Can't Get No (IT Customer) Satisfaction?

How to use Net Promoter to measure and improve IT customer service

by David O’Reardon
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Synopsis

Customer satisfaction surveys are undeniably important. They enable IT departments to understand how they are perceived by their internal customers and provide a sound basis for directing continual service improvement efforts.

However, traditional satisfaction survey methods have a number of disadvantages.

A better way can be found in an approach called Net Promoter®. Net Promoter is a customer loyalty metric and set of principles developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix. Although Net Promoter is traditionally used to measure and improve the loyalty of external customers, the approach readily lends itself to IT departments with internal customers.

The goal of this whitepaper is to inspire you to commit to conducting regular IT customer satisfaction surveys and to provide you with all the information you need to implement Net Promoter within your IT department.

Key learning outcomes

Having read this whitepaper you will understand:

- Why IT customer satisfaction surveys are important.
- What Net Promoter is and how it is better than traditional methods for measuring customer satisfaction.
- How to implement Net Promoter and use it to drive continual service improvement within your IT department.
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Introduction

When was the last time you ran an IT customer satisfaction survey? What sort of response rate did you get? What improvements were made as a result?

If your IT team is fairly typical, there’s a good chance that you answered something along the lines of, “Ages ago”, “Pretty low” and “Not many”.

And you shouldn’t feel bad about that. Traditional IT customer satisfaction surveys are a burden to run, are onerous for customers to complete and are difficult to analyse. And once you’ve got the resulting pie charts and bar graphs, then what? How do you take that data and turn it into specific improvement initiatives?

Fortunately, there is an easier and more effective way of surveying your customers. Net Promoter, used by thousands of organisations worldwide, including Apple, is a better way.

I’ll show you how Apple uses Net Promoter and how you can apply these same principles in order to boost your continual service improvement efforts as well as to dramatically improve customer service.

Why bother with surveys?

There are three very good reasons to conduct customer satisfaction surveys:

- Better understand customer perceptions.
- Avoid the ‘status quo trap’.
- Direct service improvement efforts.

Let’s look at each of these.
Can’t Get No (IT Customer) Satisfaction?

Understanding customer perceptions

As IT professionals it’s easy for us to get carried away with technology. We’re busy keeping today’s applications and infrastructure running and we are under pressure to be ready for tomorrow’s next big thing. It’s easy for us to forget that the primary reason we’re here is to provide value to our customers.

Customer satisfaction surveys help you understand how your customers perceive you. And as the lean movement tells us, when it comes to value, customer perception is everything.

Avoiding the ‘status quo trap’

Surveys are important because they help you avoid the perception that you are providing declining service over time.

If you’ve ever read about the work of Professor Noriaki Kano and the Kano Model, you’ll remember that customers expect us to improve over time – things that excite them today become basic expectations of tomorrow.

The upshot of this is that, if your objective service level measures stay constant, e.g. service availability or incident resolution times, customers may still perceive that things are becoming worse.

You have to continue to improve service just to maintain satisfaction. Maintaining the status quo is seen as going backwards.
Directing service improvement

The internet is awash with people asking:

“Which ITIL process should I implement first?”

This is the wrong question to ask! A better question would be:

“What do my customers value and how am I falling short of delivering what they value?”

Customer satisfaction surveys, when done well, provide you with the information you need to answer that question.

By examining feedback for themes, you can identify the areas that are causing dissatisfaction. These are the aspects of your service that customers value, but where you seem to fall short of their expectations. You can then turn to best practices such as ITIL or COBIT for ideas on how to improve those aspects and so improve your service.

The good news is that you rarely need to implement a whole process. You can just implement the parts that will give you the outcomes you’re looking for.

Consider an example where a significant number of your end-users tell you that their issues seem to frequently disappear into a black hole. In this case, you may choose to implement elements of Incident Management and Service Level Management:

- Establishing priority-based response and resolution targets and consistently using these to manage customer expectations.
- Creating an alert or escalation mechanism in your ITSM software.
- Building time-based performance targets into your KPIs and exception reports.

Why not allow customer feedback to direct your service improvement efforts?
Traditional surveys suck!

While IT customer satisfaction surveys are undeniably useful, traditional surveys have a number of drawbacks.

- They have too many questions. This is often because too many people have been asked to contribute questions when the survey was designed. As surveys get longer, response rates drop, and as a result, sample sizes shrink.

- They tend to ask the wrong questions. They ask questions that are important to the IT department rather than those that are important to the customer. If you’ve ever completed a long survey only to find that you weren’t given the opportunity to share what you wanted to share, you’ll know how frustrating this can be.

