



ADEPTIA

# IMPROVING NPS WITH SELF-SERVICE CUSTOMER EXPERIENCES





# INTRODUCTION

In an age where the customer experience is exalted above most other measures of market success, the NPS metric has been hailed as the de facto standard in measuring a firm's success. NPS, or Net Promoter Score, is a scale designed to define how likely your customers are to recommend you and fuel your growth by advocating your brand.

Introduced by Fred Reichheld in 2003 in an article in Harvard Business Review, NPS as a management tool was jointly developed by Fred Reichheld, Bain & Company, and Satmetrix. NPS was originally laid out as a better alternative to customer satisfaction research and is said to be correlated to revenue growth.

NPS scale was needed because traditional customer surveys were falling short of their goal — they had too many questions, rarely received meaningful customer responses, and didn't conclude discernible facts. In short, they were nearly useless for business leaders who wanted to make improvements in customer satisfaction.

Net Promoter Score addressed this problem by asking only one or two questions and computing an aggregate score that is indicative of customer satisfaction. As a very short survey, it gets relatively higher response rates and the aggregating math score and simplicity of it helps CEOs identify and address improvement areas that prior detailed customer satisfaction surveys often missed.



## Why is NPS Important?

*In the hypersensitive, hyper-engaged business world of today, customer expectations are stratospheric. As individual consumers, they've come to expect instant information, real-time status, multiple communication channels, access to experts, and near-perfect end-to-end handling. And that's just while ordering a meal. The expectations are growing as technology continues to enable greater and more media-rich access to information and insights.*

Meanwhile, customers have unprecedented access to each other's individual and crowd-sourced opinions online. They can weigh your product and brand against countless other market place options, and are not hesitant to switch brands to reach a better experience and value. What stands out in this comparison is the note your brand hits with them, the value it offers, and what other customers think about them.

Think about how quickly and easily you can access customer reviews and scores of movies, shoes, books, restaurants, and just about every product and service available. Customers perform this

quick analysis, read reviews with a grain of salt, and make a conclusion often based on content that the manufacturer didn't produce or have much control over.

Online reviews are a strong aspect of brand comparison, and in this age of customer experience, your customers can be your biggest brand ambassadors if you continue to wow them. All of them.

In the hypersensitive, hyper-engaged business world of today, customer expectations are stratospheric. As individual consumers, they've

come to expect instant information, real-time status, multiple communication channels, access to experts, and near-perfect end-to-end handling. And that's just while ordering a meal. The expectations are growing as technology continues to enable greater and more media-rich access to information and insights.

Meanwhile, customers have unprecedented access to each other's individual and crowd-sourced opinions online. They can weigh your product and brand against countless other market place options, and are not hesitant to switch brands to reach a better experience and value. What stands out in this comparison is the note your brand hits with them, the value it offers, and what other customers think about them.

Think about how quickly and easily you can access customer reviews and scores of movies, shoes, books, restaurants, and just about every product and service available. Customers perform this quick analysis, read reviews with a grain of salt, and make a conclusion often based on content that the manufacturer didn't produce or have much control over.

Online reviews are a strong aspect of brand comparison, and in this age of customer experience, your customers can be your biggest brand ambassadors if you continue to wow them. All of them.

Companies who understand this go out on a limb to make the customer engagement process perfect and memorable, in turn creating brand loyalists. NPS is the metric that is used to identify if your customers are brand loyalists or not.

In more recent times, NPS benchmark has been included as one of the key metrics of C-level executives, pointing to the fact that a better NPS score is correlated to better future growth and revenue potential. A brand with a higher NPS score has earned higher brand loyalty, and customers would continue to reengage and buy from the brand time to time with minimal investment from

the brand, ultimately driving high growth. Perhaps even better, new customers evaluating options available in the marketplace will look favorably upon brands with higher NPS scores, not because they look at the score directly, but because the high level of brand support from existing customers means favorable opinions and reviews in the blogosphere and social media are likely present.

