The Feedback Formula

Calculating Mathnasium's Rapid Growth

Mathnasium Case Study

With hundreds of franchise owners in over 20 countries and 3 consecutive years with upwards of 10% growth, Mathnasium is an impressive brand by any measure. Forbes and Entrepreneur magazines have recognized the supplemental education franchise among top businesses for almost half a decade. According to Mathnasium, the success comes down to a simple formula: Demand×Reputation+Performance=Opportunity. It's true that demand for tutoring services has increased steadily for the past 20 years, but how can you determine and maintain the variables of reputation and performance? Over the years, Mathnasium has discovered that customer feedback is the key.

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Up until about 4 years ago, Mathnasium's policy for gathering customer feedback was mostly left up to the individual owners. Different franchisees were using a wide variety of surveys and questionnaires, and Justin Hom, Mathnasium's project manager of customer relations, found it to be inefficient. "Each location was coming up with their own set of best practices," he remembers. "It wasn't consistent, and we couldn't track responses across our network or easily follow up with any customers." The long surveys were also overwhelming customers, so many locations weren't getting much feedback at all. Leadership decided it was time to implement something network-wide to solve what they suspected was a bigger problem than it seemed on the surface.

Mathnasium found the answer in the [Net Promoter System](#)[1]. Created by Bain & Company, NPS has made true believers of leading brands such as Apple and Zappos. Mathnasium embraced the system, paring the surveys down to just 2 important questions and focusing feedback efforts across the board. "It was a tool we were really missing from our toolkit," Hom says. The team at headquarters saw the value of being able to establish patterns and improve training based on franchise-wide data.

Directors and team leaders review customer feedback, good and bad, and use it to fine tune behaviors on the frontline. They monitor patterns on a regional level, and set benchmark NPS scores to maintain a standard of service. The higher the score, the happier customers are, the more likely they are to stay, and the more referrals they'll make. Hom puts it simply: "Revenue growth is linked to good service." One of the keys to keeping service consistent across the network, though, is ensuring franchisees have visibility and the training and tools necessary to meet those benchmarks.

As with any new policy coming from the top that seems like it might take away some franchisee freedom, there was initially measured skepticism about NPS on the local level. Mathnasium, though, put forth effort to ensure its franchisees that it was providing a tool, not oversight. Headquarters made sure that its field operations teams were well prepared to guide the network into the new way of doing things. "The idea was to really train the trainer and make sure it was clear what resources were available," Hom remembers, "and that was our big focus in changing the mindset of how our franchise owners gather feedback." By working with Listen360, an NPS provider, to develop the messaging behind the overall goal of the program, Mathnasium was able to show its franchisees the benefits of using the tool rather quickly.

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[1] NPS is a trademark of Bain & Company, Satmetrix Systems, and Fred Reichheld

Now, headquarters starts every day by working with franchisees and the feedback for their locations. "We celebrate one wonderful piece of feedback with at least one owner a day," Hom says, "and provide mentorship where necessary." This helps establish a connection and a certain level of accountability but also shows that they care for each and every location. All owners have access to Listen360 dashboards, and the ones who interact with it the most tend to have the highest NPS scores. When franchisees use Listen360 diligently and take the training to heart, they establish better relationships with the parents of the children they're tutoring. Studies across multiple industries show that better relationships and better scores mean more profitability, and that makes everyone happy.

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Happy customers make happy employees and vice versa. The cycle continues, and the result is not only a happy bottom line but also an influx of positive feedback and reviews. The feedback is meant to improve how the business operates, but it is also essentially crowdsourced content about how wonderful the service is. Julian Hollingshead, Vice President of Marketing, sees that as a huge opportunity. "So much positive feedback from our customers is a wonderful tool for helping our service improvement and our franchisees," he says, "but where the marketing team sees it as most valuable is to amplify it as much as possible."

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Hollingshead and his team use the positive customer feedback to bolster campaigns and curate landing pages. Customer testimonials are powerful marketing material, and they ultimately lead to more online recognition and less expensive but more effective online ads. Hollingshead can only find one problem: "There is so much of it, our biggest challenge is how to spread it even more." Who ever said too many happy customers was a bad thing?

Mathnasium took an idea of best serving its customer base and made it a data-driven reality. It's not surprising that quantifying seemingly intangible aspects of the customer relationship is important to a mathematics business, but the lesson applies universally. The evidence that NPS works only continues to grow stronger, and customer feedback is becoming more important than ever. If you'd like to learn more and explore how you can harness this information to better your business, join us here.