

FOCUS ON THE FLOW OF ENTHUSIASM

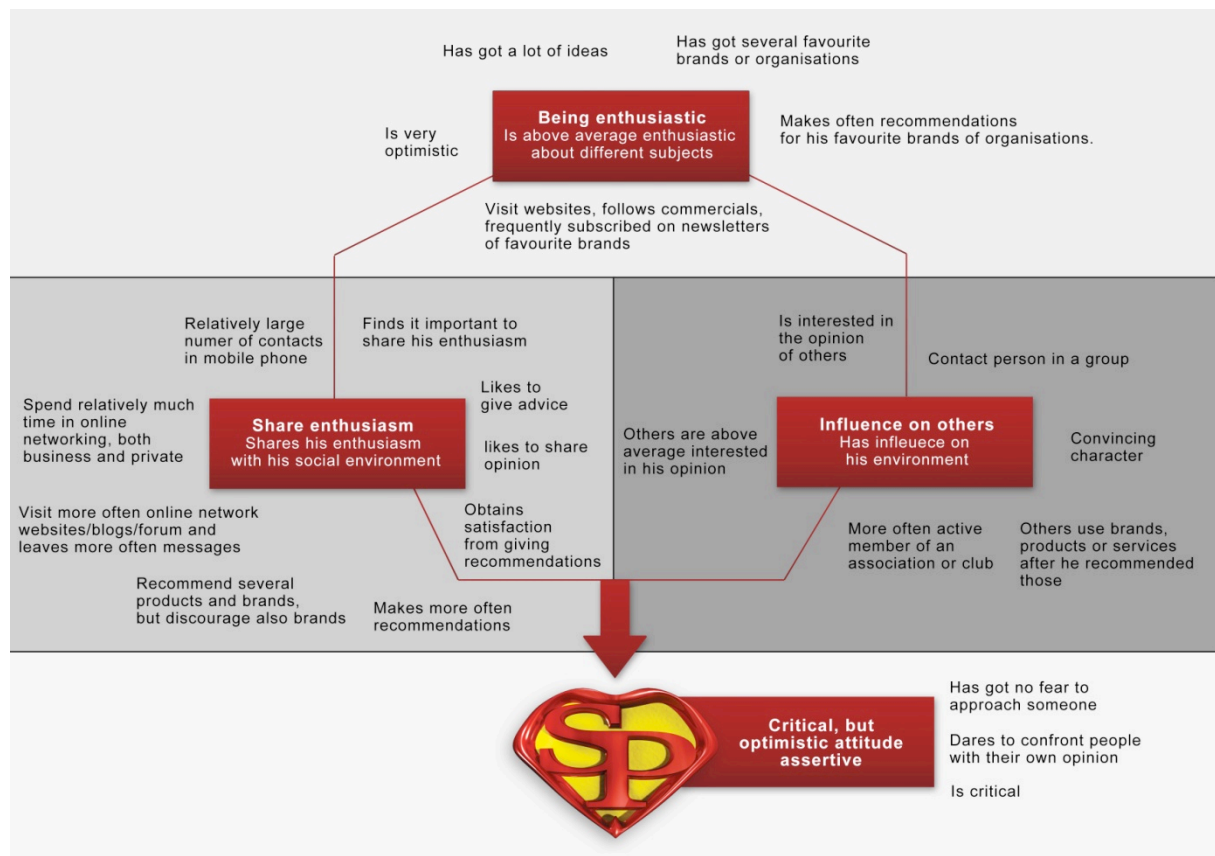
SUPERPROMOTER RESEARCH FOR PHILIPS IN INDIA

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INTRODUCTION OF THE SUPERPROMOTER

In 2008 Blauw Research conducted a study on customer advocacy. The aim of the study was to obtain insight into customer enthusiasm, recommendation behavior and influence. Blauw created a questionnaire with questions on attitudes towards brands and products. Respondents were also asked if they had actually recommended these brands and how their social environment reacted. Also, we asked questions about their personality and their social lives. Over a thousand respondents participated in this study. When we analysed the results we were able to distinguish a particular group who differed from other respondents. Around 20% of the participants of the study were clearly more enthusiastic, liked to share their ideas and were significantly more influential. We named them: Superpromoters.