It should be noted that it's really difficult to build a cadre of motivated happy and loyal customers that are so delighted that they're willing to craft such reviews publicly. People generally do not take the time to do this unless they are so delighted that they feel good about it. Quid pro quo reviews that are drafted and published as a result of a company offering a term or price concession or other items of value are often subpar and not as authentic sounding as customers who write about a product that they were genuinely impressed and inspired by.

Further, prospective customers within the buying journey are more moved by authentic content. That is, all the anonymous case studies, marketing demos, white papers, and PDF brochures that a company has are not as worth as much as a sincere customer story describing what they were trying to do and how a given product or service not only helped them, but delighted them in unexpected ways.

This is why NPS has grown in popularity and importance. It's hard (but not impossible) to game the metric. And a high NPS score (relative to your competitors) means something significant. More on the integrity of the NPS metric later.



# How is NPS Calculated?

*The Net Promoter Score calculation is on the basis of a single question - "How likely are you to recommend our product to a friend or colleague?". The question has to be answered by choosing a number on a scale of 0 to 10, with 0 as extremely unlikely and 10 as extremely likely.*

---

Based on answers, the respondents are grouped into 3 categories:

**Promoters:** People who answered either 9 or 10. They are people who are very happy with your product\ service and are considered to be potential brand advocates and loyalists.

**Passives:** People who answered either 7 or 8. They are people who are considered neutral toward your brand, and can switch brands. In the calculation, they contribute to the total as a scale balancer.

**Detractors:** People who answered between 0 and 6. They are people who are not happy with your brand and can discourage others from buying from you. If they were so disenchanted that they post a negative review, it can be more harmful than having many promoters. The old saying is that bad news travels fast. In the age of internet based customer reviews, unfortunately bad news sticks around for quite a while too.

NPS calculation formula is then implemented by subtracting the percentage of Detractors from the percentage of Promoters.

Resulting NPS calculation formula ranges from -100 to +100, with +100 when all respondents answered either 9 or 10, and -100 when all respondents answered between 0 and 6. While this NPS score varies from industry to industry, and really from sub-sector to sub-sector, a positive score is considered good. Scores in the +50 range are considered excellent, while anything above +70 is exceptional for brands.



## How is NPS Used in Business?

NPS measurement systems differ depending on whether your business model is transactional or relational. Transactional NPS is measured when a customer purchase is followed with an NPS survey which is sent post-purchase to gauge the buying experience.

Relational NPS, on the other hand, is a part of ongoing customer outreach that's sent on a periodic basis — often once a quarter or once a year to gauge customer experiences.

As a practice, NPS is not exercised in isolation, it is often supported by more questions that further qualify (and sometimes quantify) the perspective of responding customers. For instance, coupling demographic questions is a common practice in NPS surveys.

As an example, Apple is a major brand that relies heavily on NPS for measuring and monitoring exceptional service delivered through its retail store customer experiences. For store managers, the day starts with looking at NPS, analyzing it to identify factors that may be creating Promoters or Detractors, and getting on service calls with Detractors to identify reasons of their poor experience and close the customer feedback loop.

A common practice is to couple open-ended questions that prompt customers to share reasons why they scored you on the quantitative (0 through 10) NPS survey and how can the brand make your experience better. The answers to these questions, especially the latter one, can help customer satisfaction managers to improve the process and deliver a better experience to customers.

NPS benchmarks by industry can be used as a proxy to get a pulse on your customer experience and satisfaction, and by following up with interviews and interactions with customers can help you address gaps and potential problems way before they impact your bottom line.

For instance, branch managers at Charles Schwab call back customers to understand their rating on the NPS survey and know how they can make experience better for those customers. This process serves a two-fold role, it helps managers identify customer success gaps and close them right away to create more brand advocates. And of course, disenchanted customers are provided a direct and perhaps empathetic human interaction to save the customer and make things right.





# What Factors Influence NPS?

There are several factors that can influence your NPS, but primarily, the following play the strongest roles (generally in order of impact):

## **1. Customer Support:**

One of the biggest influencing factors, the level of customer support received, when required by the customer, is a big contributor to NPS. Anything customer support related, be it interactions with your website, social media, dedicated phone support hotline, all these can impact NPS. If it is an interaction that involves a staff member from your team, their mannerisms, tone of voice, etc. are other important factors that can make a difference.

