

Methodological
note

A stylized illustration of a person's face in profile, facing left. The face is rendered in shades of blue and green, with a dotted pattern on the cheek. The mouth is open, showing a red tongue. The entire illustration is framed by a thick blue border that follows the shape of the face.

NPS and Word of Mouth ... *the same or different?*

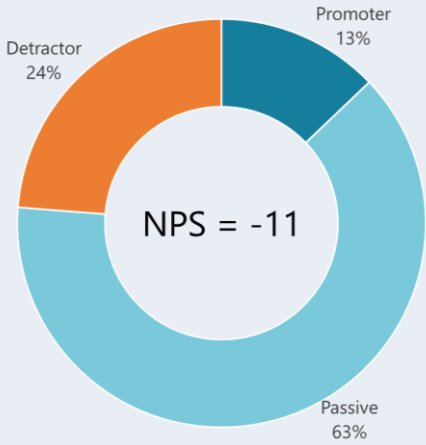
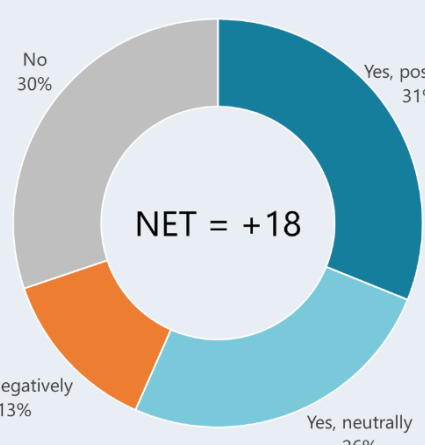
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Dominique Vanmarsenille

A case study in the BtoB service market

Both Net Promoter Score and Word of Mouth aim to measure customer's and prospects' eagerness to talk about the brand or in other words, *do your marketing for you*. Both constructs are often used for predicting loyalty and new business. But both metrics do measure different things...

Construct	NPS	Word of Mouth
Question	To what extent would you recommend BRAND to other companies or organisations?	In the past 6 months, have you spoken positively, neutrally or negatively about BRAND to colleagues, competitors, suppliers, ...?
Answer	0 = certainly not 10 = certainly yes	Yes, positively – neutrally - negatively No

... and consequently, we obtain different results

Output	<p>NPS = Promoters (9+10) – Detractors (0-6)</p>  <p>NET WoM = Positive – negative</p> 
Learning	<p>This result is problematic because the brand counts considerably more detractors than promoters with a huge number of passive customers.</p> <p>This result is far more acceptable with many more customers having talked positively about the brand than customers having talked negatively about the brand. 30% did not talk about the brand at all and could be considered passive ... which is only half of the number of <i>Passives</i> in the NPS-construct.</p>

NPS and Word of Mouth ... *the same or different?*

A word of caution before we move on: these results originate from a customer survey for a service provider in Belgium among over 1,000 BtoB-customers. We cannot extrapolate this case study of 1 to all sectors and all countries. But it does raise some questions which can occur in other sectors or countries and it is worthwhile reflecting on it.

Where can these differences come from? We can identify 2 major motives ...

