

The Book of NPS for Growth

2018



The simple, straight-talking guide to evolving your business by collecting
and acting on customer feedback with Net Promoter Score[®]





For me, the most fun is change or growth. There are definitely elements of both that I like. Launching a business is kind of like a motorboat: You can go very quickly and turn fast.

Tony Hsieh, CEO of Zappos

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Introduction:

Growth

Any marketer worth their weight in MQLs is obsessed with it. In fact, you don't have to look far to find dozens upon dozens of thought leadership articles on growth-hacking strategies. The problem with growth-hacking as a practice is not that it is bad, but rather incomplete.

Sean Ellis, the famed inventor of the practice, defines a growth hacker as, "a person whose true north is growth." In 2018, isn't that just the definition of a marketer? Shouldn't everyone be obsessed with growth? If you can name a member of your marketing team whose job isn't directly measured by growth, you might have a problem.

In recent years, growth marketing has become a huge — if not the primary — focal point of digital marketing thought leadership. Everything from developing powerful, engaging campaigns to ensuring your targeted efforts are resulting in the right engagement — the bulk of today's digital marketing tactics are executed in the name of rapid, exponential growth.

Somewhere along the line this growth obsession has evolved into something else. In our share-everything, cloud-centric economy (knowledge, apartments, rides, bicycles), much thought has been given to Growth Hacking. But how do you push and pull all the right levers and buttons to navigate the tumultuous waters of modern marketing?

In this eBook, we want to turn the whole growth hacking model on its head, as you prepare your organization for a new era of **customer-obsessed marketing**.

What if there were a way to automate growth?

What if you could take the guesswork out of growth marketing and use a huge chunk of your own brand promise (to deliver on amazing customer experiences at all times) and create a rapid-growth pool of empowered customer champions as an extension of your marketing team?

It's time for marketers to enable their happy, empowered customer advocates to create a powerful marketing engine that will:

- **Grow your revenue**
- **Reduce customer acquisition costs (CAC)**
- **Increase each customer's lifetime value**
- **Evolve your business**

Chapter 1:

Cranking the Growth Flywheel with Customer Feedback

At this point in your journey to uncover the magic of Net Promoter Score®-powered customer feedback, it's highly unlikely you've never heard of Fred Reicheld's infamous Harvard Business Review article, **'The One Number You Need to Grow'**.

There is virtually endless information explaining the basics of NPS, so we won't do that here. (We actually wrote The Book of NPS. if you want to do a deeper dive into the magical word of Net Promoter Score, you can check that out at asknicely.com).