- The resulting tables, pie charts and bar graphs do not tell us what we need to do to improve service. If you need a researcher or statistician to interpret the findings, the survey is probably going to be ineffective.

- There are no generally accepted standards for survey design. The questions themselves differ and the grading scales used are inconsistent. This means that performance cannot be benchmarked across organisations or industries.

- Because surveys can be time consuming to devise, cumbersome for customers to complete, and difficult to analyse and action, we simply don’t run them as often as we should.

Fortunately, there’s an alternative approach that we can borrow from that doesn’t have these drawbacks.
So, what is Net Promoter?

The Wikipedia definition is sound, so here it is:

Net Promoter is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix.

It was introduced by Reichheld in his 2003 Harvard Business Review article "One Number You Need to Grow". The most important proposed benefits of this method derive from simplifying and communicating the objective of creating more "Promoters" and fewer "Detractors" — a concept claimed to be far simpler for employees to understand and act on than more complicated, obscure or hard-to-understand satisfaction metrics or indices.

In addition, proponents claim the Net Promoter method can reduce the complexity of implementation and analysis frequently associated with measures of customer satisfaction, providing a stable measure of business performance that can be compared across business units and even across industries.

Although Net Promoter is a registered trademark, it requires no special software to implement and its use is unrestricted. You and your IT team are free to use it however you wish.

Before showing you how your IT team can apply Net Promoter, let’s look at what it is.

The Net Promoter survey questions

At its core, Net Promoter is a survey that involves just two questions.

The first is:

"On a scale of 0 to 10, how likely are you to recommend us to a friend or colleague?"

This is always followed by an open-ended question prompting the customer to explain what it is they like about the product or service and what they don’t, e.g.

"Why did you score us that way?"
Since its use is becoming widespread, it’s very likely that you’ve already come across organisations that use Net Promoter.

Ninety billion dollar social networking sites are using it...

Who uses Net Promoter?
Net Promoter is used by thousands of organisations all over the world. Australian examples include iiNet, Westpac, the ANZ Bank and Orica.

... As well as more conventional organisations:
Calculating a Net Promoter Score

The first question, “On a scale of 0 to 10, how likely are you to recommend us?”, enables us to calculate a Net Promoter Score, or NPS.

The Net Promoter Score can be used to track internal performance over time as well as benchmark performance against other organisations.

For example, here are the results of a benchmarking study conducted in 2006 by Mark Ritson, Associate Professor of Marketing at the Melbourne Business School:

A Net Promoter Score ranges from $-100$ to $+100$ and is calculated by subtracting the percentage of people who respond with a score of 6 or below, from the percentage of those who give a score of 9 or 10.

Those who respond with a score of 6 or below are called “Detractors”. These are the people who feel negatively about the brand or organisation and who are probably publicly sharing that negativity.

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**How to calculate a Net Promoter Score**

NPS = % of Promoters (those who score 9 or 10) - % of Detractors (those who score 0 to 6).

**Example**

Let’s say you get 200 responses to your Net Promoter survey with this score breakdown:

- 40 respond with 6 or less.
- 100 with 7 or 8.
- 60 with 9 or 10.

Therefore:

- $40/200 = 20\%$ are Detractors.
- $60/200 = 30\%$ are Promoters.
- $100/200 = 50\%$ are Passives.

Giving a Net Promoter Score of:

- $30\% - 20\% = +10.$
On the other hand, “Promoters” are the people who give a score of 9 or 10. These are people who are very happy with the organisation or brand and who are consequently very loyal to it and willing to share that loyalty publicly.

In between the Detractors and the Promoters are the “Passives”. The Passives are the fence-sitters. These are the people who will switch brands as soon as a better offer comes along.

A Net Promoter Score is therefore simply: % of Promoters - % of Detractors.


Every hour spent by Apple calling Detractors has been shown to generate an additional $1000 of revenue.

How Apple uses Net Promoter

Apple’s retail stores provide us with a great example of how Net Promoter can be used to improve customer satisfaction rather than just measure it.

When you buy something from an Apple Store you’ll be asked for your email address at the Point of Sale. You’ll then be emailed a Net Promoter survey.

If you respond with a score of 6 or less, i.e. you’re a Detractor, the store manager will call you within 24 hours to see how they can make things right.

Employees who create Promoters are recognised by their managers and, in some stores, are asked to share the strategies and behaviours they use with the rest of the team.