## **2. Product Use:**

The second biggest influence comes from your product offerings that your customers directly interact with. The way the product works, handles, and meets user expectations is critical. Additionally, direct customer experience with offer trials, initial implementation, and onboarding also helps in building initial brand loyalty and NPS.

## **3. A Collective Experience:**

Most importantly, the feeling of connectivity and seamlessness between all customer interactions, spanning product use and customer support for the whole buying experience, everything needs to 'come together' for the customer. Your brand and execution of your brand need to function as a single story that flows from end to end in an integrated fashion. It ultimately fulfills the customers understanding of who you are and why you are the best at what you do. It not only hits your NPS, but also impacts the ongoing positioning of your brand in your customers' minds.

## **4. Price:**

While price isn't as big as the three categories above, it can play a big role in overall customer satisfaction. If your customers don't feel the price is worth the experience or service, your NPS may take a hit because of this. However, slightly higher price than competitors offset by better product quality is certainly not a deal breaker. Many customers expect to pay a bit more for a differentiated product and a service level that delights them.

There are other factors that can impact NPS and many depend on your offering and business model.



# Can NPS be 'Gamed'?

No metric is perfect. Like any metric, NPS can be gamed in a number of ways. Since an improving NPS score will generally reflect positively on management, there is certainly a temptation to want to positively influence the metric. When tied to bonus compensation the temptation is even more inviting. And the opportunities are easy. Many fall into the classification of a selection bias.

At the point of determining the recipients for the NPS survey, there can be a selection bias that systemically includes or excludes certain segments of customers on the basis of demographics or other attributes in order to unduly influence an NPS score.

In an egregious case, known unhappy customers might summarily be excluded. Worse yet is a case where a more traditional survey precedes the NPS survey in a process whereby the answers to the first survey determine the inclusion of Net Promoter Score survey recipients.

In a more simple example, a support employee may only nominate those customers for the survey whose cases were positively resolved. These customers have a higher chance of giving a 9 or 10 score, and that will skew your NPS results. In some cases, especially in a face to face sale environment, you may find executives downright asking for a positive NPS rating, irrespective of the customer's experience.

In an unwitting example, customers who have purchased but are still working through a multi-week (or longer) implementation period before they are able to start using the service, might get excluded from an NPS survey that draws its distribution list from revenue-generating accounts. This would cause customers that are working through important steps in onboarding to become excluded from your NPS metric. Those onboarding experiences are critical to get right since your newest customers are forming first impressions on what it means to be your customer.

It's important to drive selection-bias out of your NPS methods. As a valuable on-going and highly visible metric, the integrity of the score (for better or worse) is essential in order to have the NPS serve you.

As a more naturally occurring instance of selection-bias, while receiving NPS responses, you may receive only those responses that are from highly engaged, happy customers, thereby positively skewing the NPS results. If the minimum response rate of NPS is not met, the results of that survey may not paint the right picture. Anything less than 40% for B2C and 60% for B2B is considered insufficient for a conclusive survey. However, a Six Sigma trained expert or someone who has studied statistics can help establish a statistically significant sample size that will be indicative of overall customer happiness levels. It's important that successive Net Promoter Score survey runs are based on the same set of rules used so that any measured trends or movement of the NPS score is indicative of reality.



To ensure that the NPS results are accurate and relatable, brands need to connect with their customers to understand the reasons of their feedback and work operationally to fix service gaps, ultimately closing the loop and verifying the authenticity of the survey results.



## 3 Ways to Improve NPS in the Age of Digital Transformation

NPS is a proven and solid measurement system which, if implemented correctly and without bias, can help you highlight critical service and operational gaps. But in isolation, it falls short. It is essential to analyze the results of each NPS survey and take customer comments to heart. NPS works as a proxy for measuring customer experience. You might imagine that perhaps only 1 in 20 customers who have a really poor experience will take the time to write a thoughtful comment about it, if given the chance. Your NPS survey can serve as this important feedback mechanism. Imagine that there may be 19 other customers who might have also been witness to any reported problems.