FIGURE 1, ANALYSIS MODEL SUPERPROMOTERS



WHY ARE SUPERPROMOTERS RELEVANT?

Superpromoters are customers who share their enthusiasm about particular products, brands or companies and influence other people by doing so. Probably anyone can guess intuitively that these customers are very important to companies. During the five years we have worked with Superpromoters we found that they are relevant on the following levels:

1. They are responsible for growth in revenue and reputation
2. They motivate personnel
3. They help you make strategic and tactical decisions
4. They are ideal co-creators

1. Growth in revenue and reputation

With their word of mouth advocacy, Superpromoters are the driving force behind the success of companies. Philips and other companies have shown that when the percentage of promoters, in a given country and product category, outnumbers the competitors', the revenue growth in this product category is significantly higher (Reichheld & Markey, 2011). The relation between Word of Mouth (WOM) and the reputation of a brand is even more obvious, especially in times where social media is causing an exponential growth in consumers talking to each other.

2. Influence on personnel motivation

As we will see in the Philips case described in the article, working with Superpromoters is extremely motivating. Listing to consumers sharing their enthusiasm about your company is probably one of the most gratifying experiences employees can have. It ignites a well needed pride in a company, especially in these difficult economic times.

3. Strategic and tactical decisions

The top management of most companies doesn't engage with customers much, certainly not with enthusiastic customers. When they do, they realize that these customers can easily assess a company's strengths and what their competitors are lacking. Knowing what your strengths are and following upon that route is strategically the best a company can do (Collins, 2001). On the other hand, Superpromoters won't hold back when they are convinced a company can do better. Being enthusiastic doesn't mean they aren't critical - on the contrary. They need the company to perform or else they will lose face within their own community, as they have recommended the company to their friends and family. The problems Superpromoters encounter should be considered the number one priority when you want to improve the customer experience.

4. Co-creation

Superpromoters are ideal co-creators. For one, they are very eager to participate. They are willing to travel long distances and take time off to help their favorite brand. Secondly, they have a lot of knowledge about the brand because they talk about the brand a lot and search pro-actively for information. Thirdly, they know a lot about their social environment and their reactions to the brand. In other words, they know what a company should do to get their friends engaged. And as a bonus, you will know for sure that the Superpromoters who were involved in the co-creation process will promote you even more!

A SEVERE CASE OF SUPERPROMOTERBLINDNESS

Considering the advantages of working with Superpromoters, it is hard to understand that so many companies are completely unaware of their existence. Since we started to work with this group we found that most companies don't have much information on their most enthusiastic customers, or even worse, suffer from Superpromoter blindness. Managers (and actually most people) are unaware of their most important partners because we are programmed to focus on the negative. Managers concentrate on fixing problems, enthusiastic customers are not considered as a problem, and justly so, they are your dearest friends. This doesn't mean you should ignore them! The Superpromoter theory shows that by neglecting these enthusiastic customers companies miss out on a lot of opportunities.

WHAT IS DIFFERENT IN THIS APPROACH?

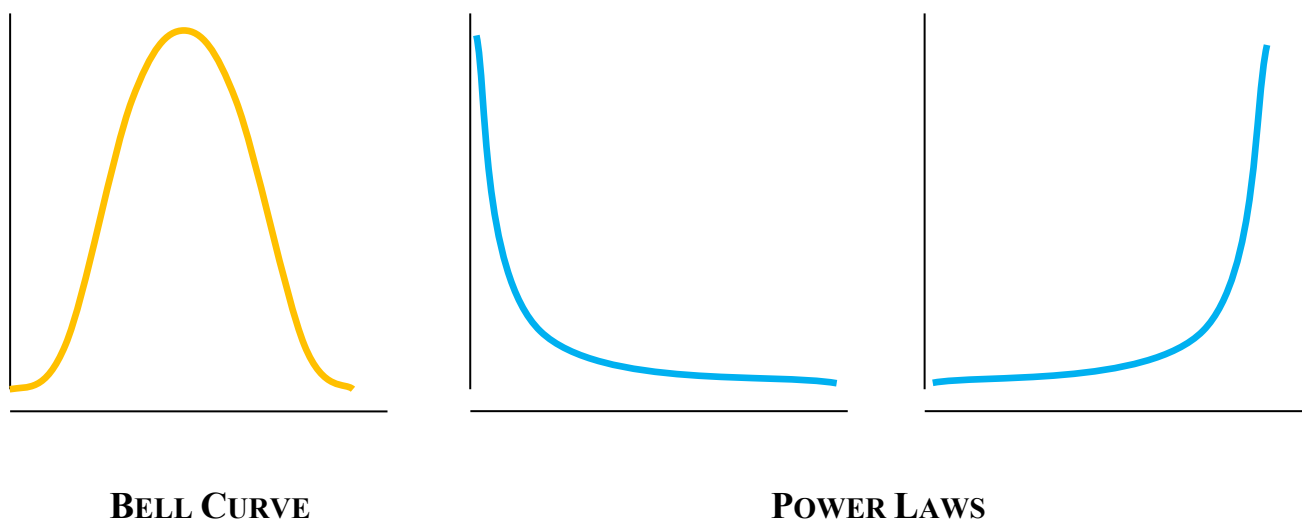
In research Superpromoters are defined in the following way:

