



INMOMENT POINT OF VIEW

# Net Promoter System: From Metric to Meaning

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## THE GAME-CHANGER

The Net Promoter Score® (NPS) has defined organizational improvement for years. Introduced by Fred Reichheld in 2003, the metric was lauded for its speed, flexibility, and its ability to distill multiple departments and improvement efforts down to a single number.

Though the Net Promoter Score has garnered widespread acclaim since its debut, it is but a piece of a far larger puzzle: the Net Promoter System®. Unlike the Net Promoter Score, which focuses on producing a quick numerical summary of an organization's well-being, the Net Promoter System finds the meaning behind that number and spurs action at both the individual customer and whole audience levels.

Indeed, by Fred Reichheld's own admission, the Net Promoter Score ultimately doesn't matter—what *truly* matters are the trends, shifts, and changes that the Net Promoter System can help organizations identify. What follows is a primer on understanding both the Net Promoter Score *and* Net Promoter System in this way, and thus unleashing their true potential.

## THE STATE OF NPS

Though the Net Promoter Score has long been a staple of internal improvement efforts, multiple companies are challenging the metric's relevance in the modern experience landscape. Some firms are even asserting that NPS is "dead." The reasons for this are many—some organizations feel that other scores are more ideal for quantifying change. Others charge that the system is simply too susceptible to abuse by dishonest employees.

In NPS's defense, however, these problems can occur no matter which metric organizations use. This type of fraud tends to rear its head anytime a score is tied to employees' compensation and, frankly, is more an indictment of a company's culture than the score itself. Because of this, organizations should carefully consider the ramifications of tethering any metric to compensation.

Many firms are also wary of the Net Promoter Score for a different reason—they may not know how best to implement the metric in their organization. It's not unheard of for

companies to accidentally misuse NPS by, say, employing a relational Net Promoter Score to evaluate transactions. Company culture and a history of previous score use also play massive roles in how well (or not) an organization can adapt NPS.

## IS NPS DEAD?

Companies that focus exclusively on the Net Promoter Score are missing the forest for the trees. The Net Promoter Score, like any metric, is just a number—by contrast, the wider Net Promoter System is a cultural movement about customer centricity and continuous improvement. Rather than honing in on the numerical score, organizations should instead focus on what they can learn from customers' comments. This enables them to better identify opportunities for meaningful improvement and transformative success.



Truth be told, companies that merely scoreboard-watch their Net Promoter Score as it moves without analyzing *why* it's moving won't find it effective. The same applies for any other metric. Whichever metric companies use, though, the simple truth is that brands must tackle the difficult challenge of understanding the relationship between a key customer metric (NPS, OSAT, etc.), and the business outcomes they want to accomplish. Organizations that complete this legwork can know which metric suits them best.

## TECHNOLOGY'S ROLE IN THE NET PROMOTER SYSTEM

Organizations that shift their focus from metric to meaning can seamlessly execute the Net Promoter System's grander mission with modern intelligence tools and data platforms that ingest customer feedback. Indeed, it could be argued that the advent of the Net Promoter System allowed these other tools to proliferate in the first place!

Like many of these perspectives, the Net Promoter System ultimately focuses on capturing the voice of the customer at its most relevant moments. Combine this focus with an intelligence platform that can analyze sentiment, democratize data, and quickly route those insights to the proper stakeholders, and the result is an unparalleled intelligence powerhouse.

## TAKING ACTION

The Net Promoter System and experience intelligence tools are only as useful as the actions businesses take with them. It's not enough for companies to simply **know** how they fare among customers or how they compare to competitors—organizations must be willing to both consider the feedback they receive and to **act** on it.

The common themes here are meaning over metric and action over passivity. Ultimately, organizations should use their Net Promoter Score as a guideline, focusing on the behavioral and experiential changes that the metric indicates rather than the metric itself. They should then take action on those changes to reap meaningful, transformational success.

