

From “Ready” to “Go”: Activating Promoters

By Dr Alain Samson, for Mulberry House Consulting

Since the publication of Fred Reichheld's article *The one number you need to grow* in the Harvard Business Review in 2003ⁱ, the Net Promoter Score® (NPS) has become part of a customer-centric campaign that has affected marketers, CRM departments and boardrooms alike. Most companies now use NPS as a tracking and reporting tool alongside other measures, and many use it as part of their customer segmentation.ⁱⁱ The NPS is based on variations of the question ‘Would you recommend us to a friend or colleague?’ answered on a scale between 0 (not at all likely) and 10 (extremely likely). Scores are computed by subtracting the percentage of detractors (those giving 0–6 answers) from promoters (9–10s). Simply knowing your NPS, of course, is just a starting point. The key is to turn scores into actionable insights. One of the most frequently encountered issues by practitioners is how to transform promoters into actual brand advocates. While there is no magic formula to answer this question, a closer look at relevant theories, research and practices can point us in the right direction.

Why do people recommend?

There are two broad factors that can determine a customer's likelihood of recommending or engaging in positive word-of-mouth (WOM) - *satisfaction* and *involvement*.ⁱⁱⁱ Satisfaction is usually a customer's response to something intrinsic to the product or its delivery. Involvement can be the result of the nature of the product category, the customer's interest in that category or the market place in general.

Satisfaction

The quality or delivery of a good or service is undisputedly at the core of people's likelihood of recommending. With respect to advocacy, satisfaction has many dimensions. However, most WOM marketers agree that merely being satisfied is probably not enough for

unprompted recommendations. Instead, the focus has been on experiences that exceed expectations, which can result in emotional states like positive surprise^{iv}. One study has found that a 10% increase in positive surprise is associated with a 7% increase in actual recommendations.^v Even people experiencing an episode of service failure can potentially be turned into advocates if the right service recovery process is in place.^{vi}

Involvement

The degree to which a person perceives a product to be personally relevant^{vii} is commonly referred to as product involvement, which enhances the probability of advocacy. Some of this depends on the nature of the product, ranging from degrees of utility to the number of brand-consumer touch-points. Sometimes involvement is only temporary, usually in the period following a product purchase. Finally, customers can be promoters because they have high market involvement, regardless of the product in question. ‘Market mavens’ or opinion leaders are well-known examples of this type of consumer.

Satisfaction & Involvement. In your qualitative NPS analysis, don't just search for the obvious key words associated with satisfaction. Also look for clues about involvement and track the relationship between involvement and NPS over time. Find out what is actually driving promoters and use this to develop your relationship with promoters.

Promoters in the NPS framework

NPS was developed as an alternative to complex customer satisfaction research. In fact, Reichheld and Satmetrix found it to be more predictive of a company's ability to grow than traditional measures. Subsequent research in the UK showed NPS to be almost as strong a correlate of sales growth as actual WOM and superior to a one-question satisfaction measure.^{viii} Although the predictive ability of NPS in comparison to

Other metrics has been challenged by researchers elsewhere^{ix}, there is no doubt that ‘would you recommend’ is a parsimonious and powerful measure related to repurchasing behaviour (loyalty) and positive WOM (advocacy).

In customer segmentation, NPS has been suggested as an addition to customer profitability in designing value propositions, especially to a company’s core of highly profitable promoters.^x The importance of looking at recommendation likelihood separately becomes clear in a recent report about telecom customers, which showed that customers’ lifetime value (CLV) was largely independent of their referral value.^{xi} Data from another telecoms firm with a “member get member” scheme indicate that customers from referrals exhibit more loyalty (upon which traditional CLV measurement is based) than customers brought in by other sales channels.^{xii} If this holds for non-incentivised referrals, advocates may create not just new customers, but new high quality customers by affecting their CLV.

