

Your Most Valuable **ASSET** That You Treat Like A **COST**

Christopher Roberts

BRAND INTERVENTIONIST

Author of "10 Reasons Why CX/NPS® Programs
Fail & Your Surefire Solutions to Succeed"



Ask most leadership teams whether they listen to their customers and the answer comes back fast: *"Of course we do. We run the survey. We track the score. We read the comments. There's even a dashboard."*

So let me ask a harder question. *"When did something a customer told you last change a decision you had already made?"*

That one usually earns a pause.

Because listening and hearing are not the same thing, and most organisations have quietly settled for the first. They collect feedback the way you'd file a compliance return: dutifully, on schedule and without ever expecting it to alter the course of anything.

I want to take you through a simple exercise I use with leadership teams. It is borrowed from the factory floor, not the boardroom: the Five Whys. You ask 'why'. You answer it. Then you ask why of your own answer, five times over, until you are standing on the real reason rather than the obvious one. Applied to customer feedback, it goes somewhere most leaders don't expect.

Why listen to customer feedback?

Because your customers are the only people who can tell you the truth about what's working and what is not. Neither your assumptions, nor your internal reports, not even the version of events you tell each other on a Strategy Day can give you the insights that your customers can.

Which is true, because they are the people who are actually on the receiving end of what you deliver.





Why does it matter to know what's working & what isn't?

Because those are the very things that decide what your customers do next: whether they stay, whether they buy more from you, and whether they recommend you to others. In our work we call these **the Three Customer Decisions**, and here is the part worth sitting with: **money only changes hands when a customer decides to stay, buy more, or recommend you.** That's it! That is where the rubber hits the road. Everything else your organisation does is simply an attempt to influence one of those three moments.

Why do those three decisions matter?

Because they are your growth, and the cheapest growth path that you will ever find. A customer you keep costs a fraction of acquiring a new one; retention alone saves you roughly 10X the cost of acquiring a stranger. A recommendation hands you a new customer you didn't pay to acquire. Word of mouth, in our studies, is around 4X more powerful than a television advertisement in influencing purchase decisions. Depending on the category, somewhere between 20% and 50% of sales walk in the door on the strength of what an existing customer said.

Let me give you an example of what happens when you ignore customer feedback. As night follows day, if your NPS® score is in decline, then the business performance will suffer. This is because NPS® is a lead indicator of business performance.

A few years ago, we were engaged with a client to whom we presented results and prioritised recommendations every six months. The General Manager of the company at that time had his own ideas and felt that he knew best. This is typical inside-out thinking.

Since customer surveys were mandated by the organisation, I guess he was just paying lip service to the customer survey. So, sadly, the voice of the customer was completely ignored. Nothing could be worse than asking customers for feedback and then ignoring them. As expected, customers started leaving in droves, referrals and new sales dropped and the damage to the organisation was immense.

The solution was so simple: listen to your customers and take corrective action.

Why does it matter where the growth comes from? *Growth is growth, isn't it?*

No. And this is the link most leaders miss. Growth built on loyalty and advocacy compounds and defends itself. Growth bought through acquisition leaks away the moment you stop paying for it. This is a leaking bucket that you are forever topping up. While retention and advocacy are assets you own, leaky acquisitions is an outcome you rent. And when the market tightens, the rented one is the first thing to go.

Why does that ultimately matter to the business?

Because your customer base is the business. It is the single most valuable asset you own, and almost universally the most poorly managed. A competitor can copy your product. They can match your pricing. They can mimic your clever campaign. What they cannot do is buy the one thing that protects you: a base of loyal, vocal customers who choose you, spend with you and speak for you.

Treat customer feedback as asset management, not a marketing nicety or a box to tick. It is how you find out whether your most valuable asset is appreciating or quietly depreciating while the dashboard stays green.

And the language matters, because a board will fund an asset and merely tolerate a cost. Revenue is nothing more than the return on an asset most leaders never manage. Frame your customer base to your CFO the way you would frame a property portfolio or a plant investment:

1. "Here's what it's worth"
2. "Here's what's eroding it"
3. "Here's what we are doing to protect and grow it."

There's a question underneath all of this that most organisations still can't answer:

What is a detractor actually worth to you?

What is a passive worth? And, most importantly, What is a promoter worth to you?

Put a real dollar figure against each one built from lifetime revenue, referral value and share of wallet, and your customer base finally has a valuation you can manage against.

That's the work we have been building into our programs. Every recommendation we hand a client now carries a projected NPS® point uplift, so the leadership team knows which actions will move the score and, just as usefully, which ones to leave alone. Focus is also about sacrifice. Those projected gains can then be translated into dollars through our economic models — we ran a B2B client's results through recently and it came to \$12 million of incremental revenue over three years.

And where your survey carries rating questions, you can test the logic live in the board room: move Delivery from a 7 to an 8 and watch what it does to the score, while the question is still being asked.

Remember *recommendations without economic projections are an opinion. With projections and economics, they are a business case.*

It is at this point that the conversation about customer experience stops being soft and starts being strategic.

But you can't manage an asset that you don't understand. And you will never understand it from a score alone. Take your Net Promoter Score® - it definitely tells you that the asset moved; *BUT...* it doesn't tell you why the move happened. That takes real feedback: the kind that surfaces the two or three things that are actually driving your customers to stay, spend and speak, so that you can act on them rather than admire them.

Because a score without an insight is just like weighing a pig without feeding it the right ingredients that can fatten. It doesn't make the pig any fatter.



Leader to leader, sit with these questions.

- If your customer base is an asset, who in your organisation is accountable for its value the way someone is accountable for cash flow?
- Do you know the two or three things that would most move your customers to stay, buy more, or recommend you — by name, not by guess?
- When feedback contradicts a decision you have already made, what actually happens to it?
- Is your customer data managed to protect and grow an asset, or collected to reassure you that you're fine?
- What is one promoter worth to you in dollars, and what does one detractor cost? Count their future spend, the share of their wallet you hold, and the customers they bring you or take away.

If you can't answer that, you already know why customer spending is the first thing cut when money gets tight. Nobody defends what they've never valued. The organisations that thrive over the next decade won't be the ones with the best-looking dashboard. They'll be the ones that finally treated their customers as what they have always been — the most valuable asset on a balance sheet that never lists them.

NPS®, Net Promoter® and Net Promoter Score® are registered trademarks of NICE Satmetrix Systems, Inc., Bain & Company and Fred Reichheld.