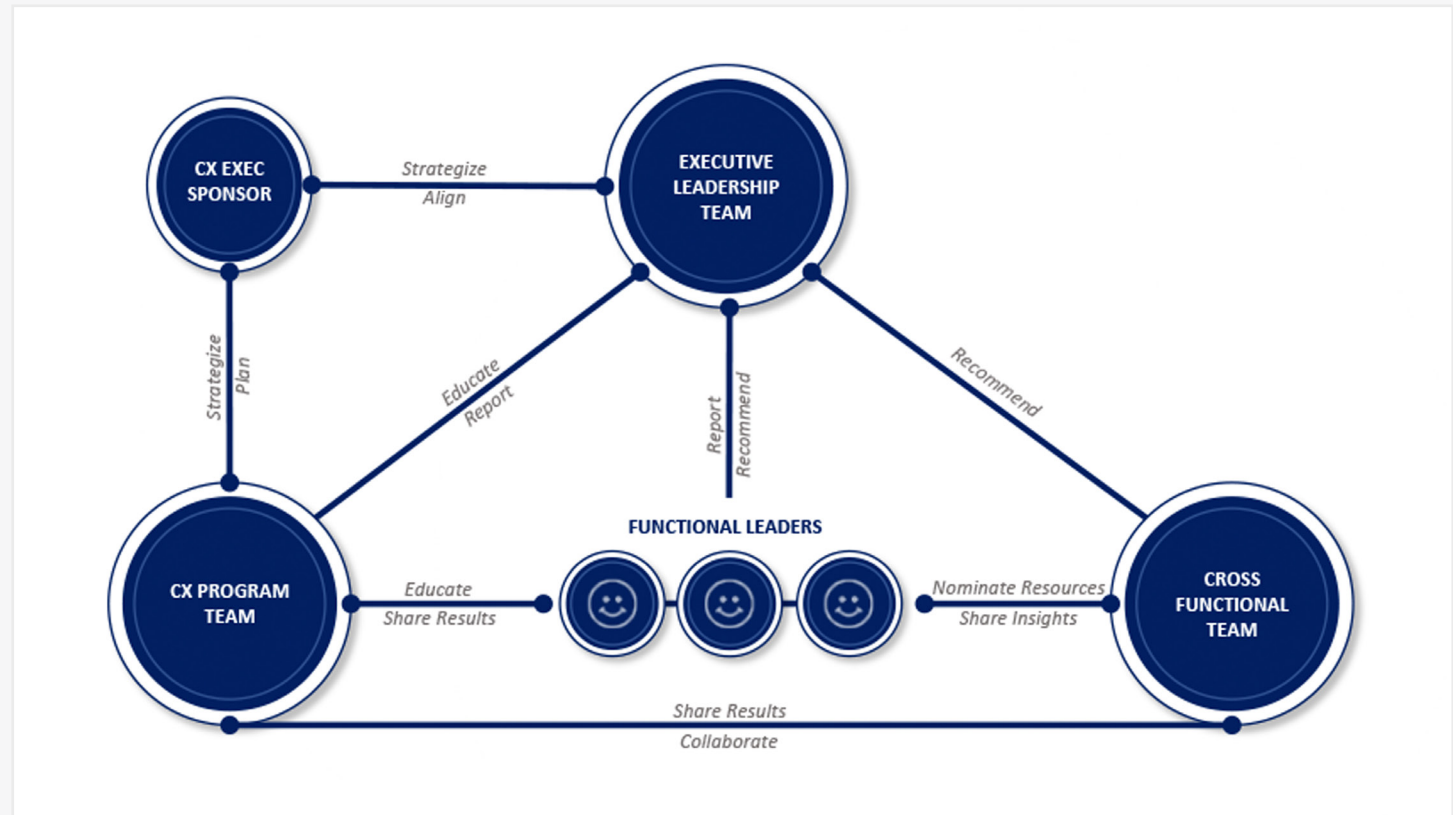
Dotted line or informal reporting relationships with other teams are also important. The NPS program team, supported by its executive sponsor, should educate functional leaders throughout the business, and build an influence-lead cross functional team to recommend CX improvements via their own reporting paths to the executive leadership team.

Key Takeaway

Clarity about the NPS organizational structure and reporting lines is more important than precisely what that structure is.

Our Framework Helps You Build an Effective NPS Team

EXAMPLE



Successful NPS Team Leaders Fulfill These Roles

Long-term success in NPS program leadership means CX must be seen as a way of achieving a competitive advantage. This requires more external focus than we usually see.

