

3 Ways NPS can Grow Revenue

You probably know about NPS and likely know your score. But the real question is – are you doing anything with it? Most companies simply track their NPS score and miss out on the tremendous opportunity behind the number.

To harness the full power of NPS, it needs to be more than just a score that's tracked as a key metric. It needs to be the fulcrum of a feedback loop – where client advocates are found and championed, unhappy customers are flagged and tended to, and customer feedback is treated like the gold it is.

You can drive revenue growth by leveraging NPS in three main ways:

1. Identify advocates to tell your story

NPS enables you to find your promoters – the customers who gave 90-100% scores. These are the advocates you want to engage to tell their story – through case studies, testimonials, and more. Their experience with your company, shared in their own words, is powerful stuff. In fact, a 12% growth of customer advocacy leads to a 200% increase in revenue growth (Harvard Business School Press) and brand advocates are 2-3 times more effective at persuading others to make a purchase.

80% of companies don't tap this powerful resource – which is especially surprising considering 40% of customers would advocate if they were asked. It's just that no one has been asking them...

2. Flag unhappy customers so you can make them happy

Low NPS scores shouldn't just be viewed and tucked away in a file. They should be an alarm to contact unhappy customers and understand why. Every customer who gives a low NPS score is at risk of no longer being your customer and has valuable feedback to share about why they're unhappy. You need to understand why so you can fix it – and not lose the valuable revenue they bring as a customer.

Proactively reaching out to unhappy customers and fixing their problems decreases churn and often leads to converting those unhappy detractors into your bolder, more steadfast advocates.

3. Gather precise feedback to improve the customer experience

The feedback provided by your unhappy customers is gold for your team. It enables you to become more competitive, improve your product/service, and show customers you're listening.

But it needs to be distributed to the right department so it can be acted on. Was delivery too slow? The product too big? Get the feedback to the right department to make the changes customers want, and don't forget to thank your customers for their valued feedback. Closing the feedback loop and letting clients know you're not only listening but acting on their feedback makes customers feel heard, which will motivate them to speak up with more feedback.

The NPS feedback loop is a powerful way to drive revenue. Don't let your score sit in a drawer and decay. Break it out, set up your feedback loop, and watch your revenue grow, customer satisfaction increase, and churn decrease.