1. *Superpromoters are enthusiastic*
2. *Superpromoters share their enthusiasm*
3. *Superpromoters have influence.*

Focusing on Superpromoters means studying an area (the flow of enthusiasm) that is actually quite new for marketing and market research. It differs from traditional market research on three levels:

1. It concentrates on the positive instead of the negative.
2. It concentrates on inter-human behaviour instead of just personal experiences and opinions. The most interesting part is studying the flow of enthusiasm and how customers are influencing each other in this process.
3. It doesn't focus on the average customer but on the extreme. (Studying Superpromoters and sometimes Antipromoters [who are the exact opposite, advising against and influencing others to stay away from a brand]). This means that the traditional statistics don't apply because they are based on the bell curve (calculating averages). Superpromoters (and Antipromoters) are better described by Power Laws.

FIGURE 2, BELL CURVE AND POWER LAWS



SUPERPROMOTER RESEARCH

To create a Superpromoter Support Plan, Blauw Research has developed a methodology in three phases. Blauw piloted this methodology with Philips' global customer experience and their Dutch experts to refine the "Superpromoter Profiler". Patrick Lerou, Market Customer Experience Leader Benelux at Philips, played a very important role in this process.

Phase 1. Superpromoter Profiling

In this phase Blauw identifies Superpromoters from existing databases. For this purpose, previous customer survey data can be used - customers who have already shown their enthusiasm in previous research can then be selected. Enthusiasm can be shown in different ways. We consider a customer to be enthusiastic when they indicate that they are "very satisfied" about a brand, company or product or when they state that they are "very likely to recommend" it.

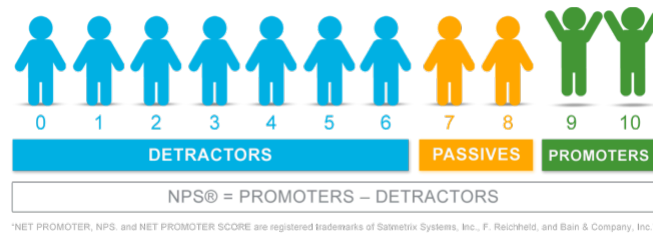
Philips conducts yearly surveys with hundreds of thousands of customers, consumers, web visitors and end users in every product category and across the globe. They use the NPS (Net Promoter Score) system. They ask customers the following question:

Based on your experience with Philips how likely are you to recommend Philips to a friend or colleague?

In his Harvard Business Review article in 2003, Fred Reichheld (2003) has shown that this question offered the best correlation with turnover growth statistics for the four hundred companies in the survey. In the same article, Reichheld described a new metric which to measure a customer's willingness to recommend and called it the Net Promoter Score (NPS®).¹⁾ NPS® is derived as follows (see figure 3):

FIGURE 3, DERIVING THE NPS®

The question on willingness to recommend can be graded on the following scale:



The proportion of customers answering the question above with a 9 or 10 score (on a 0-10 scale) are called promoters. Those customers grading it 6 or lower are detractors, while those grading it with an 8 or 7 score are called passively satisfied, or passives. The Net Promoter Score® is then derived by subtracting the percentage of detractors from the percentage of promoters.

Assume that 40% of customers score a 9 or 10, and 10% grade the question with a 6 or lower; the NPS® score will then be 30% (40% minus 10%).