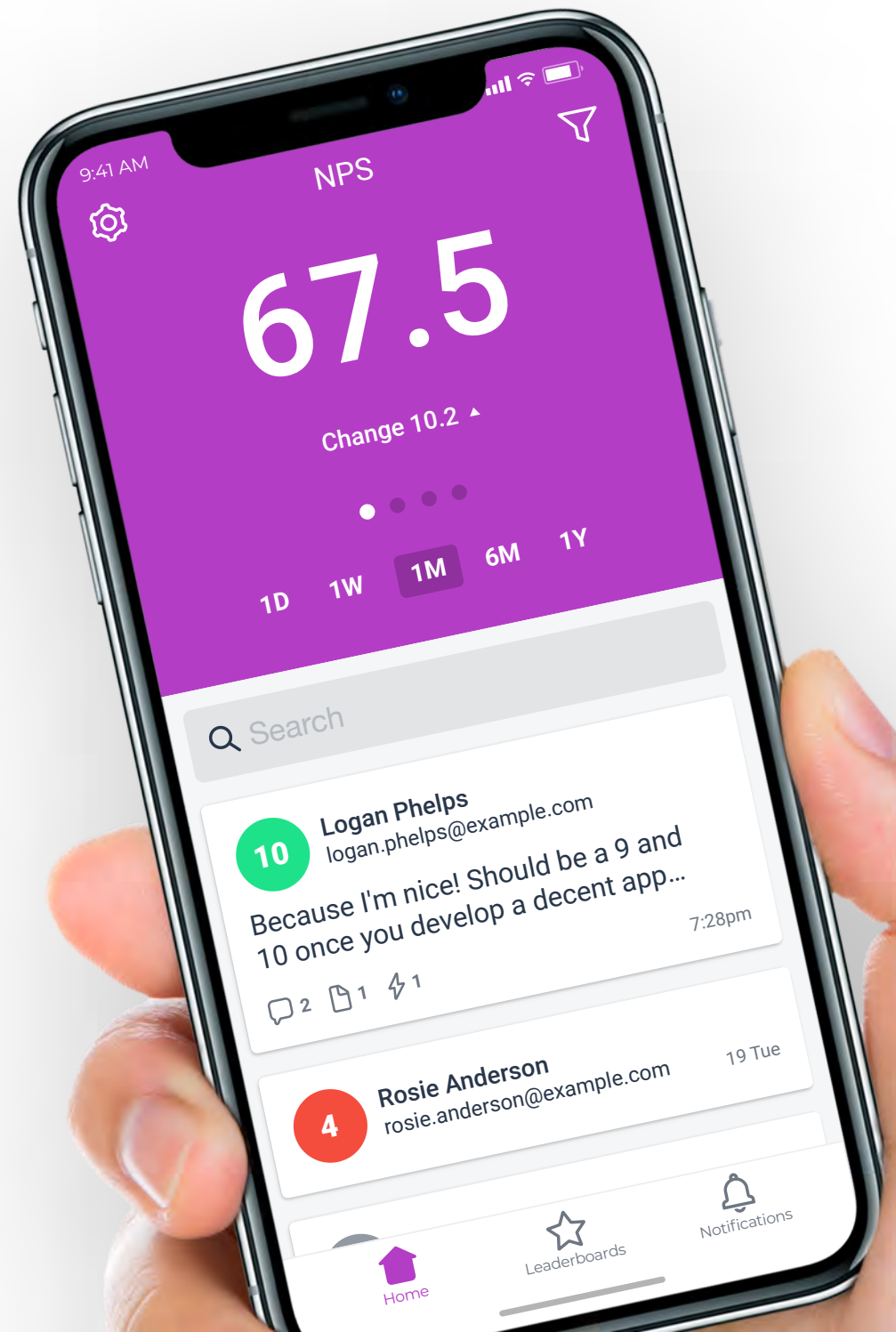
But there is a paradigm-shifting moment towards the end of the Reicheld's HBR article where he explains:

“The only path to profitable growth may lie in a company's ability to get its loyal customers to become, in effect, its marketing department.”

While you can argue that there are other paths to profitable growth, you will find a hard time making the argument that customer-to-future-customer marketing doesn't possess an inherent advantage.

Growth NPS is the practice of capturing and amplifying your own customers' voices of advocacy to help you grow quickly, sustainably and predictably, while reinvesting in delivering amazing customer experiences.

According to Forrester Research, **by focusing on CX you are investing in a 4% year-over-year revenue bump above your competitors**. Simply put, delivering on the promise of amazing customer experience is your competitive edge.



Customer Experience Growth Flywheel



Chapter 2:

Customer-Obsession as a Winning Growth Strategy

While there's a lot of talk around being a customer-obsessed brand, it's time to get crystal clear about what it means to be customer obsessed (and how this impacts your growth strategy).

NPS

A hand holding a black marker is drawing a thick, curved arrow that starts near the 'NPS' text and points towards the top right corner of the page. The arrow is drawn in a single, continuous stroke.

Jeff Bezos Defines True Customer Obsession

Depending on who you ask, Amazon is the proverbial customer-obsession lighthouse. They are praised for innovations, and blamed for market disruptions.