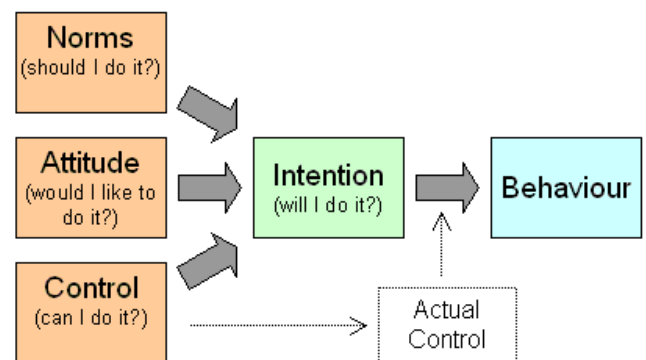
However, promoters are not advocates unless they actually recommend. Satmetrix found that the combined repurchase and referral behaviour of telecoms customers was over 80% among promoters and almost 40% less among so-called passives (7-8 scores on the NPS question). The telecoms study mentioned previously reported 81% promoters, while only 30% were actual recommenders.^{xiii} This comes as no surprise – what customers say they would do is not necessarily what they will do. What’s missing is a reason or opportunity to engage in positive WOM.

The attitude – behaviour gap

The trouble with the ‘would you recommend’ question is that it is often interpreted as an *intention* to recommend, even though treating it instead as a more general attitude towards recommending would be more realistic. Indeed, social psychologists, political scientists and market researchers have long racked their brains over models bridging the gap between people’s beliefs or attitudes and actions. The theory of planned behaviour^{xiv} suggests that a person’s behaviour is

Determined by his/her intention to perform the behaviour (will I do it?), and that this intention is, in turn, a result of attitudes toward the behaviour (would I like to do it?), subjective norms influenced by other people (should I do it?) and perceived control over the behaviour (can I do it?). The best predictor of behaviour is always an intention. This theory has been successfully applied to negative WOM intentions.^{xv} However, unlike consumer behaviour that tends to be initiated by the customer, like negative WOM or complaining^{xvi}, reasons for recommending often also include situational factors like actual requests for information by others.

Planned Behaviour Model



The ‘planned behaviour’ model can be applied to recommendation behaviour as follows:

Recommendation ‘attitudes’: the core product

Is recommending a particular product good, valuable or beneficial? Much of this attitude is the result of customers’ experience with the core product, captured by the ‘would you recommend’ question used for Net Promoter. But consumers’ relationship to both the product in question and other people, as well as the ability or opportunity to recommend can be decisive factors shaping actual recommendation behaviour.

Recommendation 'norms': the power of relationships

Other people's attitudes and beliefs or social norms have a greater effect on our own than we would sometimes like to admit. As a result, our relationships with others greatly influence what we do. Many of our actions are the result of the implicit question 'What do others expect of me?' Consumer psychologists think of relationships between customers and brands as very similar to those between people.^{xvii} A key issue in this relationship is 'identification', the result of a match between a consumer's self-image and brand image. One recent study showed that, unlike answers to the 'would you recommend' question, actual recommendation behaviour is determined *more by identification* and *less by satisfaction*.^{xviii} This is an important finding. It demonstrates that relationships may be a key ingredient in the successful activation of promoters.

Standard recommendation behaviour, of course, is a form of communication between an advisor and an advised. Advocacy is not only the result of a match between brand image and self-image, but can also be a function of the question how recommending a brand *reflects* on the advocate's self-image. Ideally, branding would maximize the "image fit" between both brand-consumer and consumer-consumer relationships.

Recommendation 'control': the need for opportunities

Recommendation behaviour is constrained or enabled by communication patterns and contexts. The volume of buzz that a brand enjoys is of course very much determined by the product category it is in. Factors commonly identified as "information seeking boosters" are high purchase *risk* (including financial investment or commitment) and high product and market *complexity* (e.g. number of product features or choice of brands).^{xix} Naturally, recommendation seeking is something over which a company cannot really exert control. Nor can it influence the context in which more spontaneous recommendations occur. But at the very least it can provide content and cause. From the

Perspective of 'recommendation control', companies can provide opportunities or triggers for referrals.

Activating Promoters

So you are happy with your NPS and the proportion of your customers who are promoters, but how do you get them to be doers, not just talkers? According to the model identified in this paper, you will have to build the right relationships and opportunities, ideally combined with improvements to the experience related to your core product. Let's have a look at common advocacy campaigns^{xx} from the perspective of this framework by identifying their relative focus on the core *product*, customer *relationships* and recommendation *opportunities*.

Product based approaches

Innovation: Offering something new (or at least improved) is the best and most natural way of growing advocacy. Assuming that you are already doing your best to improve and delight or innovate and surprise, this approach does not directly address the question of how people who say that they *would* recommend actually become *active* promoters.

