

How events can help turn customers into promoters



By [Betsy Zikakis](#)

21 Jan 2014

Not all customers are created equal. Marketers who understand the power of the most influential customers, called promoters, are using a vital metric, the Net Promoter Score to transform companies across industries and sectors.

Event marketers are in an ideal position to use the power of this metric. Events, targeted strategically, can give new and existing promoters a voice to let them share their stories and give them a reason to get excited. Motivated promoters in turn share the good word about their favourite products and services with friends and colleagues.

Marketers once called this rate of converting customers to promoters the "forgotten conversion rate." The proof is mounting that keeping this breed of customer happy is the real key to long-term profitability.

The Net Promoter Score (NPS) is a customer loyalty metric, quantified by Fred Reichheld, Bain & Company, and [Satmetrix](#), that evaluates, on a scale of 0-10, how likely people would be to recommend your company or product to others.

The ultimate question

In the most recent book, *The Ultimate Question 2.0*, by Fred Reichheld and co-author Rob Markey both of Bain & Company, they show how major market leaders like Apple, GE, Zappos, eBay and even the UK's National Health System are using NPS to measure future customer loyalty.

When companies have a high NPS they tend to outgrow their competitors in the industry by up to 200 percent.

"The Net Promoter System helps keep us focused on our mission-every day in every store-to enrich the lives of customers and employees," said Apple's Ron Johnson, senior vice president.

According to Bain's analysis loyal customers buy more, generate new customers through their referrals, stay longer, and cost less to serve. That's why a higher NPS relative to competitors can explain significant variations in growth rates within an industry.

Many marketers rely instead on conventional customer-satisfaction surveys. These are not good predictors of future customer satisfaction and not as actionable as the NPS metric, according to Bain.

To be most effective NPS results must make it back to the front line in a timely and individualised manner so it can actually drive behaviour change within an organisation that will keep promoters happy. In other words, identify what they don't like

and fix it.

Three Segments of Customers, Based on NPS

The revolutionary part is that it all centres on one simple question - How likely is it that you would recommend a company (product or service) to a colleague or friend? They measured this on a 0 to 10 scale.

Riechheld and Markey identified three segments of customers - Promoters, Passives and Detractors - based on their loyalty and enthusiasm about the company or product.

- Promoters (scoring 9 to 10) are the ones who are delightedly loyal to your brand, tell their friends about you, and generate the most profits and sustainable growth.
- Passives (7 to 8) are positively passive and could take or leave your product.
- Detractors (6 to 0) actively dislike doing business with you and go out of their way to spread the word. They're the ones complaining on Twitter.

Events help turn customers into promoters

Events provide one-to-one interactions with customers, offering an important - and often overlooked - contact point at which customers can be transformed into promoters and promoters can be activated.

The key is to nurture existing customers by enriching their experiences and responding quickly to feedback. Provide more [targeted event experiences](#) that let existing customers and prospects explore the most relevant content and allow them to connect with product experts to resolve problems.

Events are also one of the best channels for spreading word of mouth, which drives 20 to 50 percent of all purchasing decisions. Use your events to allow customers to connect with one another. People respond best to recommendations from a trusted source.

One key to encouraging and nurturing customer loyalty is to create an engaged social media community around your event. Directly communicate with your audience via social platforms and use them to build stronger ties using mobile web technologies creatively during events.

Feedback

Customer loyalty goes beyond exceptional customer experiences. It has to include what Bain calls a closed feedback loop. Bain suggests event managers should be contacting all segments of customers within 24-48 hours of receiving survey feedback. Business-to-business respondents have lower tolerance than consumers if they get no response to feedback -- and they may well refuse to engage further with you if the feedback loop is not closed.

Powerful and meaningful event experiences can turn more satisfied customers into promoters who will spread their delight about your brand and return again and again.

Leading marketers are using the NPS metric to measure changes in their promoters over time so they can get the insights into customers' feelings they need to optimise and be accountable for the customer experience. It's a strategy that seems to be working for Apple, GE, and EBay.

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