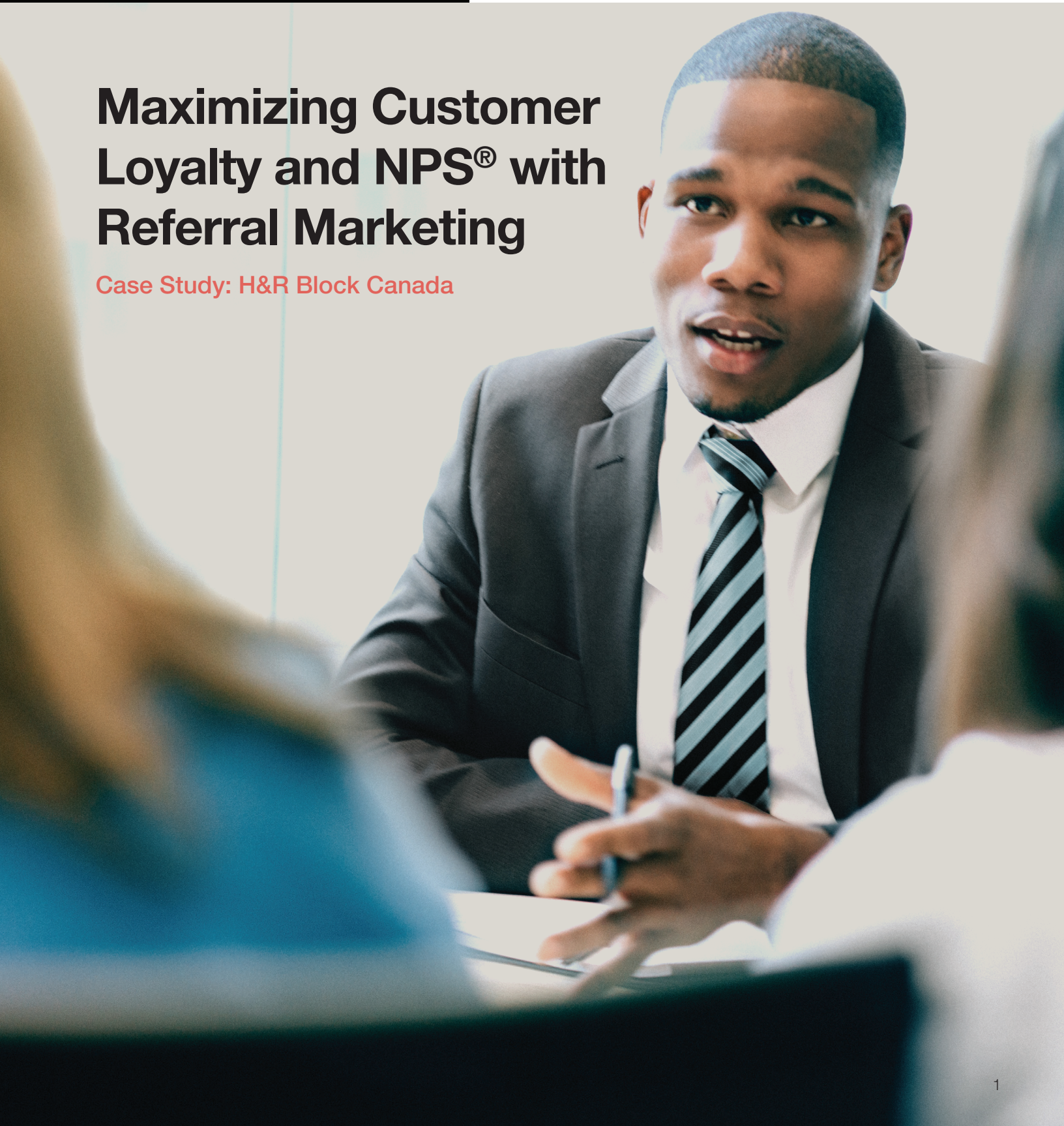


Maximizing Customer Loyalty and NPS® with Referral Marketing

Case Study: H&R Block Canada




Introduction

Once a Net Promoter® program begins to increase the number of promoters, people often mistakenly assume that referrals will just naturally follow. However, to truly take full advantage of a Net Promoter System®, advanced practitioners know that it's vital to mobilize promoters, i.e., your most loyal customers. So, why is it that of the **60% of companies** doing some form of referral marketing, only 5% have a system to actually support it?

Seeing the cost of such a missed opportunity, H&R Block Canada knew they needed the right tools and program in place to leverage promoters.

Using the CustomerGauge Net Promoter System, H&R Block Canada launched their “Refer a Friend” campaign to encourage referrals via an automated email system to reward their most loyal customers, while also generating new business.

We recently spoke with H&R Block Canada—the Canadian arm of the well-known tax preparation company with over 1,200 offices—to discuss how they're using their referral marketing program and the CustomerGauge platform to achieve revenue growth.



