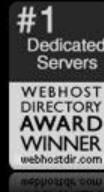


PING & PEOPLE

peer1 hosting



PING & PEOPLE

peer1
hosting

Customers worldwide.



Skulduggery is more fun



Perfect Usama Graphics 513-233-7993

ESTIMATED LIFETIME VALUE - REVENUE

FACT: A great customer is worth 102x an unhappy one.

Figure C-1 ESTIMATED LIFETIME VALUE, EXPRESSED IN MARGINS REALIZED ON SALES, FOR TWO ACME HOME PRODUCTS CUSTOMERS^a

Year	Mercenary (In Units of "x")	Apostle/Owner, Without referrals (In Units of "x")	Apostle/Owner, With Referrals (In Units of "x")
0 ^b	(.25x)	(.25x)	(.25x)
1	.25x	1.80x	1.80x
2	.25	2.11	4.41
3	.25	2.47	7.28
4	.25	2.87	10.75
5	.25	3.34	14.59
6	—	3.82	16.61
7	—	4.21	18.31
8	—	4.63	19.87
9	—	5.09	21.59
10	—	5.60	23.37
11 ^c	—	—	19.53
12 ^c	—	—	15.32
13 ^c	—	—	10.69
14 ^c	—	—	5.60
	<u>1.00x</u>	<u>35.69x</u>	<u>189.47x</u>
Present value of Total ^d	.74x	22.32x	102.62x

^aBased on assumption regarding buying behavior described in the text to this appendix.

^bRepresenting customer acquisition costs.

^cResidual value of customers attracted by the apostle/owner in years 2 through 5.

^dAssuming an 8% annual discount rate.

ESTIMATED LIFETIME VALUE - MARGIN

Figure C-2 ESTIMATED LIFETIME VALUE, EXPRESSED IN MARGINS REALIZED ON SALES, FOR A "PORTFOLIO" OF ONE HUNDRED ACME HOME PRODUCTS CUSTOMERS^a

Category of Customer	Lifetime Value (In Units of "x") ^b	Number in "Portfolio"	Total Lifetime Value, for Category (In Units of "x") ^b
Apostle/Owner	102.62x	3	307.86x
Viral Loyalist	49.14	5	245.70
Loyalist	22.07	12	264.84
Mercenary	.74	72	53.28
Hostage	11.82	4	47.28
Antagonist	(45.18)	4	(180.72)
Total		<u>100</u>	<u>653.40</u>

Myths that get in the way

- What problem?
- Someone else's problem or not the only one with a problem
- Cant fix it
- Recovery is expensive
- But the customers are happy
- Cant afford to fix or too busy
- CEO doesn't get it

The CEO gap

- CEOs who believe their firm is above average on service – 75%
- Customer feedback – somewhat or extremely dissatisfied with most recent experience – 59%
- Accenture 2007

Issues

- Keep handling the same issues
- Self service doesn't exist or is rubbish
- Service is reactive
- Hard to contact the right person
 - Sorry I cant transfer you
- Customer service dept.....
- Company CANT listen
- Wrong metrics
- Wrong staff



Solutions

- Eliminate dumb contacts
- Closed loop active listening
 - Cut the crap meetings
 - Owners of solutions
- Make yourselves easy to do business with
- Self service tools that work
- Change your metrics
- Be proactive
- Preventative support
- First Call Support



Stop doing dumb stuff

- Why do customers contact you?
 - Phones calls
 - Emails
 - Support tickets
 - How to track this?
- What happens to complaints?
- How many invoice problems?
- Credit notes for what?
- Low rated support tickets?

Major Supermarket Chain



Heatmap Interpretation:

1. Promote success? For example, create prominent banner for 'Go Shop' or focus on less popular items?
2. What are users' missing? Can navigation be restructured?

Amazon

- 4x customers zero headcount
- +ve and -ve reviews
- Was this review helpful?
- Status in expertise



PERSONAL PROFILE

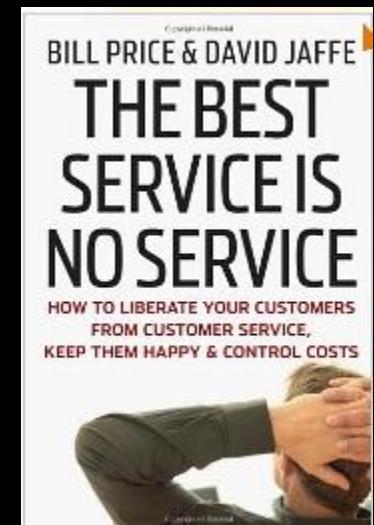
Content by M. de Boer

Customer Reviews: 8

New Reviewer
Rank: 16,871

Classic Reviewer
Rank: **9,904**

Helpful Votes: 275



The Register

- 85k comments per month
 - Informed comment
- 40k peer to peer research
 - Real community not fake friends
- Reader blogs

The screenshot shows the homepage of The Register website. At the top, there is a navigation bar with links for Login, Sign up, Whitepapers, Reg Hardware, and Channel Reg. The main header features the site's logo and tagline "Biting the hand that feeds IT". Below this is a secondary navigation bar with categories like Hardware, Software, Music & Media, Networks, Security, Public Sector, Business, Science, and Odds & Sods. A search bar is also present.

