Re-imagining the Net Promoter System

A 10-point approach to build a winning feedback program

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The Convergence of Brand and Consumer Experience

Consumer loyalty is difficult to earn, and easy to break. It's a deep emotional concept that brands aspire to build over a lifetime through a suite of touch-points and experiences that are forever interconnected.

Active brand promoters should be encouraged to try new products while detractors require constant reinforcement and feedback. Loyalty, thus, is sustained by creating everlasting relationships with tangible meaning and brand promise. Today, brand connection is influenced heavily by the quality of interactions at various touch-points, personal recognition and a relationship fostered by meaningful experiences.

To achieve this level of brand connection, the net promoter system (NPS) for organizations has to be reimagined to bring about this convergence and to successfully manage a brand strategy in today's consumer-centric age. This point-of-view will share our 10-point approach and offer some practical guidance on how your organization can optimize its efforts.

Key Anchors to Consider

The following is our 10-point approach to re-imagining the net promoter system to create a winning feedback and brand engagement program.

NPS Principles

- NPS is a process and not just a metric
- NPS is a collaborative and shared process
- NPS is a means of BX and CX design and collecting the voice of the consumer
- NPS is multi-dimensional
- Advocacy is not transactional, but relational and experiential

1. Build Consumer NPS Portraits

Identify various demographic and spend segments of consumers. It's important to categorize and mix the consumer segments to create samples of segments. Who are our promoters? Are they new or repeat consumers? What are the spend profiles? How did they learn about our store or website?

Deeper segmentation will help to identify which portraits share what levels of advocacy or concerns. Identification of strategic micro groups within the consumer base is essential to create influencers and maintain contact with the trend setting individuals. A high NPS can be sustained by maintaining contact with the core consumer segments consisting of repeat buyers, promoters and high spenders.

Consumer portraits will help to better understand consumption trends, purchase occasions and needs. The study will help to identify new occasions that will give rise to new expectations, which may require a new marketing mix. The NPS should have a representative and balanced mix of various consumer segments. Various profiles will serve the purpose of triggering automatic surveys, referral requests or promotional offers.

2. Set Internal Operational Goals and Benchmarks

Comparing internal NPS scores with industry benchmarks can lead to undesirable implosion. Create internal NPS benchmarks for various target segments specific to geographies and trading areas that make sense for the business.

Base the target scores on the spend profiles, drivers of detraction or promotion. Set monthly and quarterly operational goals on what your organization wants to improve (e.g., revenue, average order value, traffic, reduced delivery lead time, improved product mix, customer service, etc.).

Next, set targets on which a distinct consumer segment should be grown to convert detractors to promoters based on the operational goals. Plan promotions, targeted messaging and campaigns which will help to achieve operational goals.

It is imperative that key business functions (Marketing, Operations, Merchandising, Product Engineering and Supply Chain) have a rational nexus in structuring NPS as a key determinant of brand experience. NPS targets have to be set relational to business metrics (e.g., order fulfillment rate, CSAT score, return rate, delivery lead time, product quality, etc.), while the survey should also be re-designed periodically to measure feedback and embed insights back for a reset in the business processes.

3. Correlate Loyalty with Behavioral and Attitudinal Attributes

Consumer loyalty is multi-dimensional and so should the NPS. It's important to understand the associations between purchase behavior, satisfaction and NPS. This can be achieved by using consumer behavioral and attitudinal data such as purchase patterns, disposition to purchase, perceptions, frequency and monetary value to predict future behavior. For example:

- **What are the key shopping occasions or missions?**

- **How do they impact the purchase decision?**

- **Does NPS change with the change in shopping occasions or missions?**

- **What is the impact on NPS due to a campaign or promo mechanism?**

- **What is likely to be the most effective promo mix that will result in an uplift in revenue and NPS?**

The focus should be not just on predicting factors influencing purchase. They should be based on defining the relationships that a consumer has with the brand, the most profitable consumer segments and in understanding the conditions for creating emotional connections with the brand.