To compound the problem, throughout most industries, a wave of digital transformation has dramatically increased productivity, delivery speeds, and quality by digitally connecting the workforce, assets, remote sites, systems and databases so that information travels faster and the whole team works from the same data—the same version of the truth. In most cases, businesses have worked hard to include direct customer access into this data eco-system to improve their experiences. As a result, customer expectations are higher than ever before.

While this age of digital transformation has skyrocketed customer expectations, it has also delivered the tools that help businesses improve their customer satisfaction and, in turn, their NPS through 3 key methods. Consider these methods for improving your business-to-business driven NPS:

### 1. Closing the Loop with Faster Customer Data Onboarding

For most brands, customer data onboarding is a tedious task that takes too long and causes delays that give customers the first taste of poor experience. Many companies have a lengthy and labor-intensive customer data onboarding process. In some cases, it can take weeks to onboard new customers. Complex, multifaceted, and data-intensive service offerings can sometimes involve a couple months of onboarding. The process of onboarding is an early customer experience that is advantageous to streamline, not only for

the obvious NPS improvement plan that can be derived, but also speeding your customer relationship to the point where it bears value and revenue.

For example, if you are an insurance company commencing business with a new broker, it is normal to expect a few weeks before they can begin to sell your plans. Imagine if they were able to do that the very next day, effectively getting one more month to sell your plans and earning an extra month of commissions? Sounds like a recipe for differentiated and much higher customer satisfaction.

With a modern integration platform, brands can accelerate their customer data onboarding by up to 80%. Instead of spending 8-12 weeks integrating customer data flows into and out of your systems, a modern integration platform can get this done in a matter of few hours. And what's even more profound: without IT skills and conventional data mapping.

Interestingly, modern integration systems have evolved to a point where even your non-IT, customer support staff can use these systems to engage customers. For instance, if a broker customer requests support over an insurance plan purchase, your support staff can access your centralized integration system, look into the lifecycle of that broker customer, and provide support along with some value addition that would ultimately enhance customer experience for them and increase NPS score.

Post onboarding, your support team can prompt follow up calls and interviews with clients to understand their PoVs and nuances of experience. By providing a sublime onboarding experience and having a consistent, timely follow up mechanism, brands can dig deeper into customer feedback and resolve service issues even before they impact other customers and result in online reputational damage from detractors.

## **2. Delivering a Connected Brand Experience through Customer Self Service**

When a customer interacts with your brand, they expect to interact with a single entity. However, in real life, their interaction is with a number of different people. Worse, depending on the nature of a specific problem or issue, your customer may bounce from one department to another before having their issue resolved. Of course, this can be the recipe of a poor customer experience and bad NPS score.

What's needed is an integrated, connected experience that unifies customer data across departments, brings them into a single spot, and makes it available for action so that customers do not have to bounce across departments. The resolution, in this case, should be at the lowest handling time, at the first contact, and with fewest interdepartmental jumps.

Perhaps even better are online self-service portals powered by modern integration platforms that enable a customer to resolve issues by themselves, on their own time and convenience. This self-service, citizen integrator approach to customer data is critical to efficiency that enables brands to be empowered to create customer connections, integrate data, and gather customer intelligence.

Decentralization of integration enables all departments to see a unified picture of the customer in zero latency, high scale setting, which ultimately helps them deliver a unique, sublime customer experience and makes the brand easy to do business with. Further, since the modern integration platform is centralized, it can work with data from all departments and show a 360-degree view of the customer.

As a result, customer data flows through the organization as lifeblood, tying all departments together and making delightful customer experience as the priority of all functions. The result is a delighted customer,

improved Net Promoter Score, and accelerated speed to value and revenues.