Here is what we have seen as the defined roles and responsibilities of the more successful corporate NPS program leaders:

- **The NPS program leader should form and chair a company “CX leadership council” that includes the senior CX person from each major business and function.** That’s because customer feedback will often reveal improvement requirements that no single department can address on their own. The council has to have the funding and skills necessary to drive a small number of cross-business improvement projects each year.
- **Working together on improvements requires common understanding of relevant processes and measurements.** The CX leadership council should agree and fund basic CX training that all employees, even the most senior, should be required to take. (Our own All Hands On Deck online course is an example of such training.) Common understanding of what different terminology means and what measurement and improvement processes work matters a lot.
- **Define the measurement and reporting standards across the company.** By this we mean the basic core measurements. An example would be the standardization of the Net Promoter Score as the primary brand-level customer metrics. Reporting will sometimes include progress on purely operational metrics where it has been demonstrated that they are critical to customers and in need of improvement. It is of course entirely appropriate that individual departments may have additional CX metrics of their own. For example, a support organization may decide to standardize on the Customer Effort Score as a measure of their ability to resolve customer problems.
- **Communicate strategy, initiatives and progress on a regular basis.** This needs to be done both internally and externally, for example in quarterly financial reports. The work includes making it easy for senior leaders to talk about customer experience in a meaningful way. This means the CX leader should supply each leader with relevant speaking points about their own area of responsibility.

Key Takeaway

The role of the NPS program leader is to make it easy for all employees to understand customer needs and what is being done to satisfy them.

Collective Incentives Offer Better Results

You've most likely experienced the negative consequences of measuring individuals on NPS, or indeed any customer experience metric. One high-profile area where the phenomenon is generalized is automobile sales. Car companies often provide individual bonuses based on the NPS numbers of sales people, even where the sales people work for franchisees. The result is that car buyers are handed or emailed a survey accompanied by a clear message, "Please phone me before filling in the survey if you can't give me a 10." Manipulations like this result in executives ignoring the very scores they purport to be using to drive excellence.

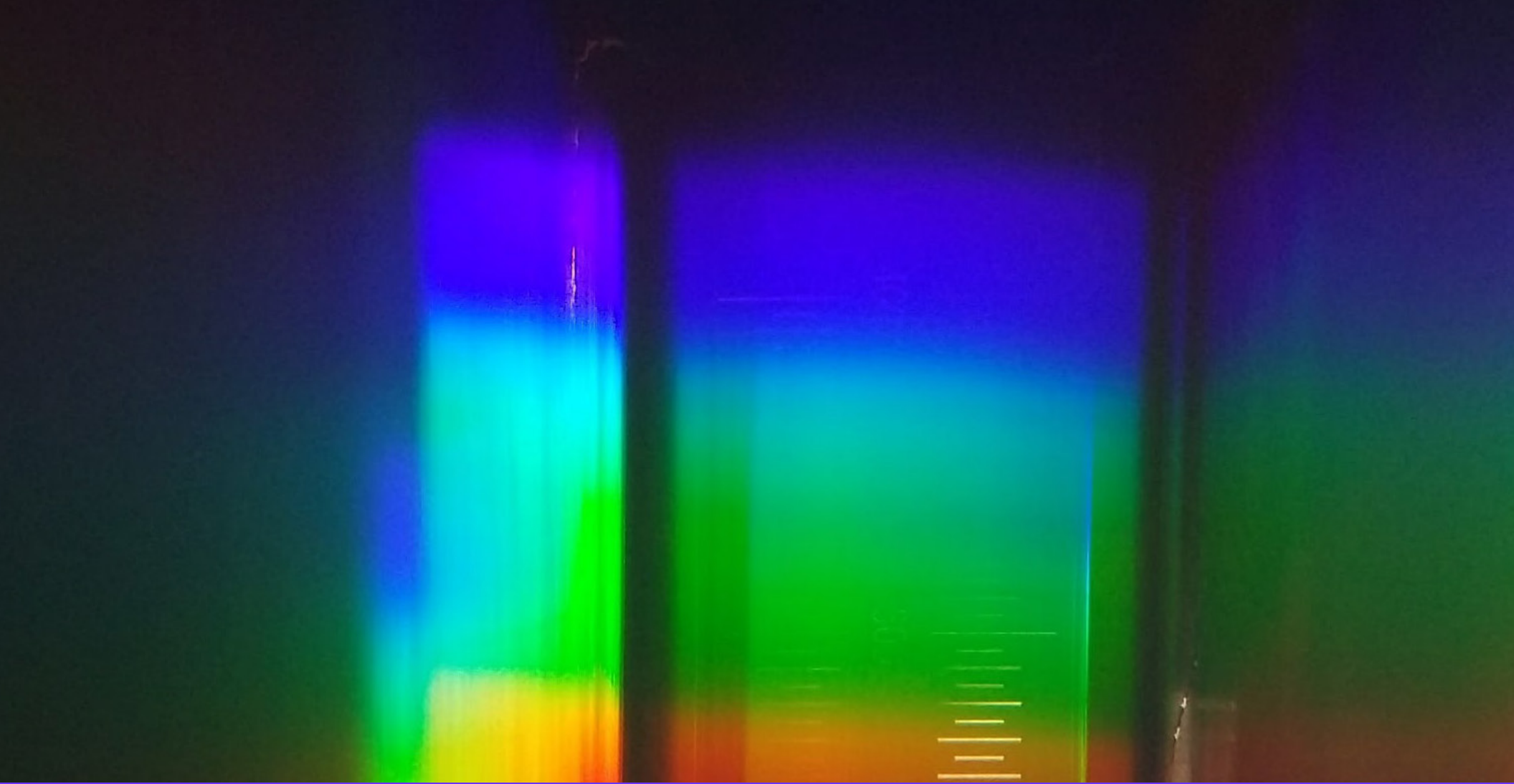
The cheating can be harder to detect in some cases. Measuring individual contact center agents on customer satisfaction scores, for example, can result in agents manipulating scores.