4. Engage, Incentivize, Personalize

A deeper understanding of consumer segments and purchase behavior is imperative to improve the survey design. Consumers

> "Magnetic organizations perform on a stage. Theirs is an arena where the audience is part of an event, or more accurately, an experience."
>
> *Kordell Norton:*
> *Business Charisma: The Magnetism of Personality, Presence and Consumer*

should think of the NPS survey as a brand experience event that they would want to attend. Engagement will net better results.

Create innovative surveys that are able to change based on the mood and profile of the consumer. Create compelling experiences by introducing storytelling through VR and launching the survey questions amidst the overall brand experience. Captivate respondents by using smileys, image choices, and interactive fun quizzes with animated scoring gauges.

Design reward widgets with variable scores allotted based on responses providing digital scratch cards that can be used to claim rewards. Consider launching surveys on social messenger apps and through chatbots.
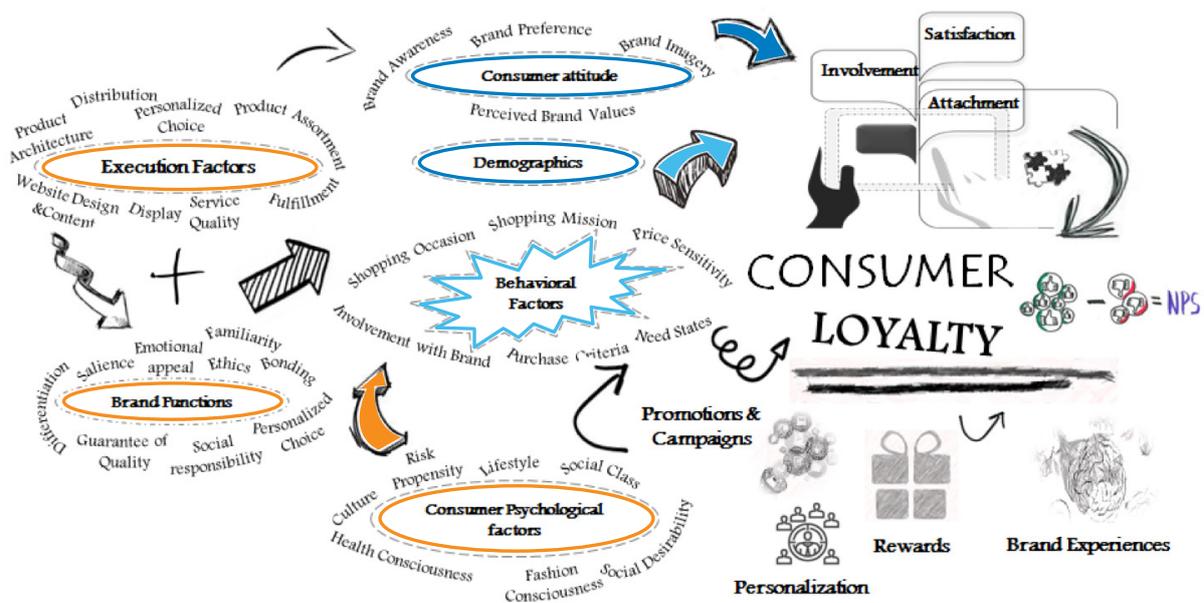
5. Right Time, Right Audience, Right Survey

Very often consumers are not the best advocates directly after a transaction and tend to provide feedback that is not related to their overall experience. Triggering an NPS survey directly after a transaction may not encourage a brand recommendation.

NPS surveys should be triggered to the right individuals at the right time – focus automatic surveys after specific events in the consumer lifecycle.

6. Have Conversations

The NPS methodology classifies respondents providing answers between 0 and 6 as "detractors." Ask why a respondent has given a particular score and what change they expect for a higher future score. If there are recurring themes or concerns around business processes, route them back to the relevant departments for corrective actions.

Personalization of the survey experience is critical to success. Engage in conversations that take into account recent purchases, past feedback and their profile and lifestyle history. This can be achieved by using piping and masking techniques to ask follow-up questions based on answers to previous questions.

