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## Are You Accurately Measuring Satisfaction? Real Customer Sentiment Isn't the Sum of Transactions.

Repeat business and long-term relationships are essential for your company's continued success, but how do you measure whether your customers are truly satisfied?

Traditionally, decision makers have attempted to predict customer satisfaction with post-transaction surveys, such as the Net Promoter Score (NPS) Index. However, an increasing number of B2B businesses are finding that these measures are not reliable indicators of whether customers will actually renew contracts. That's because true customer sentiment isn't measured by the sum of transactions.

### What Do “Transactional Metrics” Measure?

We've all shopped online and received a follow-up survey asking some version of the same question:

***On a scale of 0 to 10, what's the likelihood that you would recommend us to a friend or colleague?***

As a consumer, this question prompts you to consider the quality of the widget you purchased, the ease in which you were able to order, and the customer service you received during the process. For B2C companies like Amazon, this can be valuable for adjusting the eCommerce experience – such as adding the 1-click “Buy Now” button or developing the Amazon Prime program.

However, a consumer's response only sheds light on one experience (or *transaction*). It's a “snapshot” of a single moment in time. When he or she purchases again, the company (in this case – Amazon) receives yet another snapshot. Unfortunately, these transaction-based measures can't be combined to provide reliable insight into his or her shifting perception of the brand over time, what's most important to him or her, or where the company is falling short.

Especially with long-term and dynamic business relationships, transactional metrics simply can't address the bigger picture.

### Why Can't “Customer Sentiment” Be Measured by Aggregating Transactional Metrics?

B2B relationships are complex – as are high-value, ongoing B2C relationships. They shift and develop over time, based on a wide-range of variables – including *direct experiences* with account managers, billing departments, products, etc., and *indirect experiences* with your brand positioning, the industry climate, and your competition.

Unlike the transaction-based B2C example above, B2B interactions (and some long-term B2C ones) are more akin to the relationship you have with a spouse or

long-time friend. Imagine being given a survey on how you feel toward him/her after (1) a disagreement, (2) a weekend getaway, and (3) a relaxing Sunday barbecue. If your responses to those three surveys were added up, would it provide an accurate account of your feelings about the relationship? Of course not. That's because long-term relationships – both personal and professional – simply can't be measured with transactional snapshots. This is why customer sentiment measures are so valuable.

### How Is Customer Sentiment Measured?

At its most basic level, measuring customer sentiment means quantifying three essential components:

1. What is most important to each of your customers?
2. How well are you delivering on each of their needs?
3. Are you falling short when it comes to delivering against your customers' high-priority values?

Powered by innovative assessment technologies, such as the STAMP Customer Success Management Platform by Stonegate, businesses across the globe are delivering better, growing faster, and experiencing transformational change.



"STAMP gives you a powerful view into each account's shifting perception of your company over the course of time," says Marc Pierce, founder and CEO of Stonegate. "You can see overall sentiment, and, more importantly, you can identify the key categories that are most important to the account and ensure your team is delivering effectively on those priorities. The result is a substantial increase in loyalty and profitability."

### How Can You Avoid the Pitfalls of Measuring Customer Satisfaction?

If you feel like measuring customer satisfaction becomes more complicated each year, you're not alone. With business interactions expanding across borders, communication happening online, and digital media leading us into the future, there's increasingly more to track, more to navigate, and fewer face-to-face interactions to reassure us that our customers are happy. Luckily, there are also new tools to simplify the process and help you avoid the most common pitfalls associated with older methods.

**Pitfall #1: Incomplete Data Sets** – The biggest mistake businesses make when trying to measure customer satisfaction is relying solely on NPS and other transactional-based indices. While these are valuable measures, they only provide a small window into a much larger landscape. By combining those traditional

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metrics with modern methodologies, you give your business customers a “voice” and arm your team with a roadmap to success.

**Pitfall #2: Inaccurate Reporting** – Traditional tools often fall into one of two categories. Most are over simplified and fail to capture the nuances of complex relationships. Many others rely on data that’s self-reported by sales or account management teams. Additionally, insights gathered with older methods are rarely available in real-time – meaning data may become outdated before it’s utilized, or emerging trends may get missed. In all of these circumstances, business leaders are left making decisions on inaccurate information. Customer sentiment measures bypass those challenges by generating rich and objective data in real-time.

**Pitfall #3: Isolated Insights** – For years, business leaders have been encouraged to put more weight on transactional-based metrics than the indices deserved. For example, by asking a customer whether she would recommend your company to another, you may decide that you’re meeting her needs because of the high score she offered. However, if you ask her again after an account manager has failed to answer her email, she may score you differently. That’s because these are isolated incidents that don’t look at the granular level of her true sentiment toward your organization as a whole.

**Pitfall #4: Missing Important Trends** – If you’re simply aggregating transactional metrics, you’re missing an incredibly valuable opportunity to track “customer sentiment trends.” Customer perception is constantly evolving, and real-time trend tracking shows you whether your performance levels are on the rise or decline and whether your customers are becoming more satisfied or disappointed. When you’re working with tools that blend NPS-style questions with customer sentiment metrics, you’re able to see when the trends begin to shift downward and have the account-saving conversations *before* customers start answering calls from your competition.

**Pitfall #5: Inability to Act** – When you’re measuring customer satisfaction transaction to transaction, the only action you’re able to take is trying to correct something that went wrong in that moment. New methodologies give you insight into where your service and delivery practices are falling short, so you can course correct before issues escalate. Imagine the impact of being able to objectively identify the key actions that would improve customer and employee satisfaction. That’s the power of customer sentiment measures.

### **How Can You Implement More Effective Measuring Tools?**

What if you could measure performance scores on key categories of customer needs from multiple perspectives? With the STAMP Platform, you can. STAMP goes beyond transaction-based measures to deliver a playbook for keeping your highest-value customers truly satisfied. Empowered by true customer sentiment

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data, you can systematically analyze how well you're delivering on what's most important to your customers – avoiding the outdated pitfalls of outdated tools.

**About Stonegate:**

Founded in 2005, Stonegate provides licensed software products, data solutions, and market intelligence to help its clients better acquire and retain their customers, fueling top line growth. For more information on STAMP, visit <http://www.stampcsm.com>.