While incentive systems that provide rewards on an individual basis result in cheating, this is not the case for collective incentives. At the highest level, we believe large company leadership teams can and should be measured on double-blind NPS benchmark trends relative to their main competitors. Cascading that sort of metric also helps position the enemy correctly: the enemy is your top competitor, not some poor individual customer filling out a survey.

If you can't get competitive comparisons, we suggest a different approach. Use your brand-level NPS research to determine which operational factors have the highest impact on NPS. Provide team incentives to improve the top three to five operational metrics.

Key Takeaway

Employee incentives for NPS often backfire; employees find ways to bias the system in their favor. Group incentives based on key operational metrics work far better.



NPS Communication

NPS Communication

Making customer feedback a two-way street delivers a multitude of benefits to you and a better experience for your customers. And how your company communicates internally about NPS is critical too.

NPS PROGRAM SCOPE

SURVEY RELATED CUSTOMER COMMUNICATIONS

COMMUNICATING NPS RESULTS TO EXECUTIVES

GUIDING INTERNAL NPS COMMUNICATIONS

Beyond the Basics

Good habits about communication will set you up for long-term success. Even so, you can only get so much out of the act of communication until you have the kinds of data, analysis, actions, and outcomes that will really hold the attention of your customers and internal stakeholders. As you build out better data and analysis, and as your programs becomes more nuanced and sophisticated, be ready to adjust your communication strategy.

Define Your NPS Program as a Competitive Advantage

Often companies have no formal CX strategy statement at all to govern their NPS program. However, most have a clear set of work that the CX leader and team are expected to do, often focused on a set of studies and reports they have to produce. While such guidance may be helpful, the purpose of an NPS program cannot be understood as the production of report cards. It must be the defeat of your competitors.

There is a general expectation that such reports will stimulate people to act, but how such action would arise is rarely documented. This comes primarily from a traditional view of CX which is that surveys identify the places fires are burning, then appropriate people spontaneously run to put out the fires. This is simply not good enough.

Best practice is to document and communicate

- What is going on and how it is changing
- Strategic choices available
- The top implementation priorities.

Communicating all of this internally is critical to obtaining the sponsorship and resources needed to be successful. Here's a bit more detail.

Evaluating the current situation means understanding how well you, your partners, and your competitors are satisfying customers today and how that has been changing. Be sure to think expansively. It is critical to identify new competitors and how they may disrupt things. Government regulation may drive change, as may changes in your industry, often driven by technology.

A team or teams from across your business should evaluate options based on the situation analysis. They then secure the necessary resources. Of course, your company may not be able to implement everything the team suggests.

Communicate the whole process and the top three to five CX-improvement initiatives consistently across the company until they have been completed. When the first initiatives have been completed, start again, continuing the intense communication from the CEO throughout the organization.

This 'outside-in' approach ensures regular external focus on what customer experiences are necessary to win in the market. Situating within the framework of market competition motivates the entire organization and provides clarity.

Key Takeaway

NPS program objectives, scope, and initiatives must be clear, externally oriented, and designed to help your company to win.

Communicating With Customers Before and After Surveys

Customer communication about surveys should be as personal as possible. Best practice is to include three elements:

- Tell your customers what you are going to do with survey feedback
- Analyze the results
- Tell customers what improvements you have already made what improvements are being planned based on their input.

Let's jump straight into an example. Here's a sample of an email sent just prior to a survey invitation, setting expectations for the whole process of interacting with customer surveys.

Dear Mr. Jones,

My name is Robert Altman. I am the product manager for the EZ-Clean Warehouse Robot that you have been leasing from us for the last nine months. My team and I are now working on the next versions of both the software and hardware and need your help prioritizing our work. Please watch your email tomorrow morning. I will send you another email with a four-question survey about your experience so far and what you would like us to improve. I promise to write back to let you know what we have learned from you and customers like you, together with a list of the improvements we plan to make.