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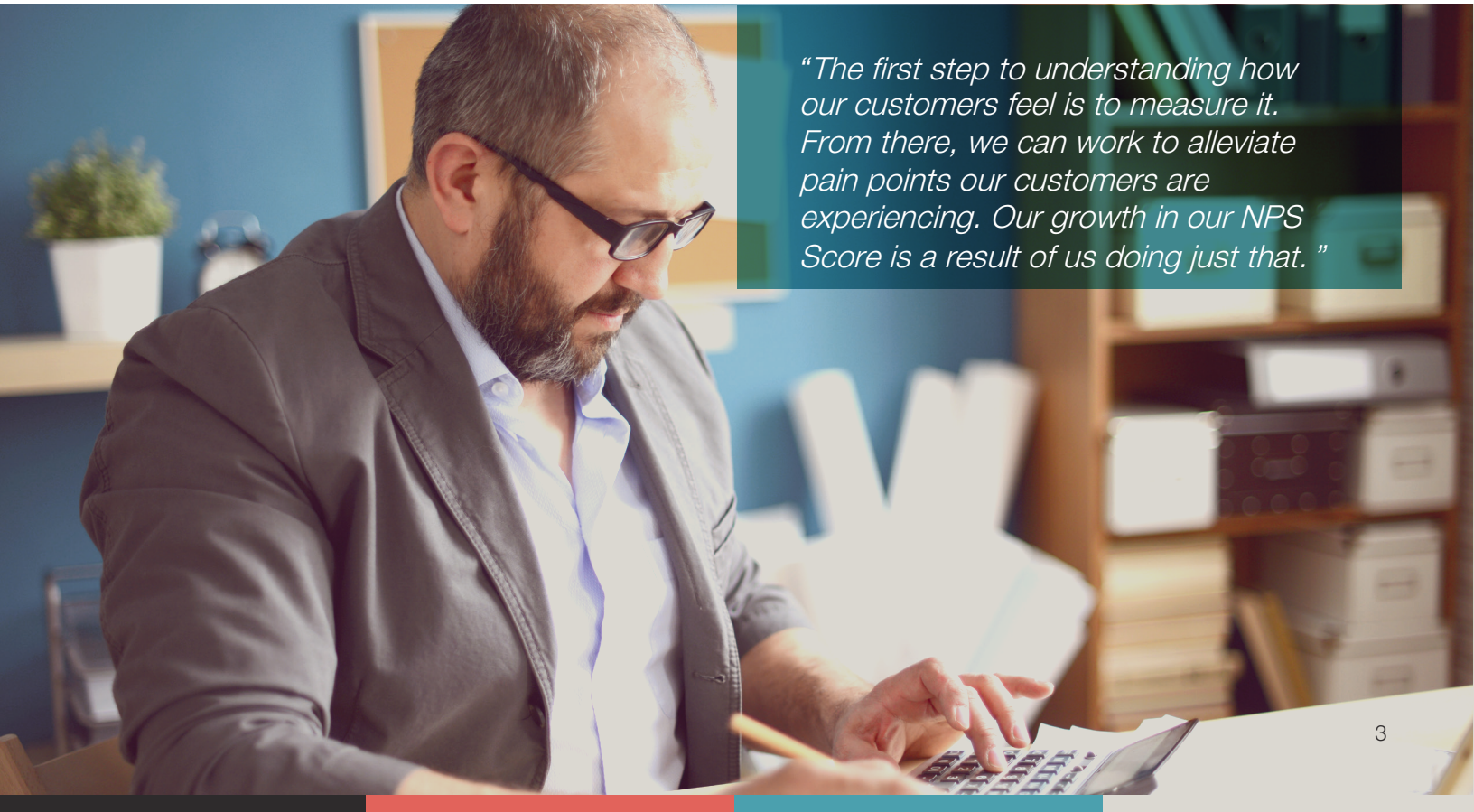
Building Customer Loyalty with the Net Promoter System

Since 1964, H&R Block Canada has continuously demonstrated a dedication to superior customer experience, something they call the “H&R Block Advantage”. To ensure they had a 360-degree view of their customer experience, in 2013, H&R Block Canada implemented CustomerGauge’s Net Promoter System.

Since then, they have experienced a 17-point increase in their Net Promoter Score®. Much of this can be attributed to best practices undertaken by the company. H&R Block Canada has fully embraced the Monetized Net Promoter methodology, which encompasses measuring customer

feedback, acting to close the loop, monetizing the customer experience and growing with their most loyal customers: “The first step to understanding how our customers feel about us is to **measure** it,” says Hilary Zaharko, VP of Marketing at H&R Block Canada. “From there we can work to alleviate pain points our customers are experiencing. Our growth in our NPS score is a result of us doing just that.”

By consistently measuring the temperature of customer sentiment, H&R Block Canada can then take the next step of encouraging loyalty and new business with their coupon campaign program.



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Promoting Growth Through Word of Mouth

In our eBook, **The Definitive Guide to Monetized Net Promoter®**, we end our discussion with the fourth step of our Monetized Net Promoter model: Growth. As part of this step, companies begin tying referral marketing efforts to their NPS program to capitalize on their promoter pool.