Whatever your opinion of the e-tail superbrand, it's hard to argue with CEO and Founder Jeff Bezos' definition of True Customer Obsession outlined in his 2016 letter to Amazon Shareholders:

*There are many ways to center a business. You can be competitor focused, you can be product focused, you can be technology focused, you can be business model focused, and there are more. But in my view, obsessive customer focus is by far the most protective of Day 1 vitality. Why? There are many advantages to a customer-centric approach, but here's the big one: customers are always beautifully, wonderfully dissatisfied, even when they report being happy and business is great. Even when they don't yet know it, customers want something better, and your desire to delight customers will drive you to invention on their behalf. No customer ever asked Amazon to create the Prime membership program, but it sure turns out they wanted it, and I could give you many such examples. Staying in Day 1 requires you to experiment patiently, accept failures, plant seeds, protect saplings, and double down when you see customer delight. **A customer-obsessed culture best creates the conditions where all of that can happen.***



The Big Idea

Even when your customers are unsatisfied, true customer-obsessed marketing is a result of gathering feedback and taking action to delight and amaze your customers.

Chapter 3:

Evolving Your Customer-Obsessed Brand Story



Growth NPS

As a customer-obsessed marketer with growth as your north star, your brand story needs to evolve far past customer happiness. Remember, happiness is a feeling, not a measurable, scalable metric. As a marketer, you want to tell the complete story of customer loyalty, and how that makes a tangible business impact.

Why? *It's Simple*

Customer loyalty is earned by developing and constantly fine tuning customer-centric experiences. If your brand story is customer loyalty, then your brand story is customer success. And every brand's story should be one of customer success.

Customer Loyalty by the Numbers

A loyal customer base is not just fuel for your growth marketing strategy, or proof that you are delivering a great experience — it is non-negotiable for true, measurable, and sustainable business success.

- **New customers are 2,500% more expensive to acquire** than loyal customers (*Harvard Business Review*)
- **41% of customers** will leave a company due to lack of personalization (*Accenture*)
- Loyalty marketers (that's you!) who implemented customer-centric marketing programs saw a **4.4% year-over-year revenue increase** (*Loyalty 360*)
- **42% of customers** will use products simply because their friends use them (*Accenture*)
- Nearly **80% of consumers** believe a brand must demonstrate that they care about customer experience before they will even consider a purchase (*Wunderman*)

No matter how you slice it

Customer loyalty is the lifeblood of your brand!





No matter how you slice it

Customer Loyalty is the lifeblood of your brand

Engineering Customer Loyalty With Growth NPS



So how do you engineer customer loyalty?

You create a mechanism for gathering and amplifying those customer voices to help your entire organization harness the power of customer-obsessed marketing for rapid and sustainable growth across every channel.

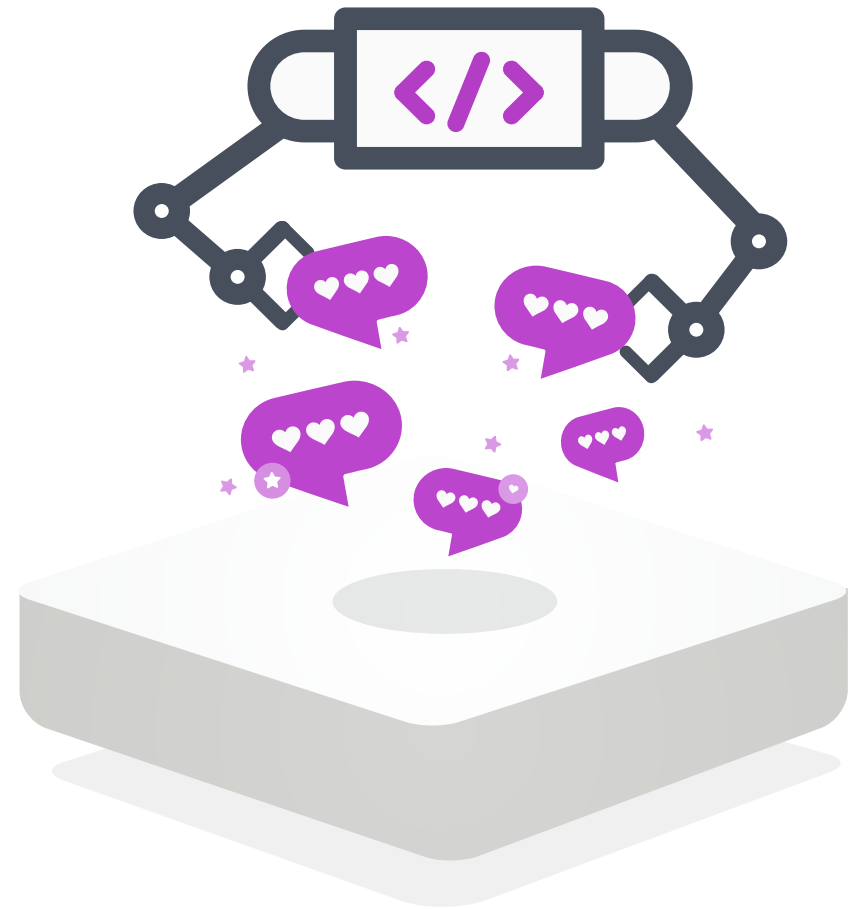
Let's talk through four major ways to achieve engineer status with a Growth NPS mindset.

