

## One Simple Question that Unlocks Sales, Growth & Loyalty - By Ken Burgin

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You may have run surveys before: with restaurant or cafe customers, in hotel guest rooms or for club members. The results can be useful, but are often complex and the response rates may be small. Staff may find them difficult to understand or feel they 'don't apply to them'.

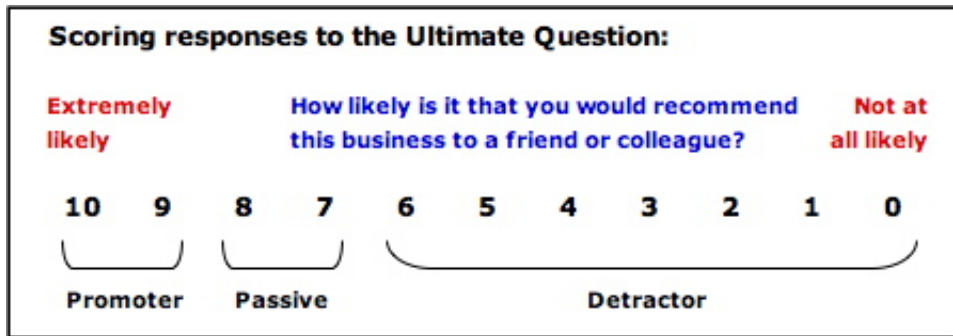
A new book called *The Ultimate Question\** reduces the feedback issue to just one simple question, and connects a positive response to this question with the future growth and strength of a business.

Here is the question:

**'How likely is it that you would recommend this business to a friend or colleague?'**

From the response to this simple question (on a scale of 1 to 10), you can calculate your Net Promoter Score. NPS measures how many of your customers are enthusiastic fans, how many are neutral, and how many actively dislike your business. Make your customers satisfied and they will in turn, promote your product to others. We know that, but it's been hard to score and measure - now it's simple.

Once you have the survey results, divide them like this:



People who respond with a 9 or 10 are Promoters - they are big fans and account for more than 80% of referrals. They are less price-sensitive and staff enjoy serving them. People in the Passive segment rate your business 7 or 8. They are usually motivated more by inertia than enthusiasm - they're likely to go elsewhere if a better offer comes along. Detractors rate you from 0 to 6. They often criticise your business, spread negative word-of-mouth and demotivate your staff.

How to work out your NPS. The process is simple - survey your customers and work out the percentage of people in the Promoter and Detractor segments, then subtract one from the other (ignore the Passives).  $NPS = P\% - D\%$ .

For example, if you did a survey over one week and had 500 responses, with 250 Promoters, 100 Passives and 150 Detractors. The NPS counts the Promoter % of 250/500 or 50%, minus the Detractor % of 150/500 or 30%. So your NPS equals 20%. It's an easy figure to understand, and will go up if as you create more Promoters, make the Detractors happier and make the Passives more enthusiastic. A 20% score is nothing to be excited about - you can see that half of the 500 surveyed were not Promoters. But you know where you stand and can see there's work to be done. Next time you do a survey, it's easy to compare the results.

How to use the NPS system. If you've never run a customer survey, or run one that had a low response rate, this is an easy way to get started. We've added an Ultimate Question Survey Form and a Results Calculator into the Download Center (in Marketing Resources) - hand it out with the customer's account, pass it out to club members or set it up online using the very easy SurveyMonkey system.

It's also useful to add one more open question: What is the one most important thing our organisation could do to help us to achieve a score of 10 from you? This will show the issues to be addressed, and is still easy for customers to complete. Start with your survey over one short period eg one week, so you can work out the practicalities of running it. Make sure you provide pencils for the survey - pens are often taken.

Use the system to survey your staff. Restaurateur Matt Kesby, the founder of casual recruitment service PloyMe, used NPS in his restaurant and is now adapting it to score the attitude of employees.

Given that personal recommendation is such an effective method for finding new staff, it makes sense to measure Employee Advocacy. So the question would be 'How likely is it that you would recommend this company to a friend as a place to work?' - Matt then divides the results into:

Promoters: the staff that love the business and actively tell others how great the company is to work for.

Passives: Employees who neither love nor hate the company, they simply go about their duties.

Detractors: people in the business that are 'having issues', small or large and are actively telling others inside and outside the organisation about the problems they see.

If you surveyed your staff, how do you think the business would score? If the result is low, it probably relates to challenges you have with recruitment and retention.

*Profitable Hospitality offers management and cost-control systems (Manuals & CD-ROMs) for restaurants, cafes, hotels, bars and clubs. The systems are based on the extensive consulting and operating experience of CEO Ken Burgin, and enable busy owners and managers to set up complete operating and cost-control systems in minutes, not months. Profitable Hospitality also runs regular management training workshops in the areas of kitchen profit & efficiency, restaurant marketing and functions management. A free monthly e-newsletter keeps you up to date on the latest industry management issues. [www.profitablehospitality.com](http://www.profitablehospitality.com).*

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