



Lead Generation in Tough Times

How CSI/NPS Scores Can Be Used

By John E. Dillard, Jr., Ph.D.,
The AVALA Marketing Group

More and more marketers today are realizing that customer satisfaction and recommendations, once thought of simply as a “feel good” measurement, or a place for consumers to vent, can actually provide a source of positive leads – something we can all use in these tough economic times.

But how? Let’s briefly examine the process.

Customer Satisfaction Indexes (CSI) are typically calculated from questions such as: “Based on your recent (sales experience/service

experience/ownership experience), how satisfied are you with your (selling dealer/servicing dealer/product)?” In a standard CSI survey, consumers will respond to this question via a 5- to 11-point scale. The overall CSI score is determined by taking the arithmetic mean of all respondents. For exam-

Even if you sell only a few additional boats a year, isn't it worth it?

ple, if you have three respondents, one of whom rates you a 10, another who rates you a 9, and the third rates you a 4, your overall CSI score is $10 + 9 + 4 / 3$, or 7.67.

Net Promoter Scores (NPS) are usually based on a single 11-point “likelihood to recommend” scale as follows: “On a scale of 0 to 10, with 0 being ‘not at all likely’ and 10 being ‘extremely likely,’ how likely is it that you would recommend (dealership/product) to a friend or colleague?” NPS is calculated by recording responses into three groups (detractors, passives and promoters) and subtracting the percentage of detractors from the percentage of promoters.

What is the value of CSI/NPS respondents in developing leads in tough economic times? Before we address that question, let’s briefly look at how certain responses might be interpreted. In most CSI programs, 50 to 70 percent of all customers are “completely satisfied” with whatever they are being surveyed about (sales, service, ownership experience, product, dealership, etc.). Any response below a 9 is, therefore, not necessarily a disgruntled customer but is certainly suspect. NPS has a similar way of categorizing respondents: 9s and 10s are promoters and everyone else is simply a different shade of negative. Thus, with either of these two instruments, highly positive customers respond with either a 9 or 10.

Since we know these customers are very positively inclined to the product and/or the dealership, this knowledge can be leveraged to generate leads in a number of different ways:

1. Contacting these customers directly and asking them

to recommend one or more persons that might have an interest in boating. These leads can be followed up by e-mail, direct mail and/or by phone.

2. Hosting an event where the highly positive customers are invited to attend and asked to invite one or more friends they know who either: a) enjoy boating but don’t own a boat; b) own a competitive boat; c) own a pre-owned boat; or d) enjoy the water. This type of event can be hosted around a boat show, introduction of a new model, or during a “demo-day” where there are several sizes and types of boats available for test drives.

3. Host an event for only the new “leads” and their families with the invitation to the event coming directly from the highly positive customer.

Each of these approaches has been successful, but the one that will work for you might require a bit of experimentation. We recommend starting small and trying different approaches. For example, who should first contact the highly positive customer might depend on the context of the survey. If it’s a post-sales survey, the salesperson might be best; for a post-service survey, either the service manager or service advisor. The owner of the dealership might also be good.

Will a simple invitation work? Again, some experimentation is required. You may need a traffic incentive to get the “leads” to attend. Part of it will depend on the relationship the lead has with the highly positive customer. We recommend trying it both ways. And track your results so you know what works and how effective it is. Know how many people you invited, how many showed up, how much money you spent, how many leads you got into a “selling” situation, and how many boats you ended up selling.

This may require several months of planning and then several months of tracking leads. But armed with this knowledge, you will quickly be able to determine the effectiveness of any program. Once you know what works, keep at it. Even if you sell only a few additional boats a year, isn’t it worth it? In high-end industries, converting prospects to sales can translate to millions in profit. This more than justifies the amount of effort spent on mining your CSI program for new leads.

John E. Dillard is a principal of The AVALA Marketing Group, a research and marketing firm that specializes in the recreation industry. The company can be reached at 888/828-9249 or www.avalamarketing.com.