1. Automate Customer Feedback

Automating how you collect and take action on customer feedback is a huge step forward in your journey towards customer-obsessed marketing initiatives. After all, how can you amplify customer voices if you have no idea what they're saying or thinking?

Spoiler alert!

It's impossible without a dedicated mechanism for collecting and taking meaningful business action on that feedback.



NPS Software Vendor Checklist

- ☐ **How many survey can I send?**
Can I scale this up as I grow?
- ☐ *Can I* **send the survey via email and within a web or mobile app experience?**
- ☐ *Can I brand the surveys with* **my company's branding?**
- ☐ *Can I send email surveys* **from my own domain?**
- ☐ *Can I* **schedule surveys to send automatically and after a predetermined delay?**
- ☐ *Can I* **segment NPS survey sends** *to ensure I'm not surveying the same customer segment each time?*
- ☐ *What is the* **average response rate** *of your customers?*
- ☐ *Can I see* **real-time NPS insights?**
- ☐ *Can I generate* **live dashboards and leaderboards?**
- ☐ **How easy it is to analyze data across teams and functions?**
- ☐ *Can I* **filter my NPS scores by customer details and activities?**
- ☐ *What business applications (CRMs, customer support software tools) do you integrate with?*
- ☐ *Do I need to* **develop custom code to integrate your NPS solution with my existing software?**
- ☐ *Can I* **automate customer actions** *based on NPS activities?*
- ☐ *Can I* **share results** *with my team or* **log a support ticket?**
- ☐ **Is my data secured and stored** *for historical reporting?*
- ☐ *Do you have* **support staff available to help me** *if I need it?*
- ☐ *Can I* **get help customizing my surveys, dashboards and workflows** *if necessary?*
- ☐ *Is your solution scalable - if I buy it now will it grow with me?*
- ☐ *Do you have options for* **publishing reviews to my site or on external?**

2. Leverage Existing Relationships — Automatically

Now that your customers are happy to stick around, you should be building stronger relationships with them: you want detractors and passives to become promoters, and promoters to become advocates. Because customers have taken the time to tell you what they need (and what they don't want) from you, your marketing has their feedback — one size fits all doesn't fit anyone these days.

Using NPS workflows to trigger next actions in your CRM or marketing automation platform means you can automatically follow up at-risk customers and encourage fans to actively advocate for you, taking away a lot of the grunt work. You should also build marketing campaigns and design customer journeys to reflect individual customer sentiment, making sure they're getting precisely the information they need to climb up the ladder.



3. Activate Loyal Customer Advocates

Some happy customers will be super obvious; they'll be the raving fans giving you 5 stars on every site, a promoter score on every NPS survey. They may even defend your honor against detractors on social media.

These 'true' advocates will promote your brand because they want to, not because you've asked or incentivized them to. You'll also have potential advocates among your customer base, though you may need to identify and encourage them before they'll actively start referring people your way.

Asking for reviews and referrals isn't a big deal. Just send an (automated but still personal) email with a link when a completed survey meets the criteria. You can use your NPS tool or your marketing platform for this, but you don't have to – and probably shouldn't – rely on automation to do it all for you. If the customer fits a specific profile: high value, long tenure, already an advocate, it definitely makes sense to reach out for the review in person.



5 Steps

to Engineer Brand Advocacy

Step 1

Send a message (email, LinkedIn message, singing telegram – whatever you have at your disposal) to ask them for a review on your preferred third-party review site (G2Crowd, Capterra, Yelp, etc).