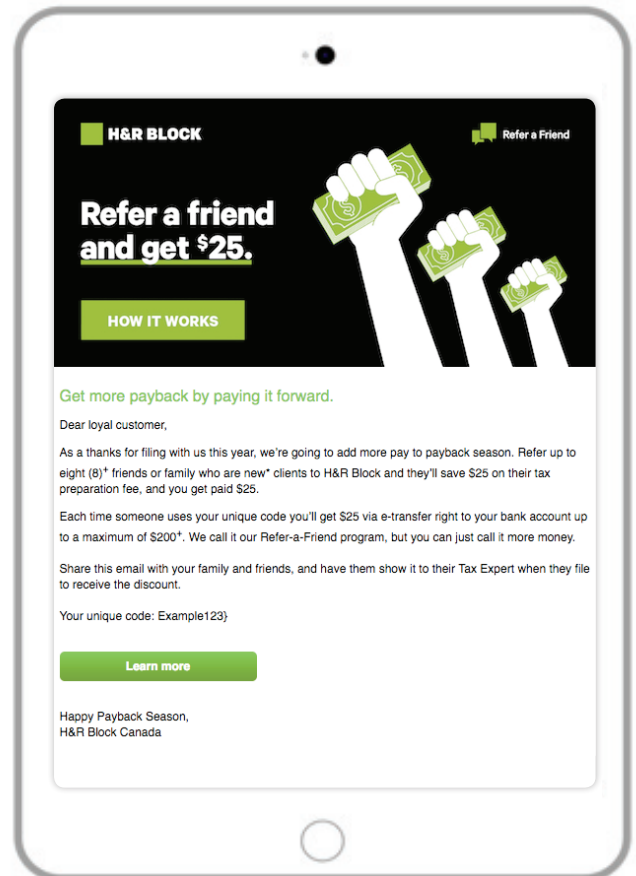
As H&R Block Canada saw an increase in customer satisfaction, they began looking to capitalize on their improved customer experience to grow their business further. Starting in 2016, H&R Block Canada began rolling out their “Refer a Friend” campaign via CustomerGauge, aimed at clients who filed their taxes at an H&R Block office and provided their email address.

In the 2016 fiscal year, the program focused on customers who gave them an NPS score of 7 or higher to refer new clients who are new to H&R Block. After working out the kinks in 2016, H&R Block Canada began improving and streamlining their referral marketing program. They invited all customers, regardless of the NPS score given (even clients who didn’t yet complete their surveys), and included requirements such as signing up to receive emails in order to participate in the program (no microsite or coupons).

“As part of the 2017 process, the client receives a thank-you email (separate from the NPS email), which thanks them for filing their taxes with H&R Block,” says Hilary. “This email includes the Refer a Friend information in it, as well as a unique code they can forward to their friends and family.”

The campaign began February 1, 2017 and expires on December 31, 2017. When a new client files their taxes with H&R Block using their \$25 discount, the referring client receives \$25 via e-transfer. Each code can be used by up to 8 new retail clients for \$25 off their tax preparation fee, meaning the referring client can receive up to 8 \$25 e-transfers, for a total of \$200.

For H&R Block Canada, the beauty of this approach is clear: “Often company’s promotions focus on new clients only, but our Refer a Friend program equally benefits our loyal clients,” says Hilary.



Reaping the Rewards

It seems betting on customer loyalty has paid off. In total, H&R Block Canada sent out over 500,000 Refer a Friend emails between February and May of 2017, with an open rate of 49%. The program grew by 13% from the previous year.

Beyond the financial gains the program has provided, the insights the campaign provides has proven just as beneficial for Hilary and her team:

"In 2017, we will begin correlating our NPS data with our referral program on a deeper level to answer additional questions the Net Promoter program or referral program can't answer on their own," says Hilary. "For example, do people who fill

out our NPS surveys use 'Refer a Friend' more? Or out of our passives, promoters and detractors, who are the ones that redeemed their coupons the most? For example, if a customer gave us a five, but still promotes our business, what does that mean? This information tells us a bit more about the customer experience, as well as identifies not only how to activate promoters, but detractors and passives as well."

Using a combination of their NPS data in line with the referral campaign provides greater insight into H&R Block Canada's customers, and opens up new avenues of communication.

Conclusion

Commenting on the future of the program, and the current success of the initiative, Hilary states H&R Block Canada continues to look forward to rewarding their loyal customers into 2018:

"We look forward to rewarding our loyal clients by continuing the Refer a Friend program in 2018. All of our clients who walk through the door of one of our

offices will have the opportunity to participate in the Refer a Friend program, simply by providing us with their email address. It is an easy way for a current client to feel rewarded, and helps us get new clients in our door."



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Contact Information

CustomerGauge

CustomerGauge is a software-as-a-service platform that improves customer experience using the industry-standard Net Promoter System®. The system helps companies automatically measure and analyze feedback in real-time, act to reduce churn through close-loop tools and grow their bottom line.

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H&R Block Canada

Headquartered in Calgary, Alberta, H&R Block Canada serves taxpayers in more than 1,200 offices across the country. Their dedicated team of Tax Experts use the latest in electronic processing and filing technology to prepare all types of returns, including personal, small business, corporate, farm, trucker, fishing, U.S., rental and estate.

Website