Calculating NPS® is therefore captured in the following formula:

$$NPS^{\circledR} = \% \text{ promoters minus } \% \text{ detractors}$$

In this article we won't elaborate further on the Net Promoter Score system. We refer to "*The Ultimate Question*" by Fred Reichheld (2006) or to "*The Superpromoter*" by Rijn Vogelaar (2009) where the system is described in relation to enthusiasm.

For the purpose of this article it is enough to know that a joint team of Philips India management, Philips global customer experience and Blauw used the NPS data from Philips to select promoters and recontacted them with a survey focussed specifically on the Superpromoter features. We also selected passives (customer who scored a 7 and an 8) so we could measure the difference in enthusiasm and influence between promoters and passives. We will discuss some of the results later in this paper. It goes without saying that only those customers who specifically agreed to be recontacted after the NPS survey were invited to the research.

The results provide insight into the causes of enthusiasm; the way customers share their enthusiasm and the occasions when they have influenced others. We will discuss the results later on.

Normally the profiler phase concludes with a workshop where we discuss the implications of the results and decide on the next steps. An important issue to decide is what profile of Superpromoters to involve in the next phase, the deep dive. For example, a beer brand would have several different kinds of Superpromoters - you can image that they would not be very keen to support their 'binge-drinking' Superpromoters! The categories of young professionals or music lovers might be better segments to support.

In the Philips case, due to a very challenging time frame, the profiler research and the deep dive were executed concurrently.

Phase 2. Superpromoter Deep Dive

This phase consists of individual interviews, duo interviews and group discussions where we dive into the lives of the Superpromoters, studying the flow of enthusiasm they evoke. An interesting methodological element is that Superpromoters are prepared for this phase using a 'peek a book' method: Superpromoters are given a Smart Phone App or an offline diary with different assignments to prepare themselves. A lot of the assignments are about their social environment. Superpromoters are not only respondents, they are also observers of their own social environment.

For the deep dive Superpromoters are interviewed using different qualitative methodologies depending on the results in the profiler. All of them will focus on the source, sharing and influence of enthusiasm, but they accentuate a different part. Next we will discuss the different methodologies and the different situations where they apply.

1. Face to face interviews

This method is used when the enthusiasm of the Superpromoter is less conscious. In this case, the Superpromoters need some space to recall the experiences with the brand and the way they spread their enthusiasm. The interviews are often conducted in the Superpromoter's home or workplace. This helps them to relive the specific situations or, as in the case with Philips, to show the products they own and tell us about the background - for example how they acquired it and when they demonstrated it to their friends. This method is predominantly used in Superpromoter research for FMCG or financial companies as well as in BtB research.

2. Duo interviews

With this method we invite Superpromoters and one of their friends as we specifically want to explore the interaction between Superpromoters and their social environment. The "friend" can provide insight in the infectious enthusiasm of the Superpromoter, how they experience this and how it affects them.

3. Group discussions

This method is used to study the interactions between Superpromoters. They react to each other's stories and it is especially insightful to register the moments when they fire each other's enthusiasm and how they inspire each other. In every method we use video to capture the moments of sheer enthusiasm and the insightful moments of sharing and influence. This video material is filmed and edited by a professional camera team, trained in filming Superpromoters. They create a trailer with Superpromoter shots that will play an important role in the involvement of top management and employees in the Superpromoter communication process, as only few of them can be present during the research interviews.

In the Philips projects, face to face interviews were conducted and videotaped.

Phase 3. Creating a Superpromoter Support Plan

When the Superpromoters are identified and profiled and we understand how they think, act and interact with their peers, then we have a solid foundation to take the next step, creating a Superpromoter Support Plan. The actions in the plan are designed to support specific groups of Superpromoters.

CREATING A SUPERPROMOTER SUPPORT PLAN FOR PHILIPS IN INDIA

In the summer of 2011 Philips asked Blauw to help them to identify, understand and assist their Superpromoters in India. Blauw was asked to describe the flow of enthusiasm within the three product categories (Healthcare,³⁾ Lighting & Consumer Lifestyle). In this part of the article we will describe this research project.

Why did Philips want to engage in Superpromoter support in India?