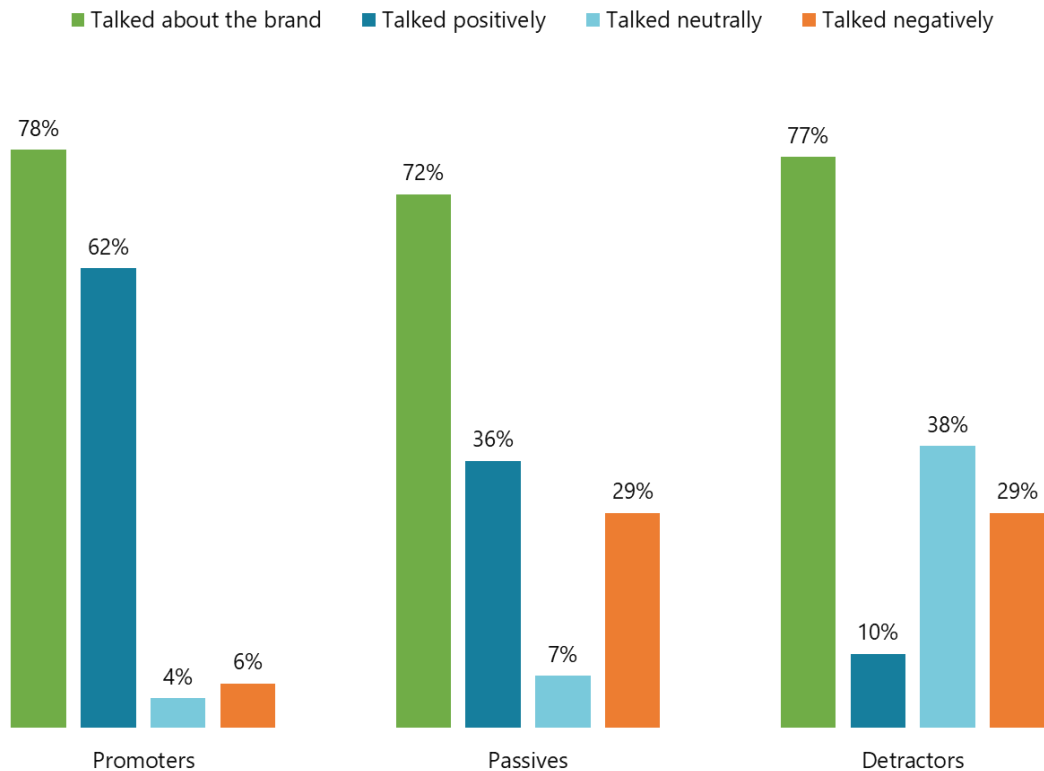
1. **NPS** is about customers' **intentions**, about what *could* happen when they would be asked for advice and they are willing to give an advice. **Word of Mouth** is about **actively** promoting or demoting a brand to others or not. Intentions may never materialise. Our opinion is that active promotion is worth far more than passive intentions.
2. The **NPS**-construct was launched in 2003 and has grown in popularity because it is so easy to measure and use. Whilst at inception, the inventor claimed high predictability for market share growth, many have weakened that promise considerably (including in Journal of Marketing articles). Nonetheless, it remains the dominant metric in the market. The original thresholds for calculating NPS are pretty severe. You have to give a 9 or 10 to be considered as a Promoter. In many European markets, it proves extremely tough to be attributed a 9 or 10. If we would have taken 8/10 as the threshold for a Promoter in this survey rather than 9, then this brand would have 32% Promoters in stead of 13%. NPS would then no longer be -11 but +22 and more in line with Net Word of Mouth.

All this does not imply that NPS is a weak metric. At the very least it is a standard that the entire company can rally around and gets everyone to focus on customers. But it points out that you need to take into consideration other metrics as well such as real Word of Mouth, Customer Effort Score when evaluating touch points and processes or the b²sense metric Commitment, which takes into consideration the value proposal, loyalty, share of wallet, quality, image and price competitiveness.

NPS and Word of Mouth ... *the same or different?*

Do Promoters talk positively and Detractors talk negatively about the brand?

Both metrics are correlated to some extent, but the correlation is not extremely high...



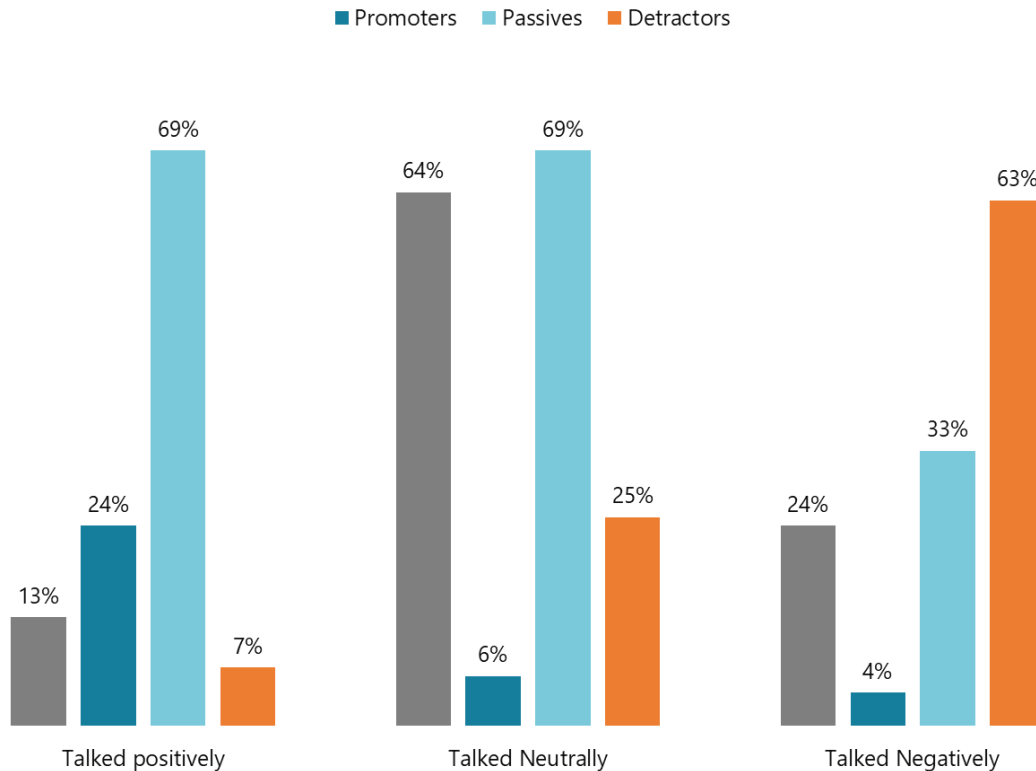
Learnings:

