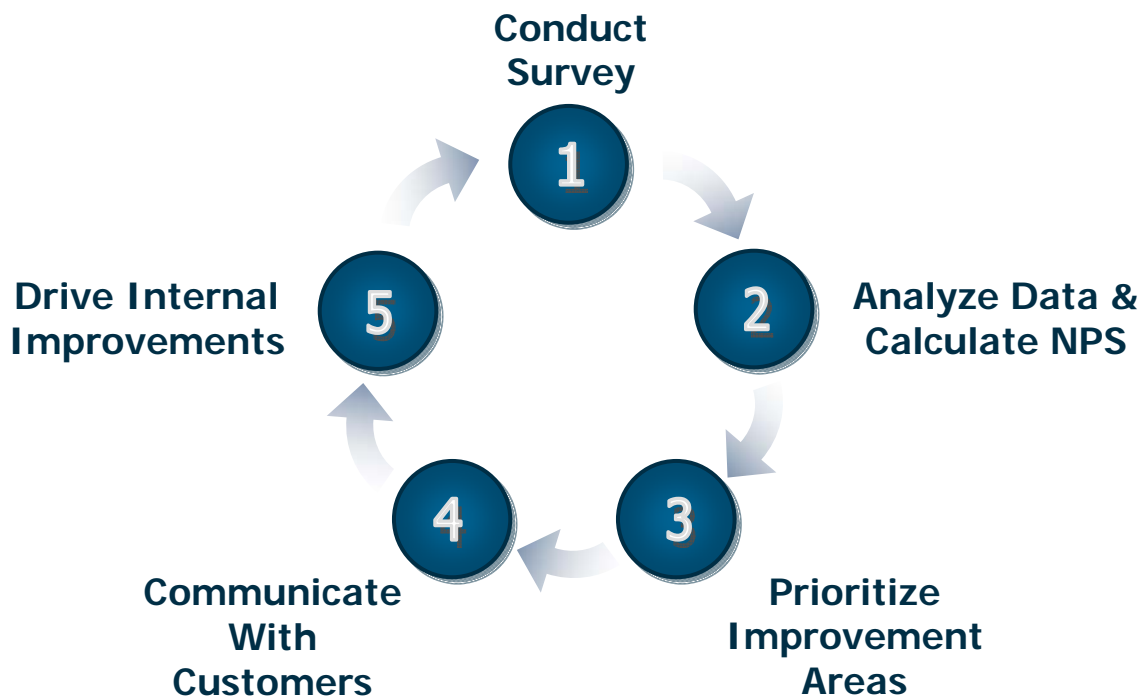


## Customer Loyalty in B2B Markets

Building customer loyalty is critical to success, especially in today's globally competitive markets. Earning a loyal customer means earning their repeat business, a larger share of wallet, and gaining access to candid feedback on how you're performing. Most B2B manufacturing companies are not measuring customer loyalty today, or are using traditional satisfaction surveys. Finding the right measurement process is the key: one that correlates with business performance, drives improvement processes in your operations, and is time-efficient for your customers. Net Promoter® Score is an excellent solution.

*® Net Promoter is a registered trademark of Satmetrix Systems, Inc., Bain & Company and Fred Reichheld.*

## Net Promoter® Score Improvement Cycle



## Common Characteristics of Manufacturing Companies

- Complex Value Chains
- Multiple touch points within customers
  - Decision Makers: make decision to buy products
  - Influencers: influence Decision Makers
  - Users: touch / handle / use products on day-to-day basis
- Customer loyalty does not have a definition, is not measured, and is primarily owned by the field representative
- Customer satisfaction surveys are completed to meet quality system requirements, not to drive improvement
  - Response rates are low
  - Quality of the respondent is typically low
- Trend analysis of customer issues is managed in a complaint system by Quality Assurance

## Benefits of Net Promoter® Score

- ✓ **Involves leadership team directly with customers**
- ✓ **Makes customer loyalty measurable**
- ✓ **One number that everyone in the organization can understand**
- ✓ **Progress is easy to track**
- ✓ **Business units own improvement actions via a defined internal process with an operating rhythm**
- ✓ **Customer feedback is real time via ongoing monthly surveying**
- ✓ **Reach the customers that matter due to efficient survey process with high response rates**

## Critical Success Factors for NPS

- Must be on CEO's agenda
  - Market focused organization alignment
  - Change management is crucial
- Segmentation of customers and contacts critical
  - Location in value chain
  - Market segments
  - Contact authority levels: Decision Maker, Influencer, User
- Contact management and data management must be robust
- Internal NPS resource is a must
  - Resource to the business unit on process & data
  - Enables business unit to focus on actions and improvements
- Results must be transparent to the organization

## Tips for Launching in B2B Organizations

- 1** Involve the Sales organization early
- 2** Pilot NPS in one region / country / business unit
- 3** Clear communication with customers
- 4** Don't link NPS to employee compensation early