Obviously India is a very interesting market for a lot of companies because the economy is booming and the potential of the country is enormous. But Philips has also has a unique interest because Philips has a long-standing relationship with its customers in India. As a brand Philips entered India over 80 years ago, the management and operation of Philips has been organizing itself around their customers and this was shown by the very high net promoter scores for a multitude of product categories. Consequently, the NPS program Philips has implemented encounters no problems from lack of awareness or relevance.

Being a brand that originated in the 19th century, Philips' product-centric strategy, which implies concentrating on innovation and continuously improving products, was very successful in terms of growth and competitiveness.

Philips' Total Quality Management approach is the living proof of this. However, in the 21st century, product improvements cannot be the sole driver for a company. The age of the customer has commenced and Philips has begun organizing for that. Yet some habits die hard and so does the drive for fixing and improving.

In a country where your net promoter score is already high, fixing and improving will not reach the hearts of the customers as before. It might seem a bit counter intuitive, but because of the popularity of the brand in India, the NPS is so high it's hard to activate the NPS program in the traditional way. The NPS score seems to indicate that there are not many problems, so Philips employees read the results and then move on with their daily business. As in most companies daily work is about detecting problems and fixing them. When there are no problems, there seems to be no work to do! Philips believes that the creation of a Superpromoter Support Plan would solve this lack of activation because the high NPS scores would provide many opportunities to help their Superpromoters.

Philips India management understood this and sought the support of their global customer experience organization and Blauw to define and test a Superpromoter approach.

Description of the research

To start with a Superpromoter support project is not always easy. It contradicts the usual processes in an organization that are aimed at dealing with problems so you need top management buy-in to get things going. In India, the Philips Chief Marketing Officer Mr Vivek Sharma believed in the concept and made this project possible. The Philips customer experience leaders of India – Mrs Aparna Thandavan, Mr APS Sandhu and their team – worked really hard to build up the excitement around this project and made sure everything was extremely well organized. In the weeks before the final event, posters were put all over the Philips building up the tension in a mysterious way (see figure 4). Coffee mugs with the Superpromoter logo were designed and an enormous Superpromoter stage was developed. Their efforts were extremely important for the success of the project, but let's go back to the beginning.

FIGURE 4



1st Teaser

Here comes the Superpromoter...

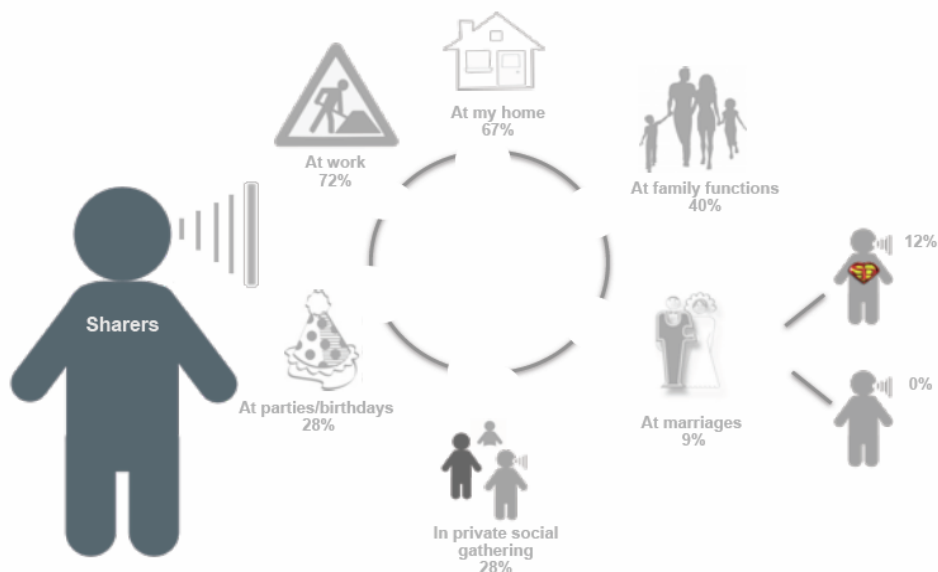


2nd Teaser

Superpromoters are not born ... but created ...

As mentioned earlier, Philips already has a lot of customer data and it was not hard for them to select enough promoters for most of the product categories. Blauw recontacted these promoters with a questionnaire. The results were used to profile the Superpromoters in the three product categories. Obviously, to respect their confidentiality, we cannot share all the outcomes in this paper but to give you an example of a typical Superpromoter insight we will show figure 5.