- All 3 NPS-segments are equally active in talking about the brand. 3 out of 4 Promoters, Passives or Detractors have actually talked about the brand in the past 6 months (green bar).
- "Only" 62% of the Promoters actually talked positively about the brand and 6% even talked negatively.
- "Only" 29% of the Detractors actually talked negatively about the brand and 10% even talked positively. In NPS both Promoters and Detractors receive the same weight for calculating the Net Promoter Score but seems to reveal that most of those that intent to talk negatively about the brand, don't do so.
- As many Passives as Detractors talked negatively about the brand, but more Passives talked positively than negatively about the brand.

NPS and Word of Mouth ... *the same or different?*

Does Word of Mouth lead to a better Net Promoter Score?

We can turn this around and analyse how many customers that talked about the brand in the last 6 months are actually Promoters or Detractors of that brand...



Learnings:

- The proportion of Promoters is obviously highest among the customers that talked **positively** about the brand but “only” 24% of these customers will be labelled as Promoters according to the Reichheld-method ... in spite of the fact that they have actively promoted the brand in the past 6 months.
- A large proportion of the customers that talked **negatively** about the brand (63%) will be labelled as Detractors and 4% were actually labelled as Promoters.



Our Mission

We foster a caring spirit and a result-driven objective: to **deliver impactful insights via a tailored research approach aimed at easing our clients' business challenges beyond the operational level.** Via inventive solutions, vast multi-sector experience and a drive for efficiency we continue to meet the evolving expectations of local and global business communities of tomorrow. **Because when people thrive, so do their businesses.**



Our Vision for the future

To become the go-to-reference for resolving **challenging queries across the customer chain**, for both local & global businesses through inventive research and impactful insights.

B2B2C

With end-consumers playing an increasingly important part, the need for integrated **b2b** and **b2c** research is on the rise. Our roots in b2b research combined with our capabilities in end-user and consumer research means we can help our clients with any b2b2c requirements.



Our research team brings a wealth of methodological- and sector **expertise in Brand, Customer experience, Innovation** as well as **market opportunities.** Combined with an inventive and forward-thinking approach, it is important to us to think with our clients and find **solutions** that work for them.



Via our in-house call center and our extensive **eco-system** of local and global research partners, we can cover **any** type of research in just about any market that our clients require.



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Senior project management team with pro-active, can-do and "team" attitude, committing to full customer satisfaction



Satisfied clients



Of our clients is (very) likely to **recommend us**

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Based in Belgium, Dominique is a founding member of b²sense after a management buy out from Kynetec. With more than 35 years' experience in BtoC- and BtoB-market research, Dominique is widely experienced in domestic and international market research working for many reputable companies across a wide range of sectors.

Dominique is a marketer and researcher with a wide spectrum of interests. Research has drawn his attention since the very beginning of his career, being very eager to learn, understand, grasp, collide ideas, develop, trigger, listening and advising. He had the opportunity to work for a whole series of great international clients and government bodies, gaining knowledge about a wide pallet of sectors and solutions. For Dominique, research should translate into actions and that is what he promises to deliver at the end of each piece of research ... data- and marketing driven action points.

His mission is to help businesses achieve their business goals and protect their long-term assets: their customers, their employees and their brands. To accomplish this, he subscribes to a set of core values: maintain the integrity of the data, protect the confidentiality of client information, aspire to the highest standards of intellectual honesty, remain flexible to new ideas, achieve the epitome of client service and fulfil our promises with exemplary research.

With a thirst for innovation, Dominique has developed numerous programs in the area of customer and employee engagement surveys for blue-chip companies and international bodies such as the European Commission.