Step 2

Shoot them a follow-up note thanking them for the review.

Step 3

Ask them to provide a testimonial on your site. This means they're engaged and they're starting to show the love all over the place. Keep this up!

Step 4

Follow-up another time thanking them for the testimonial. (It may be time to price skywriting at this point). Then ask if they would participate in a case study (video, website, etc).

Step 5

Send them another virtual high-five and offer an undeniable incentive if they'll send a friend your way. If they do, congratulations, you have an advocate.

Step 6

Now go visit your customer, take them out to dinner, and discuss more fun and inventive ways to partner up. Co-branded content marketing projects? Cross-blogging? Co-hosted webinar panels? Will they present at your next company event?

Advocacy Unlocked!

4. Build a World-Class Referral Program

Use your marketing automation software to build a quick referral program by recording incoming contact details against the customer who referred them. You can do this by simply triggering an alert when the referred lead does whatever it is you're incentivizing, add a gift voucher code to the contact record of the person who referred a lead through your marketing channels, and then send it to them in a thank you email.



6 Things to Consider

When Building an NPS-Powered Referral Program:

1

You can improve the quality of referrals by incentivizing valuable actions (whatever you like, so long as they're trackable in HubSpot or your marketing automation system of choice) not just for sharing contact details.

2

Offering incentives for referrals shows you value the information customers give you, and increases the likelihood of you getting it.

3

You don't need to offer ridiculous incentives; set the start value at whatever it currently costs you to capture a lead, then revise as you get referrals and learn their value. A/B test your incentives if you're not sure what's going to work best.

4

Create a few different emails at different stages of the customer's lifecycle and use NPS data within your CRM to create a powerful, targeted nurture program.

5

Use content personalization to insert custom calls to action within your web pages, or trigger in-app messages if you use a chat client.

6

Make sure your team knows who's sending people your way and why. Don't miss valuable opportunities to engage.

Introducing the Customer-Qualified Lead (CQL)

We're all very familiar with the marketing-qualified lead. In case you need a quick refresher, Hubspot breaks down an MQL as "a lead judged more likely to become a customer compared to other leads based on lead intelligence, often informed by closed-loop analytics."

But what if you could use powerful, real-time customer feedback insights to put your customers in the marketing driver's seat. *It's time to embrace CQLs as the next evolution of your growth marketing strategy.*

Most companies get these 'CQL' type leads, but in a uncontrolled way. What if there was a way to set up a system to skip the wild goose chase, and get a steady lead flow you can



How CQL-based Marketing Works

Picture this: you send a customer an NPS survey. The customer responds in real time with a 9 out of 10. Congratulations! You have an easy story to tell. Your company delivered yet another amazing customer experience.

Your team uses a three-pronged approach to spring into action by engaging with the customer to procure case studies, testimonials and reviews to spread the gospel of your amazing brand.



3 Steps to Automated Customer Advocacy

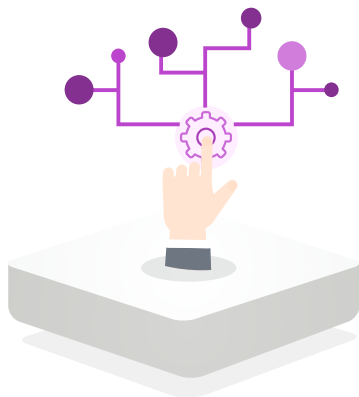


Step 1 - Engage the Business

Integrate your customer feedback tool with your favorite software tools to ensure customer feedback is delivered to the right marketing teammate at precisely the right time.


Step 2 - Collect Feedback

Ditch the old way of collecting customer feedback, and embrace the same always-on mentality as your customers. Use an NPS-powered customer feedback tool to send segmented NPS surveys daily (not quarterly, monthly, or weekly).



Step 3 - Take Action

Use your favorite software tools to assign a marketing action item to each piece of customer feedback. For instance, you can trigger actions within your CRM to use the NPS® framework as an indicator if a customer would be a case study fit and engage with that customer accordingly.