FIGURE 5, PROFILER OUTCOME WITH “WEDDINGS”



As you can see Superpromoters shared their enthusiasm in many situations - at home, at work, at parties. An interesting insight for Philips was that Superpromoters (in contrast with non- superpromoters) also like to share their enthusiasm about Philips at weddings. Weddings are one of the most important life events in India and for the future relationship with the couple, it is very important that the gifts are appropriate. Apparently Philips is such a valued brand that it is considered a great gift for weddings. This is an insight that Philips can use to support their Superpromoters.

Superpromoters were also interviewed and filmed in their own social environment. Consumers were interviewed in their houses and healthcare & lighting professionals in their offices. Some of them could remember every detail of the first Philips product they bought over 30 years ago and one of them (the CEO of a large retail company) even called 'The Philips Uncle' because he talked about the brand so much!

The results were presented on a Superpromoter workshop day in New Delhi. On this day more than 50 top executives of Philips from all over India gathered to listen to their Superpromoters and to build the very first Superpromoter Support Plan within the Philips organization.

Initially, the results of the research were presented and some of the interviews were shown on film. At midday a group of Superpromoters were interviewed live on stage, and we learned they were very happy and even proud to join Philips on this day. A few of the Superpromoters travelled for more than 300 miles just to be in the meeting! This demonstrates the level of engagement these customers have. They love to be involved!

In the afternoon, the Superpromoters joined the Philips teams to create a Superpromoter Support Plan. Their participation proved to be very helpful and we would like to share one example from the Healthcare team:

The head of the Radiology department of a hospital was not only enthusiastic for the MRI technology Philips provided, he was grateful. He thanked Philips publicly for enabling him to treat his patients better and even save more lives! When the Healthcare team suggested they could help him and his colleagues with demonstrating the Philips MRI to colleagues from other hospitals he indicated that this was not necessary, as he had already spent as much time as he could spare doing this. If Philips were to get involved, this might even lessen his spontaneous enthusiasm. He suggested that Philips would be of more help if they could give him and his Indian colleagues some international exposure. Philips, being a global and well-respected brand within the Health care industry, could probably help them to get some international acknowledgement. We think this is a great example of Superpromoters co-creating Superpromoter support. It also shows that true Superpromoter support is not about using these customers to "sell" more, it is about helping them to become even more enthusiastic and more influential.

Or when we reflect on the words used by an American president.

Ask not "What can Superpromoters do for me?"

... but ask "what can I do for my Superpromoters?" (inspired by President John F Kennedy)

To make sure actionable results were realized, Blauw developed a grid (see figure 6) to provide some guidance on the ways Superpromoter support could be achieved. The Philips team filled in the grid with concrete results of the research and the teams had to translate these results into action and by the end of the day all the teams had finished their grids.

FIGURE 6, SUPERPROMOTER SUPPORT GRID

	strategic	tactical	operational
enthusiasm	positioning	strenght focus	quick win
sharing	story	platform	remove barriers
influence	argument	network	direct line

EFFECTS OF SUPERPROMOTER SUPPORT

Of course the implementation of true Superpromoter support takes time, you can pick the low hanging fruit but in the end it is a long-term commitment. The great advantage of investing in Superpromoter support is that it is possible to monitor the effects and calculate the return on investment (ROI). When the results of the Superpromoter profiler are analyzed the marketing value of your Superpromoters can be calculated, as you know how many new customers they have brought in. When your Superpromoters become 10% (or maybe even 200%) more effective because of Superpromoter support, you can easily calculate the increase in marketing value. We hope companies will think of Superpromoters more in terms of friendship instead of marketing value, but we acknowledge that it might be necessary to generate budget. It is also necessary because ROI models generally don't consider the negative side effect of traditional marketing (for example the Cost of Irritation of direct marketing). If you do it well, Superpromoter Support only has positive side effects like more loyal Superpromoters, more loyal new clients, proud employees, etc. This last side effect (employee motivations) might be difficult in terms of economics but it is a great concern for most companies.