The main content area includes a large advertisement for Google apps, which displays a graph showing a decrease in the number of employees from 1,000 to 556,600, with an estimated savings of £56,600 per year. Below the ad, there are several news articles with headlines such as "China hits back at Google's uncensored Hong Kong servers", "Foreign Office changes tourist advice after Israeli inquiry", "Pre-election budget targets politics, not policy", "US Navy plans self-building floating fortresses", "Zurich Insurance promises changes after data loss", "Facebook gives you the clap: Official", "Reg readers feel the squeeze in 2010 IT budgets", "Opera Mini hits iTunes, awaits Apple verdict", "'Perpetual' software licence doesn't last forever, rules court", and "BCS turns down e-signature petition".

On the right side, there is a sidebar with a "crucial" advertisement and a "TOP STORIES" section listing recent news items like "Your health, tax, and search data siphoned" and "Mozilla swats Firefox zero-day bug a week early".

Self service example

- Before
- 1000 “tickets” per day
- 12 staff
- Monthly purge to stay “on-top”
- After
- 300 tickets per day
- 4 staff
- Costs
- setup plus
- £600 down to £200 per month

Tools

The screenshot shows the Kayako website. At the top, there's a navigation bar with links for Home, Products & Solutions, Free Trial, Services, Purchasing, Company, Support, and Community. A prominent blue banner reads: "A leading support platform. Powerful and flexible, adaptable to your organisation." Below this, text describes the software as market-leading, affordable, and easy to set up. A "LIVE CHAT ONLINE" button is visible in the top right. The main content area features a "Submit a Ticket" form with sections for "Custom fields", "Contact information" (including postal address), and "Order information" (including order numbers and customer type).

The screenshot shows the RightNow CRM website. The header includes "RIGHT NOW" and navigation links for Home, Worldwide, Partner Portal, Communities, and Support. A main article titled "WHAT DOES WINNING SERVICE LOOK LIKE?" features a basketball hoop image and discusses CBS Interactive's success with RightNow CRM. Below the article are sections for "Solve Your Problem" (listing various customer service challenges) and "Customer Experience Strategies" (listing steps for superior customer experiences). The right sidebar contains a "Customer Experience Blog" with a post from 2009-04-23 titled "Customer Service Becomes More Social" and a "Want to see RightNow's CRM solutions in action?" section.



Recovery

- TNT found increased loyalty after recovery
- Done right it builds trust
- Don't just write you need to call

Twitter in service

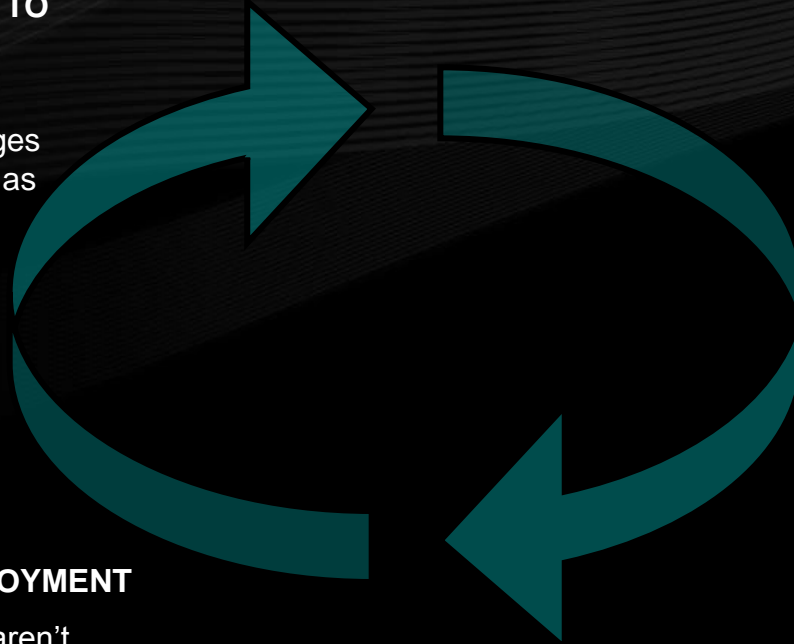
The screenshot shows a web browser window displaying the Peer1 Hosting website. The browser's address bar shows the URL <http://www.peer1hosting.co.uk/>. The website header includes the Peer1 Hosting logo, a navigation menu with links for 'OUR HOSTING', 'WHY CHOOSE US', 'BECOME A PARTNER', 'ABOUT US', 'CAREERS', 'BLOG', and 'CHAT NOW', and contact information: 'Sales: 0800 840 7490 | +44 (0) 2380 111 640' and 'Support: 0800 840 7499 | +44 (0) 2380 111 644'. A 'ServerBeach' logo is also visible. A chat window is open on the left side of the page, featuring a woman's profile picture and the text 'Let's chat.' with a 'Send' button. A 'GET A QUOTE' button is highlighted with a mouse cursor. Below the chat window, there are three columns of service highlights: 'Scalable Hosting Solutions', 'Certified Experts' (with '24x7x365 support'), and 'Rock Solid Infrastructure'. A 'Quick links' section on the right includes '1 FirstCall Support™' and 'Value Packed Base Server Plans'.