Opportunity based approaches

Referral programmes: Encourage customers to refer a friend, usually by providing incentives. These programmes are not necessarily meant to target specific customer segments like promoters. While referral campaigns can boost sales in the short term, recommendations based on extrinsic rewards do not foster advocacy "naturally" and as such may not create true advocates among existing customers. However, as a pre-selection process by customers taking into account prospective customers' wants and needs, referrals have the potential to generate new customers of high value.

Opportunities. Create the opportunity for people to recommend you. This is more likely to bring in like-minded and valued customers.

Viral campaigns are designed to make a message spread to a large number of people and they don't have to originate from a company's customers. What's missing in buzz campaigns is an experience of, or relationship with, the core product. Campaigns of this nature are often better at raising awareness than actual sales. The same is probably true for advertising. Talk-worthy ads can provide content, cues or triggers for an existing customer to engage in WOM, but they lack a direct experience with, or relationship to, the product.

Relationship based approaches

When companies engage in *causal campaigns*, they try to build their image and link their product to a good cause (think ethical business, for example). This increases customers' identification with the brand and provides an incentive to re-purchase or promote. The effect can be even stronger if the campaign is endorsed by an influential person from public life.

Combined approaches

Product and opportunity based

Providing a unique experience with a product along with the ability to share it with others constitutes *tryvertising*. This product experience based approach to advocacy usually targets high value customers or promoters. However, it tends to be a one-way approach from brand to consumer and as such builds weaker relationships than some other methods.

Tryvertising. Once new customers are safely on board, offer them the opportunity to invite a number of their "most discerning" friends to try it out for themselves. If they do not take the opportunity, it is a signal that they are not yet safely on board, requiring action to be taken.

Relationship and opportunity based

Influencer outreach strategies target customers with high product or market involvement. Some companies have introduced promoter status as an additional

criterion. The idea is that 'influencing the influencers' who are likely to recommend can be more effective than mass marketing. Most advocacy campaigns could be part of a wider influencer outreach strategy.

Similarly, *brand ambassador programmes* give select customers (NPS promoters, influentials or high value customers) special privileges, such as inside scoops about the brand or special offers. Although these campaigns also include opportunities for sharing with friends, the focus is on relationships: making the brand ambassador feel special in relation to both the brand and his or her social network.

Product and relationship based

So-called 'empowered involvement' may well be the most effective strategy to convert promoters into real advocates, because it can combine product development with the power of relationship building. Opportunities to engage in recommendation behaviour tend to arise naturally in the process of involvement, but can also be encouraged 'artificially' by providing product samples, communication channels, etc.

Innovation & Involvement. When considering innovation, offer promoters the opportunity to be the first to experience the new or improved product. This will increase their level of involvement and help further product improvements. Make them feel special by presenting it as a limited edition offer for the most valued customers.

Crowdsourcing, for example, is a form of 'outsourcing to the masses', which can be part of a business model (e.g. manufacturing and selling products exclusively designed by customers) or just a one-off (e.g. a consumer competition to develop or improve a product). Strictly speaking, crowdsourcing is largely a consumer-to-product, rather than product-to-consumer, relationship, but it can build strong identification with the product due to the 'I did that' effect.

Co-creation. Target new customers and promoters and invite them to become involved in the creation of new propositions – building on the “I did that” effect.

A more powerful cousin of crowdsourcing is *co-creation*, if the collaboration process is one between businesses and consumers. The two-way dialogue, creativity and collaboration that are usually part of co-creation serves as a tool to build relationships, identification and involvement, while the process itself aims to innovate or improve products. Targeting your high value customers and promoters for the purpose of co-creation may be one of the best recipes to turn them into active recommenders.

Advocacy Programme	Focus		
	Product	Relationship	Opportunity
Innovation	X		
Referral			X
Viral			X
Causal		X	
Tryvertising	X		X
Ambassador		X	X
Influencer		X	X
Crowdsourcing	X	X	
Co-creation	X	X	

Implications for ‘everyday business’

If you don’t plan to invest in an advocacy campaign anytime soon, the approaches outlined in this paper may still have implications for everyday aspects of your business, including product delivery processes. Viewing practices or strategies that should advocate promoters through the lens of *product*, *customer relationship* and *recommendation opportunity* perspectives can be a starting point. Every touch-point provides an experience, every experience builds a relationship and involvement, while also providing fuel for advocacy. If your product or business strategy does not allow you to create tangible recommendation opportunities, ask yourself simply how you

can create experiences that build relationships and potential triggers for recommendations. Then let “nature” take its course.