### 3. Bolstering NPS Champions with Modern Data Integration

While NPS is important, it is sometimes easy to get lost in the details of implementing NPS while failing on a more overarching goal: delivering a better customer experience. Brands need to deliver better customer engagement and a unified experience that's sublime, superior, and differentiates you from all the noise in the marketplace. That's the trick to creating customers that serve as positive brand ambassadors (Promoters) and transforming customers who have had previous poor experiences (potential Detractors) into Promoters. However, to make all of this work for your customers, there are often important and ongoing points of data integration between your databases and systems and your customers'.

In today's era of digital transformation where customer experiences are paramount, every customer leaves a trail of data that paints a picture of their interaction with your brand and your competitors. Putting this data together and supplementing it with analytical intelligence, NPS metrics, and other customer interaction observations across your organization is a formula for success.

Many organizations follow the practice of creating internal NPS champions. These champions are tasked with one single job - to improve NPS by improving customer experience. For instance, if a customer is unable to access all the features of their products due to incorrect license privileges, this champion will act as the bridge between the customer, internal Accounts, internal licensing team, and internal Sales team to identify process gaps and ensure correct customer subscription licensing. All this is made more possible and timely by implementing a core data integration strategy that connects everything.

NPS champions sit at the center and utilize the power of modern integration platforms to keep a track of customer lifecycle, behavioral patterns, and points of overlap by bringing in customer data from all streams across the organization.

Current corporate data integration has come far from connecting different data streams to simplify data exchange. A good organization-wide integration strategy puts delivering cutting edge customer experiences as a central goal.



# A Modern Integration Platform for Delightful B2B Customer Experiences

Customer delight is the greatest emotion any brand can strive for. High NPS, denoting high customer satisfaction, is the elixir that can grant better revenue and bigger market share to you. There's only one way to improve your NPS - by delivering sublime, memorable customer experience that turns your customers into Promoters and advocates of your brand.

In the age of digital transformation, a modern data integration platform is a clear path you can take to realize this exceptional goal. While choosing a modern integration platform, brands need to ensure that they identify a platform that prioritizes customer data onboarding and delivers a citizen integrator approach that provides business-user (non-IT skilled) access to data, reporting and customer interaction features that accelerate business.

To further that goal, your company data integration needs to be faster, higher scale, beyond “enterprise-class”, and repeatable for delivering high value to your customers—every customer. It needs to bring together a centralized view of the customer data that combines all streams, including their interaction with Customer delight is the greatest emotion any brand can strive for. High NPS, denoting high customer satisfaction, is the elixir that can grant better revenue and bigger market share to you. There's only one way to improve your NPS - by delivering sublime, memorable customer experience that turns your customers into Promoters and advocates of your brand.

By integrating customer data streams, accelerating customer onboarding, and unifying all customer interactions into a single entity that can be used by even non-technical business users, you are equipped to be greater at everything you do for your customers and improve your Net Promoter Score.



# AUTHORS



## Meet Joe Dupree

### *Chief Marketing Officer, Adeptia*

Joe is responsible for marketing, business development, branding, strategic positioning, go-to-market strategy, and sales enablement marketing.

Previous to Adeptia, Joe served as Sr. VP of Marketing at Lansa where he led global marketing, analyst relations, and lead generation in support of the company's low-code software development platform. Joe previously led Marketing at Cleo including product management, lead generation, analyst relations, and branding. During Joe's 5 years of marketing leadership, Cleo grew revenues 5x.

Before joining Cleo, Joe served in numerous software executive leadership roles including Marketing at SmartSignal, Marketing at Infogix, and 10 years of roles of increasing responsibility at GE Global Exchange Services (now OpenText) including Product Management, Product Engineering, and e-Commerce Consulting.

Joe earned an MBA from the University of Maryland at College Park and a BS in Computer Science at Siena College in Loudonville, New York.



## Meet Jitesh Banga

### *Senior Marketing Manager, Adeptia*

Jitesh leads the digital marketing division at Adeptia. Prior to Adeptia, he was leading the content marketing division for hCentive, a subsidiary of UnitedHealth Group. Jitesh's foray into marketing started with his entrepreneurial venture where he helped several small businesses go digital across US, UK, and India.