Measure your service

- Not annual survey!
- NPS monthly
- Customer touch points
- By employee
- By touch point
- Every time in real time
- Feedback, feedback, feedback

Maximising The Value of Customer Feedback



5. COMMUNICATING TO OUR CUSTOMERS

- Customers receive feedback on the changes we have implemented as a result of their suggestions

4. ACTION DEPLOYMENT

- Customers that aren't delighted are followed up with a health check
- Appropriate customer suggestions are implemented

1. MEASUREMENT

- NPS issued monthly to 1/3rd customer base
- Insight Survey issued within 30 days of becoming a customer

2. COMMUNICATING TO OUR EMPLOYEES

- All can access survey results online (in real time)
- E-mail alerts instantly sent to Operations Director if customer rates itlab less than 7/10

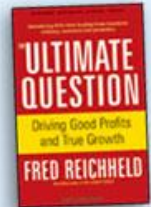
3. ACTION PLANNING

- Survey results (NPS, suggestions for improvement etc.) are reviewed at team meetings
- Directors ring all text answers

Net Promoter Score

- Net Promoter score
 - Key metric to measure customer service
 - Would you recommend us to a friend or colleague?
 - Your dedicated team is rewarded only on your satisfaction
- Bad profits and Good profits
 - Bad profits are profits earned at the customer's expense, in other words, profits earned from customers which then become detractors
 - Good profits are earned from creating customer value, which in turn creates customers who are promoters

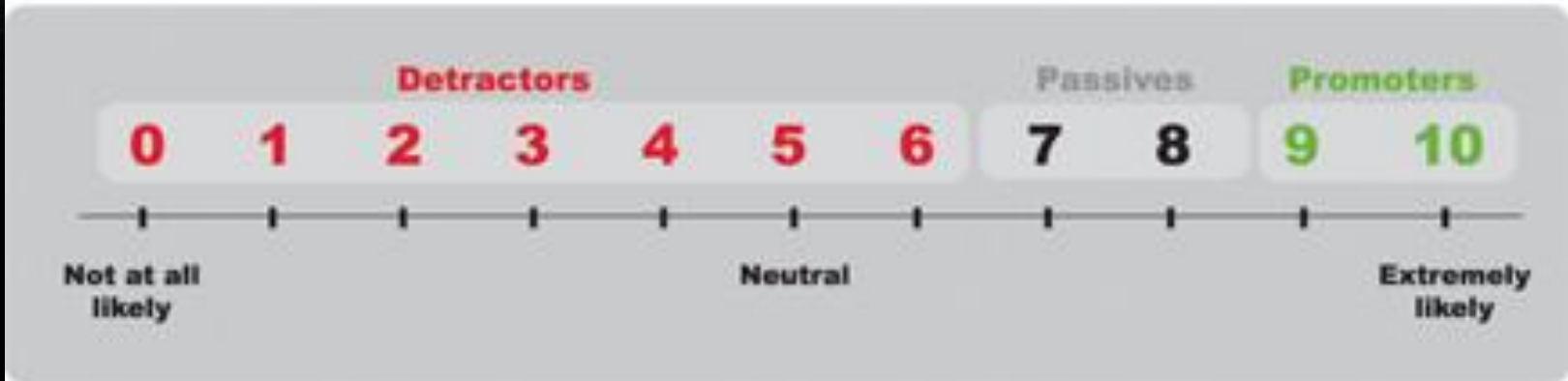
The Ultimate Question
by Fred Reichheld



The book that
started the
Net Promoter
Movement
[Learn more >](#)

Net Promoter Score

How likely are you to recommend to a colleague or friend?