For example, if the question was *"How did you find the experience in our store today?"* – pipe the answers into the next follow-up question *"You mentioned that the shirts are too expensive – what would be a preferred price that would help you to purchase shirts from us?"*

7. Improvise Continuously

George Bernard Shaw once famously wrote *"The only person who acts sensibly is my tailor. He takes my measure anew every time he sees me. Everyone else goes by their old measurements."*

Brand experiences are continuously repackaged and refactored, therefore so should the NPS survey. Imagine being a loyal, repeat consumer and having to answer the same survey each time (hint = bad experience!).

By the same token, apart from building customized surveys and survey branching logic for meaningful conversations, it should also be redesigned based on the strategic and operational goals, and even for specific campaigns or promotions. For example, if the goal is to increase share-of-wallet share, one might include questions that will provide more insights into purchase considerations. For example:

- **How likely are you to purchase from us in the next 2 weeks?**
- **How likely are you to consider purchasing our brand versus another brand if they were sold from a multi-brand outlet?**

If the focus is on margins, consider measuring perceived value with questions such as:

- **When you think of our brand, do you feel it's reliable?**
- **Would you switch to our competitor brand, if it was a cheaper alternative?**

8. String Together Conversations Across Channels

Are the executives being encouraged to close the inner loop by just responding to the most recent survey feedback? If yes, that's a one-dimensional process anathema. Standout among the competition and create the impression that the consumer belongs to the brand community. A community that invites opinions, suggestions and discussions anywhere, anytime.

Consumers like to think that their needs are being monitored and that brands are listening to them all the time. That's the emotional connect loyal consumers have. Market leaders make a concerted effort to listen to all conversations to understand reasons behind a low score or negative/positive feedback. Understand consumer sentiment before engaging them in a closing loop.

Finally, individuals provide their feedback across different channels. They could talk to the call center on one day, post a comment or review on Facebook another day, or start a conversation on a messenger app. Linking all conversation threads is imperative to gaining a 360-degree view of the customer.

9. Build Promoter Communities

Treat promoters as brand ambassadors. Build online communities of promoters and opinion leaders, providing them with a community experience to post their views and engage in real-time discussions about various topics. Build proximity through selective messaging and publicity to create opinion leaders by providing a platform for dialogue.

This could be executed through specific events which are an extension of the NPS survey, inviting recommendations for product design, new experiences and future trends. Consider engaging in a live chat with this community to promote a sense of belonging and consider incentivizing users for product reviews and referrals.

These communities will go a long way to uplifting NPS.

10. Deep Dive to Identify Growth Opportunities

Consider building a self-service analytics capability to enable business owners to deep dive into NPS and consumer data. Build portraits of distinct NPS segments that are driving revenue growth. As discussed above, study and correlate behavioral and attitudinal attributes with loyalty. Define use cases, diagnose, predict and prescribe action to identify high priority, high risk areas which might negatively impact revenue.

Example: Which NPS segments drive revenue growth?

If 10% of our high value detractors who contribute to 30% of our revenue have commented that the product assortment is inadequate in a specific category, while 20% of our high-value detractors who contribute to 2% of our revenue complain of poor service, we know whom to focus on to close the loop and convert them into high-value promoters.

It's important to understand the factors influencing the purchase pattern and behavior on all channels – shopping mission, product mix, pricing, display, web design, service, ordering convenience, etc. By correlating how these factors can influence NPS through advanced statistical and semantic analysis, a much larger net impact can be gained from your efforts.