Meanwhile, Apple is able to benchmark one store’s performance against others in the region and can collate and analyse all customer feedback (the answers to the second question) in order to understand the underlying reasons for customer satisfaction or dissatisfaction.
How IT can use it

To use Net Promoter for IT, and assuming you are not a Managed Service Provider, you will need to change the wording of the first question. No matter how good your IT team is, a customer is never going to recommend your IT department to a friend or colleague!

I suggest you change the beginning of the “likely to recommend” question to something that will provide a more relevant response:

“On a scale of 0 to 10, how satisfied are you...”

With the question reworded, you can survey your customers in two distinct ways:

- Transactional Net Promoter surveys.
- Relationship Net Promoter surveys.

Transactional Net Promoter surveys

A transactional survey is one that you trigger every day, as whenever your customers interact with your IT team.

The perfect time to do this is when their support ticket is closed. Email the Net Promoter survey and ask something along the lines of:

“On a scale of 0 to 10, how satisfied are you with the way your support call was resolved?”

And don’t forget the important follow-up question:

“Why did you score us that way?”

A third question can be very powerful, too:

“What is the most important thing we could do to improve?”

IT Service Management software can usually automate these transactional surveys for you.
Like Apple, if you are serious about improving customer satisfaction you should always:

- Call Detractors.
- Share positive feedback with the team so everyone can learn from it.
- Look for themes and act on them.
- Track your NPS performance over time to understand what impact your actions are having.

### Relationship Net Promoter surveys

The other way you can use Net Promoter is in place of the traditional periodic satisfaction survey.

This type of survey can be run every six months to a year apart. Its purpose is to understand your customers’ overall perception of IT, rather than their experience with a particular transaction.

At the agreed interval a Net Promoter survey can be sent to all of IT’s customers, asking something like:

«On a scale of 0 to 10, overall how satisfied are you with IT?»

And:

«Why did you score us that way?»

And:

«What is the most important thing we could do to improve?»

You can use commercial survey tools to run the survey, such as Survey Monkey or Zoomerang, but you could just as easily add a Net Promoter survey to your intranet.
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With relationship surveys:

- Read all the feedback and identify the most common positive and negative themes.
- When you know where you’re falling short of customer expectations, determine what aspects of your service need to be improved upon first.
- Refer to best practices such as ITIL or COBIT for ideas on how to improve.
- Implement the changes.
- ‘Close the loop’ by communicating the survey findings and the planned/implemented improvements with IT staff and customers.
- Track your NPS performance over time to understand how the changes are impacting customer satisfaction with IT.

**TIP**

How to increase your response rate

1. Consider offering prizes for survey completion.
2. Make sure that each survey results in noticeable change.
3. Communicate any improvements that the previous survey led to. A good time to do this is in the lead up to the new survey issue date.
4. Ask managers to encourage their staff to complete the survey. This sounds obvious but is often overlooked.
The benefits

Let's finish with a quick recap of why you should use Net Promoter.

- The surveys are simple to implement. You don’t need a researcher to design your survey, you don’t need special tools to run them and you don’t need a statistician to interpret the results.

- Net Promoter concepts are easy to grasp. Even the most IT illiterate executive can understand them!

- They are customer-friendly because the surveys are short. This tends to result in better response rates and larger sample sizes.

- The follow-up question results in feedback which is readily ‘mined’ for themes and which can be linked to improvement actions in a relatively easy way. Customers tell you what is important to them.

- The Net Promoter Score is benchmarkable. Because the scale and calculation is standardised, scores can be compared over time, across internal service departments and between different organisations and industries.

By now you’ve hopefully seen that Net Promoter is a powerful tool for driving continual improvement and enhancing IT customer service.

There really is no excuse for not giving it a go – especially those of you who can’t remember the last time your IT department ran a customer survey!
About the author

David O’Reardon has worked in IT for 20 years, and has been employed by organisations such as IBM, Accenture and Pacific Brands in the UK, Europe and Asia Pacific. He has spent the last decade leading and consulting to IT teams who need to provide better service to their customers.

With a degree in both IT and psychology, he is known for his organisational change management expertise and his passion for bridging the gap between the business and IT.

David is the Managing Director and founder of Silversix, an Australian management consultancy that helps organisations provide superior IT support to their customers and improve customer satisfaction with IT.

Silversix works with IT teams to improve their processes and culture, resulting in less firefighting, better customer service and greater end-user productivity without increasing support costs. You can learn more about Silversix at http://silversix.com.au.

David frequently writes, consults and presents on improving customer satisfaction with IT.

Feedback

This publication is all about the importance of using customer feedback to drive continual service improvement. In the spirit of continual improvement, if you have any suggestions on how to improve the contents, I’d love to hear from you.

Please email me at david.oreardon@silversix.com.au.

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