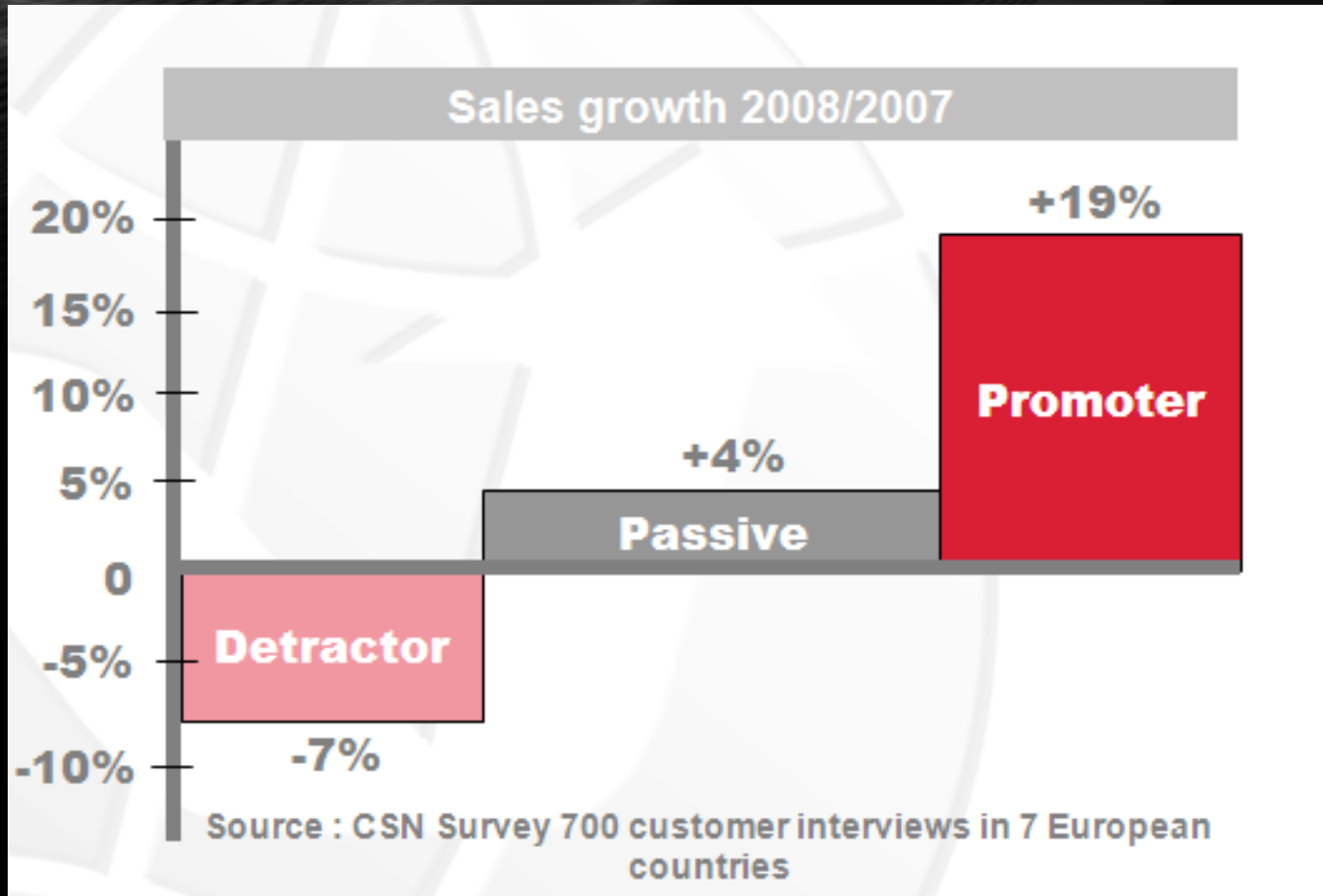


$$\text{NPS} = \% \text{ of PROMOTERS (9s and 10s)} - \% \text{ of DETRACTORS (0 through 6)}$$

Net Promoter Scoring

- Answers between 0 to 10
 - 0 – 6 = Detractors
 - 7 – 8 = Passive
 - 9 – 10 = Promoters
- Score Calculation:
 - $\text{Promoters} - \text{Detractors} / \text{Total Responses} = \% \text{ Score}$
- Management target - How do we turn passives and detractors into Promoters??

Where does growth come from?



Specific Actions

- Abandonment rate
- Interaction rate
- Back to the floor
- Say thank you
- Say sorry
- Bombard the departments who should own the issues
- Mystery shop yourself
- Blog about it



Measure

- Contact rates – down
- Repeat revenues – up
- Referrals - up
- Staff turnover – down
- Escalations and complaint costs – down
- Consistency - up