One of the immediate effects of working with Superpromoters is the flow of enthusiasm that spreads through the organization. The Philips organization was touched by the enthusiasm of their Superpromoters and it made Philips employees of all levels feel proud of their company. Philips made sure that the flow of enthusiasm caused by their Superpromoters was spread all over the Philips world. See the great compilation made of this day on the Philips News Network (PNN) on YouTube.²⁾

CONCLUSION/ AFTERWORD

For companies to grow and develop strong relationships with their customers, we need to continue to explore the nature of enthusiasm and release the positive energy for everyone involved. This is not just some Flower Power theory idea on how this world could be a better place. Companies like Philips and Microsoft have the financial numbers to show the relation between the percentage of enthusiastic customers and revenue growth or marketing value. Even private equity firms are nowadays looking into these figures when they consider investing in a company because they want to predict future growth. Superpromoter support is a great way to combine improving customer loyalty while attracting new customers. It might even replace traditional forms of marketing as they become less effective and social media fires word of mouth.

The Superpromoter concept proved to be very useful for Philips in identifying and activating their most loyal customers. It also generated a new sense of company pride – something that is of great value in these difficult times! We realised that teaming up with your most loyal friends is a very rewarding experience in itself. We still need to learn a lot about how to assist Superpromoters. Enthusiasm is a phenomenon that hasn't been studied elaborately, neither by scientists or market researchers, let alone the way enthusiasm is spread or in what way it influences other people. That's one of the reasons why an International Superpromoter Academy has been developed, to learn more about the dynamics of the flow of enthusiasm and to start a network of professionals who are studying this field.

As in so many other fields, Philips dared to be a pioneer in working with Superpromoters and many other companies like Microsoft, Dorel (Maxi-Cosi) & Heineken have followed their example. Superpromoter Research has since been conducted in many different industries like the Finance, FMCG, Automotive, Non-profit, etc. Every industry has its own specific dynamics when it comes to the flow of enthusiasm. Insurance companies, for example, don't seem to have many Superpromoters and indeed most of them will have a smaller percentage than a company like Philips. But this doesn't make them less valuable, on the contrary! Because of the small percentage of Superpromoters these companies will suffer from Superpromoter Blindness even more. Shining a light on these people and listening to their stories is even more insightful and rewarding than for companies who naturally create a lot of enthusiasm.

By focusing on Superpromoter support companies start to shift from fixing problems to riding the flow of enthusiasm. It all comes down to:

1. Creating more Superpromoters by understanding the causes of enthusiasm.
2. Helping your Superpromoters to share
3. Helping them to become more influential
4. Making sure that they don't lose their enthusiasm

Companies can learn a lot from artists in this respect. When you take a closer look at a rock star's success (pick any one of your favorites) you will notice that they live by the rules of the Superpromoter theory. They start by playing for a small audience of friends who like his music. They are his encouragement to write new songs and perform on stage. If they really like his music they will bring other friends to enjoy it too and steadily the number of fans grows. Companies traditionally don't concentrate on their fans at all. They focus on new markets (sales) and unsatisfied customers (fix

problems). Imagine the Beatles only spending time with Rolling Stone fans and people who left the concert because they didn't like their music! That wouldn't be very effective or inspirational for that matter. Probably everyone feels that this would be very odd. They want to play for their friends, the people who like their kind of music. They value their fans and they should! And companies should too! Stimulating the flow of enthusiasm is a different approach than fixing problems.

We hope this article will stimulate some companies to start listening to their Superpromoters. Hopefully it will help them to get back on stage and experience the applause they haven't listened to in a while. This will provide the energy for change and the pride employees need so badly. Connecting with Superpromoters has the potential to restore the trust large firms has lost. Where traditional marketing chases people away, Superpromoter support creates a bigger audience. It is a massive change compared to the way companies are organized now. But every revolution started with a small step. Inviting some Superpromoters for a cup of coffee can be done next week. Why wouldn't you? Join the enthusiasm revolution if you like! You are more than welcome!

FOOTNOTES

1. The Net Promoter Score is a registered trademark of Satmetrix, Bain & F. Reichheld.
2. Follow this link: www.youtube.com/watch?v=QfuUQmM05Mo or search for the words "PNN" and "Superpromoter" in YouTube or Google and the first hit is the fragment from PNN showing the project.
3. The research amongst Healthcare professionals was done by Suazio from Belgium.

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