



# The Ultimate Question

Do you ever wonder just how loyal your supporters really are and – more importantly – what effect this loyalty, or lack of it, has on your net income levels year after year?

The truth is, in the vast majority of cases both for companies and charities, being able to accurately measure loyalty and then link it to future profitability is an unattainable dream.

In a hearteningly honest admission, US loyalty guru Fred Reichheld recently admitted that highly complex and data-rich loyalty measurement systems – founded on customer satisfaction surveys, share of wallet indices, and so on – have typically led companies on a wild goose chase. *“We had to face reality,”* he says. *“The data was difficult and expensive to collect, and even more difficult to use.”*

Fortunately, Reichheld and his colleagues at Bain & Company didn't just leave it there. Instead they've come up with a completely new kind of loyalty measurement – which they say links directly to profitability – by focusing an entire organisation on improving every customer's experience, every day. What's more, this measurement is based on asking just one

question: *“Would you recommend us to a friend?”*

Following research with companies of all sizes, Reichheld claims that a focus on this simple question links directly to increased business growth and profitability. It leads the whole organisation to create customers so pleased with how they are treated that they not only come back for more, but bring their friends with them.

While this research did not involve any charities, there's no doubt that the same approach can work for us too. Imagine the effect if the stewardship you offered all your supporters gave them such a positive experience that they felt not just willing but positively compelled to recommend your organisation to a friend.

Not only would your retention figures look far healthier but, in place of ever more investment in cold recruitment activity, you'd open up an incredibly rich source of new supporters – coming to you on recommendation from those they know and trust.

The ultimate question leads straight to the ultimate supporter recruitment approach.

**“The only path to profitable growth may lie in a company's ability to get its customers to become, in effect, its marketing department.”**

Fred Reichheld

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