A woman with long dark hair and sunglasses on her head is smiling and looking down at a smartphone. She is holding several shopping bags. The background is a blurred outdoor setting with trees and a building.

Your loyal customer advocates are thrilled to share their own wins with your product. The quality of your marketing qualified leads evolves to world class. Revenue grows, churn drops while your customer and employee happiness and performance explodes.

The sales funnel and business impact is two fold:

1. By implementing a CQL-based marketing approach, your customer-qualified leads only compound in volume and value over time. A constant flow of CQLs primed by customer-to-customer qualification automatically start a self-sustaining process that drives revenue growth and long-term customer retention.



Typical CQL-fueled funnel

vs. Normal MQL-only funnel

	Cost Per	Conversion Rate	MQL-Only Funnel	CQL-Inclusive Funnel
MQLs	\$ 50	1x	100	80
CQLs	\$ 20	5x	0	20
Total Leads			100	100
Total Cost			\$ 5000	\$ 4400
New Customers			10	18
Cost Per New Customer			\$ 500	\$ 244

Assumptions:

Average **MQL-WIN** conversion rate: 10%¹

Average **CQL-WIN** conversion rate: 50%²

The CQL and Your Marketing Team

We've covered in some detail how a customer-focused lead generation approach can impact your sales funnel. **But how can an integrated CQL strategy impact your marketing team?**



Vice President

With a constant flow of customer-vouched marketing leads, you are enabled to flip the MQL volume game on its head. You won't need to deliver an avalanche of MQLs because of the sheer volume and low-touch scalability of each CQL. Plus, with a CQL-centric marketing approach, you are lowering your cost-per-lead (CPL), while seeing a **5x conversion return** on each lead.



Demand Generation Manager

In very simple terms, a Demand Generation Manager's goal is to build excitement and momentum around products and campaigns that fuel growth across each touchpoint. By integrating customer storytelling, Demand Gen professionals can focus their entire strategy around amplifying the voice of the customer — enabling a **2x return on investment³** across the business.



Marketing Ops Manager

According to a 2017 MarTech Advisor study, the top three priorities for today's marketing operations teams includes leveraging real-time data to optimize marketing campaigns, customer marketing, and competitive research. By using a real-time customer feedback mechanism, Marketing Ops Managers are able to create a self-sustaining loop of better campaign performance that amplifies VoC-fueled campaigns that outpace competition.



Content Marketing Manager

Research from Gartner⁴ indicates that in 2018, 89% of brands are competing in customer experience. Plus, as more content marketers need to prove out ROI on their efforts, it's worth pointing out that VoC content programs ladder into **10x ROI⁴** across the entire business. This means that content marketers need to be telling customer-centric brand stories through case studies, white papers, blog posts, social media, and everything in between.

Bottom line: A CQL-inclusive acquisition strategy can attain nearly **twice the customers** in the same period
- at half the cost per acquisition.

Conclusion:

Lead the Pack With a Growth NPS Strategy

NPS is not just the next evolution of Customer Marketing

It has become trendy and fairly commonplace to ring the death knell of former marketing tactics in favor of new ones.

When Facebook unveiled their messenger app, self-proclaimed marketing gurus claimed that email marketing was dead. It's far from dead. In 2018, it still remains the #1 way B2B companies communicate. But email needed a narrative marketing facelift (welcome to 2018 email marketing).

Growth-hacking isn't dead. It's just incomplete. Marketers should obsess about customers and growth, while simultaneously integrating that mindset into every aspect of the funnel. But you can't grow without telling powerful customer stories of brand advocacy.



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Founded in 2014, AskNicely is a fast-growing SaaS company that helps thousands of forward-thinking companies like The Dallas Mavericks, Xero and Jetstar to transform customer experiences and drive business growth by automatically collecting and taking action on customer feedback in real time — powered by the Net Promoter Score framework. Rated #1 by G2Crowd, AskNicely empowers entire organizations with insights and understanding to reduce churn, increase customer retention and automate advocacy. AskNicely has offices in Portland, Oregon and Auckland, New Zealand.

This is Growth NPS in action.

Learn more at www.asknicely.com





Ask Nicely

Credits

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