This paper is the first of a three part series of articles dedicated to the topic of ‘activating promoters’. Our next paper will take a closer look at companies’ actual practices relevant to promoter activation, while the final piece will suggest some winning strategies for your business.

About the author:

Dr Alain Samson is a former LSE academic and current Research Director at the London Research and Consulting Group. He has written and consulted extensively in the area of consumer advocacy and word-of-mouth. Alain holds a PhD in Social Psychology from the London School of Economics.

ⁱ Reichheld, F. (2003) ‘The One Number You Need to Grow’. *Harvard Business Review*. Dec.: pp. 1-11.

ⁱⁱ Kirby, J. and Samson, A. (2008) Customer Advocacy Metrics: The NPS Theory in Practice. *Admap*. Feb.: pp 17-19.

ⁱⁱⁱ v. Wangenheim, F. and Bayón, T. (2007) The Chain from Customer Satisfaction via Word-of-Mouth Referrals to New Customer Acquisition. *Journal of the Academy of Marketing Science*. Vol. 35: pp. 233–249.

^{iv} Derbaix C. and Vanhamme J. (2003) Inducing Word-of-Mouth by Eliciting Surprise - A Pilot Investigation. *Journal of Economic Psychology*. Vol. 24: pp. 99-116.

^v Weber Shandwick UK (2007) *European Advocacy Study*.

^{vi} Maxham, J. and Netemeyer R. (2002) Modeling Customer Perceptions of Complaint Handling over Time: The Effects of Perceived Justice on Satisfaction and Intent. *Journal of Retailing*. Vol. 78: pp. 217-301.

^{vii} v. Wangenheim and Bayón (2007) op. cit.

- ^{viii} Marsden, P., Samson, A. and Upton, N. (2005) Advocacy Drives Growth. *Brand Strategy*. December: pp. 45-48.
- ^{ix} see for example Keiningham, T., Cooil, B., Andreassen, T. and Aksoy, L. (2007). A Longitudinal Examination of Net Promoter and Firm Revenue Growth. *Journal of Marketing*. Vol. 71: pp. 39-51.
- ^x Reichheld, F. (2006). *The Ultimate Question*. Harvard Business School Press.
- ^{xi} Kumar, V., Petersen, J. and Leone, R. (2007) How Valuable is Word of Mouth? *Harvard Business Review*. October: pp. 139-146.
- ^{xii} Mulberry House Consulting (2007) *Is Net Promoter the Best Measure?* Whitepaper.
- ^{xiii} Kumar et al. (2007) op. cit.
- ^{xiv} Ajzen, I. (1985) 'From Intentions to Actions: A Theory of Planned Behavior' in J. Kuhl and J. Beckman (1985) *Action-control: From Cognition to Behavior*. Springer.
- ^{xv} Cheng, S., Lam, T. and Hsu, C. (2006) Negative Word-of-Mouth Communication Intention: An Application of the Theory of Planned Behavior. *Journal of Hospitality & Tourism Research*. Vol. 30: pp. 95-116.
- ^{xvi} East, R. (2000) Complaining as Planned Behavior. *Psychology & Marketing*. Vol. 17: pp. 1077-1095.
- ^{xvii} see for example Fournier, S. (1998) Consumers and their Brands: Developing Relationship Theory in Consumer Research. *The Journal of Consumer Research*. Vol. 24: pp. 343-373.
- ^{xviii} Brown, T., Barry, T., Dacin, P. and Gunst R. (2005) Spreading the Word: Investigating Antecedents of Consumers' Positive Word-of-Mouth Intentions and Behaviors in a Retailing Context. *Journal of the Academy of Marketing Science*. Vol. 33: pp. 123-138.
- ^{xix} Samson, A. (2006) Understanding the Buzz that Matters: Negative vs Positive Word of Mouth. *International Journal of Market Research*. Vol. 48: pp. 647-657.
- ^{xx} Marsden, P., Samson, A. and Upton, N. (2005) *Advocacy Drives Growth*. Whitepaper.