Thank you in advance for your contribution. It is important to me personally, and to the EZ-Clean team as a whole.

The customer then gets the survey request, from the same sender. Once the company has digested the responses and decided what to do, Robert Altman again writes back to all clients (not just those who have responded) with a summary of what the company learned from customer feedback, including the priority action list. Including non-respondents demonstrates your commitment to action and inspires more customers to respond to future surveys.

Very few companies communicate back to customers to explain what they have learned and outline their plan of action. (It's no wonder survey response rates are low.) Luckily, following this best practice gives your program a chance to stand out. You then reap the rewards of a survey process your customers see as an ongoing dialog between your organization and them.

Key Takeaway

NPS survey processes are wonderful opportunities to make promises to customers and then keep them. Use them to enhance your credibility and boost survey response rates.

Use Emotional Stories to Drive Executive Engagement with NPS Insights

Traditional approaches to communicating NPS insights tend to be almost totally ineffective with senior executives. We'll look at what's all too common and advise on a better approach.

In typical reporting to executives, CX leaders provide color-coded scorecards that show how each business is doing. External comparisons are rare. Suggestions about how to improve negative trends are even more rare. The data sources are limited and the focus on numbers is excessive. Senior executives who see a series of red-coded data for their department simply delete the email, as it has no effect on their day-to-day work or future plans.

Let's look instead at a good data-driven approach, followed by a great story-based approach.

For a data-driven approach, we'll take the example of a company that sells security software. A traditional approach to CX reporting would simply be to provide the NPS trends and the top improvement suggestions made by customers. Good, but not good enough. A modern approach is to combine this with operational data. Show the new account activation trends for the SaaS version of the software. Show the number of data intrusion

attempts and breaches by product. Cover the financial value of contract renewals, compared to the prior month or quarter. In other words, combine CX data with the information leaders use to manage their business on a daily basis.

That is a good approach to management, but not yet a great approach to communication. Making it real for executives requires stories. It requires input from people they recognize. The most powerful stories are those that come from customers. Let's suppose that your security software company is starting to see a new type of attack and that clients' customer data has indeed been stolen. You could begin your CX report to senior leaders with a quote from a customer who has been a victim of the new attack. A video interview would be better still. Stories help to make the following information personal and emotional.

Our rational selves want to believe that data and scorecards should be enough. But emotion-generating customer stories are a more effective method of grabbing the attention of senior leaders and getting potential actions to the top of their priority lists.

Key Takeaway

Communicating NPS insights to executives requires relevance. Consider how your CX report will help them achieve strategic goals, and appeal to both rationality and emotion.

Put Customers at the Center of Internal NPS Communications

Key Takeaway

For effective internal NPS communication, tie in operational data, financial results, customer stories, and even customers themselves.

Most companies have a simple answer to the question of how often a customer has presented in staff meetings, major internal events, all-employee calls and webinars: Never.

Many of those same companies probably have a slogan like “We put customers at the center of everything we do” posted on a virtual or real wall somewhere. Why such a disconnect? It comes about partly because customers fall into the category of things that are extremely important but not extremely urgent.

The best way to make customers into a “top of mind” issue is to ensure they can talk to your teams directly. This is far less difficult than you might think, because customers like doing it. Customers of B2B companies are especially willing, because senior decision-makers may even have bet their personal reputations on your success. They want and need you to do what you have promised.

Start with personal presence at your larger gatherings. Ask customers to speak about their experience with your company and what they would like you to do better. Share those stories – video is great, but quotes can be powerful too. You’re likely to find employees quoting your invitees months later.

Customer experience programs must be data-driven to uncover reliable insights and directions. But for communicating about those insights, there’s no substitute for having customers in their own words reinforce what your data is telling you. It brings a human touch to the data that stays with your teams long after the charts and graphs are simply a vague memory.

Parting advice: Because stories are so memorable, choose them wisely so they reinforce your data-driven insights and drive the appropriate action.

Taking the Next Step

Now you have the basics of NPS in hand, but...

We can't emphasize enough the importance of going beyond these foundational best practices.

We already see a divide between companies that are leading with transformed, visionary NPS programs and those that are lagging behind, hampered by a lack of ambition and commitment to innovation. Having read this guide, you know what a basic, foundational program looks like. Now, keep learning and keep pushing.

Step Into the Future of NPS

If you're serious about making an impact on your company's business outcomes, get serious about going beyond basics. So what would it take to implement Spectrum NPS at your company? We're so glad you asked.

[Contact Us](#)

Dive Deeper into Training

The most successful CX teams begin with foundational knowledge of NPS. Find it in our online training, specifically designed for today's business environment. One course brings your whole company up to speed on NPS, while the other gives CX program leaders the tools they need to run a state of the art NPS program.

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