

Boosting Franchise Development with Net Promoter Score

A Listen360 Executive Brief

Arguably the most reliable indicator of customer loyalty, Net Promoter Score (NPS) is a proven metric that provides the core measurement for customer experience management programs. Not only does NPS help existing business owners maintain impeccable customer service and improve where necessary, it is especially helpful for franchises, which rely on a replicated business model to equip franchisees with the programs and infrastructure necessary for success.

Often used as a tool to guide the field team, NPS scores can assist members of the franchise development team in identifying franchises that may need additional assistance or improvement. Tom Raymond, vice president of franchise development for the Dwyer Group, which includes service-based brands such as Mr. Handyman and Molly Maid, explained franchisees willing to implement systems to enhance customer service based on NPS have seen positive changes in their business.

When used consistently, NPS is also a powerful recruiting tool for potential

franchisees interested in service-based industries. In fact, since implementing NPS, Oxi Fresh Carpet Cleaning has seen a direct correlation in improved brand performance and increased quality service levels. Along with [Listen360](#), NPS has become a foundational piece of the business model and a major component of operations. Now, Oxi Fresh is a leader in the industry in online presence, specifically when measuring five-star reviews, and uses that information to help attract like-minded candidates to its growing team.

With proper understanding of what NPS is and how it can be presented to potential candidates during franchise recruitment, an industry-leading NPS has many benefits for attracting new franchisees while providing ongoing assistance to existing owners.

What is a Net Promoter Score?

NPS measures loyalty by asking customers a key question of “How likely is it that you would recommend X brand to a friend or colleague?” and rating the



response on a scale of 0 – 10. Grouping responders into categories of [promoters, passives or detractors](#), the NPS score is then calculated by subtracting the percentage of detractors from the percentage of promoters. Scores can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter). These metrics have transformed the business world and are proven to predict business growth.

As a key measure of customers' overall perception of a brand, NPS can be [complemented with other metrics and insights](#) from various points along the customer experience to create a comprehensive, actionable view of an organization's customer service.

What Does it Mean for Franchisees?

Franchisees have confirmed NPS is an impactful resource for running their businesses, from hearing about how the business and its employees are perceived, and as a means of retaining top talent. According to Raymond, some franchisees even use NPS as an opportunity to reward employees with bonuses for hitting score targets, motivating people throughout the organization while maintaining measurements on performance.

NPS is also a natural add-on to customer service and marketing efforts for a franchise by allowing consumers to feel like they have a voice and are being heard. Franchisees are provided with a

simple, proven way to keep their fingers on the pulse of their companies and keep their technicians accountable, even remotely. To further simplify the process, NPS is gathered automatically with little effort on the part of franchisees, through a survey sent directly to a customer's email on file after a job is complete.

How Does it Impact Franchise Development?

Because customer service is such a large part of service-based business models, employee accountability is often one of the first things potential franchisees inquire about. NPS demonstrates to franchisees how they follow up with customers to maintain and improve customer service and employee accountability on an ongoing basis.

Companies such as Mr. Handyman and Oxi Fresh agree that NPS should be introduced in the discovery process. Kris Antolak, vice president of franchising for Oxi Fresh, noted that NPS is mentioned within the first three phone calls with a prospective franchisee, and Raymond introduces NPS both during the orientation process and as part of the marketing and operations presentation.

Oxi Fresh also uses NPS in franchise sales as a foundation of how someone can run the franchise as a semi-absentee operator with the confidence that the business is being run well. What's more, because their cleaning system is unique, any initial skepticism on its efficiency is quickly placated with an NPS



significantly higher than almost every other company in the industry.

Not only is NPS a proven way to demonstrate the strength of a company and ability to monitor ongoing success, it is a powerful way to compare a company to similar organizations within their industry. Raymond notes that because big corporations are proponents of NPS, it places Mr. Handyman in the same ranks and solidifies their standing as a good company if the brand's system-wide scores are at roughly the same level as the benchmarks set by the bigger companies in the field. Some Mr. Handyman owners surpass scores in the 80s and 90s and the system averages an impressive score of 75, with its sights set on continuous improvement.

Prospective franchisees can feel confident in the company's ability to provide consistent service, and the potential for locations to grow individual scores and stand out in the industry as a leader in the field.

While some candidates may not understand the concept of NPS at first, they tend to catch on fairly quickly and consider it a great tool, Antolak noted. For service brands in particular, NPS is a strong selling point and invaluable enhancement for potential franchisees. Simply put, solid NPS lets candidates know they are joining a quality company dedicated to building a customer-focused business.

About Listen360

Listen360 is a powerful, NPS-based customer engagement platform for companies that understand customer feedback is key to creating loyalty, making smart decisions and growing their business.

The Listen360 platform enables businesses to engage customers, take necessary action to improve deficiencies, and transform delighted customers into brand advocates via social media.

Easy to implement and use at every location and level within an organization, the Listen360 platform has identified more than \$8.7 billion in at-risk business for the more than 20,000 customers we serve globally. We help businesses around the world build better customer relationships. Learn more at listen360.com.