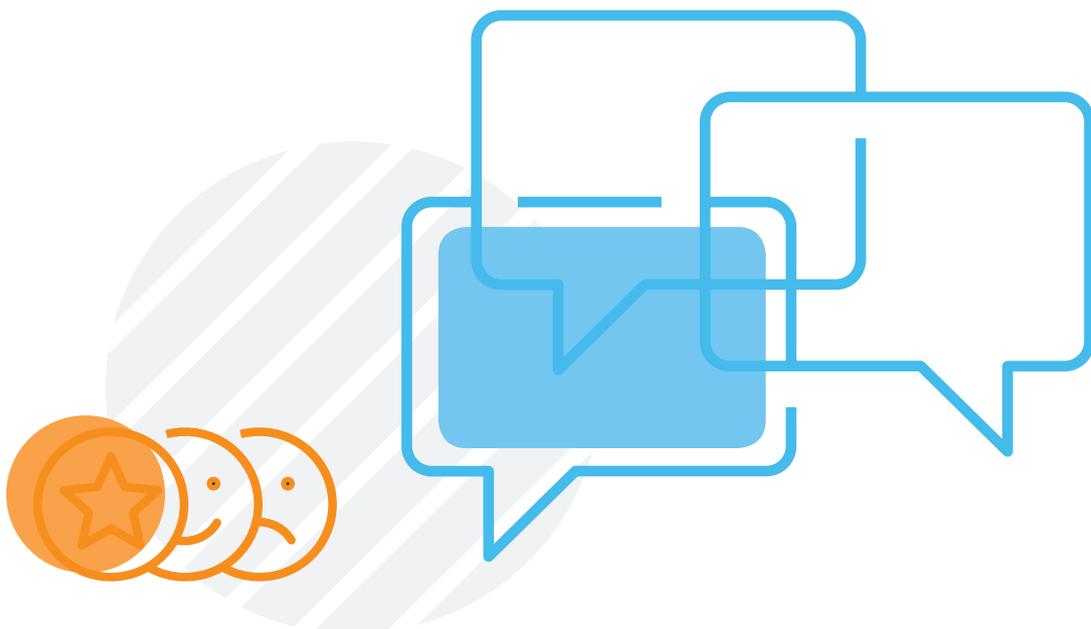## Loyalty is the Sum of Multiple Brand Interactions

For brands to stay highly relevant, they must constantly aim for increasing consumer involvement by adapting to new needs, expectations and societal changes. Brands have to create unique, new experiences for their target base, inducing them to try new products and services all the time. Simply put – consumer involvement and loyalty is a sum of multiple, diverse interactions with the brand throughout the consumer lifecycle.

The net promoter system has a key role to play in building a brand's foundation – its program should be the conversation channel for not only listening to the consumer, but also for internal planning conversations. Want to learn more about our approach to NPS and customer experience development? Get in contact with our experts and we'd be happy to share some of our experiences gathered from our work with a number of top global brands.

About the Experts

Krishnakant Kasturi – Principal – Retail, Consumer Goods & Logistics practice

Krishnakant Kasturi is a principal consultant at Infosys Consulting with 18 years of experience in sales operations, marketing and management consulting. He is a customer experience evangelist who has partnered with leading global retail and CPG companies to solve complex problems, re-designing their business processes and setting up one source of truth analytics platforms. He is one of the primary authors of this point-of-view.

Mahesh Bukkapatna – Associate Partner – Retail, Consumer Goods & Logistics practice

Mahesh Bukkapatna is an associate partner at Infosys Consulting with 20 years of experience in CPG and retail Industry spanning brand management and management consulting. He leads our retail & CPG consulting areas for the firm in India and has led multiple business transformation programs for a diverse range of clients. He is one of the primary authors of this point-of-view.

Jerry Kurtz – Partner & Practice Head – Retail, Consumer Goods & Logistics practice

Jerry leads our retail, consumer goods and logistics practice in North America and is a member of the firm's leadership team. He joined from IBM, where he was the North America lead partner for cognitive and analytics service offerings. While there, he developed and launched their advanced analytics for IoT capability globally and led their big data practice. Jerry is a consulting industry veteran, with more than 25 years in total across Infosys, IBM and PricewaterhouseCoopers – the latter of which he became one of the firm's youngest partners at age 32. His areas of expertise include advanced analytics, artificial intelligence, IoT, enterprise transformation, and shared/business services. He also did two stints living abroad in Japan while in previous roles.

About Infosys Consulting

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