Improving Customer Satisfaction
Using an NPS Methodology with Ascribe

Purpose

Net Promoter Score® (NPS) is a widely adopted management tool used to assess the loyalty of customer relationships[1]. Here we provide a well-defined methodology to measure and improve NPS.

Methodology Summary

Net Promoter Score (NPS) is determined by asking customers to rate you on a 0 to 10 scale using the question

How likely are you to recommend our product or service to a friend or colleague?

Responses are categorized as:

Rating	Classification
9 − 10	Promoter
7 − 8	Passive
0 − 6	Detractor

The NPS for a respondent base of n people is:

$$\frac{promoters - detractors}{n} \times 100$$

Suppose for example that you collect 1000 responses, and the results are:

Rating	Classification
9 − 10	450 Promoters
7 − 8	210 Passives
0 − 6	340 Detractors

The NPS is 11:

$$\frac{450 - 340}{1000} \times 100 = 11$$

Our goal is to increase this number. Simply asking our respondents for the rating tells us *the value of* the NPS, but not *how to improve it.* For this we need an open-end question asking the respondent why she gave this rating. This simple two-question approach gives us both the NPS and diagnostic information about how to improve it.

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[1] Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

The methodology described here shows you how to find the focus areas for an NPS improvement strategy in your company so you can concentrate on issues that will improve customer satisfaction and increase your NPS.

Implementation

Data collection

The NPS survey itself consists of two questions, the rating question and an open end. If you are fielding a self-directed survey this may be sufficient, if you direct the survey only to appropriate respondents. If a prospective respondent may not have used your product or service, you will want to begin the survey with a screening question. You can use the NPS rating template in Ascribe Surveys to quickly construct your survey questions.

Here is an example of a general population survey for a hypothetical BigBox store chain:

The second question is an eleven-star rating question, corresponding to the NPS ratings of 0 to 10.

Computing NPS

After data collection is complete you can determine your NPS very quickly in Ascribe Coder. First, note that for rating questions Ascribe Surveys provides responses with values of 1 to 11 instead of 0 to 10. So you code responses 10 and 11 as Promoters, 8 and 9 as Passive, and the rest as Detractors. After coding Ascribe Coder displays:

▼ (Codebook)   1356/1356 Responses coded (100.0%)
- Promoter   637 (47%)
- Passive   260 (19%)
- Detractor   459 (34%)

The NPS calculation is simple:

$$NPS = 47\% - 34\% = 13$$

Analysis

Now use Ascribe Inspector to gain insights from your open-end question. Create a new Inspection and load your survey data. If you have used Ascribe Surveys for data collection you can simply load the data from the survey, otherwise cast the survey data into a suitably formatted spreadsheet and load the spreadsheet into the Inspection. Once the data are loaded run a Sentiment analysis on the open-end question, and let Inspector group the topics automatically.
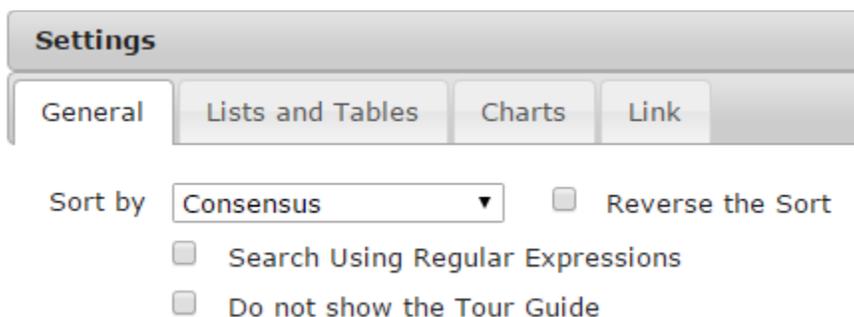
Our goal in the next few steps is to use the results of sentiment analysis to find **a few focus areas** we will work to improve on **this iteration** of our NPS improvement campaign.

We will be using the Consensus value in Inspector. The Consensus is

$$Mention\ count \times sentiment\ rating$$

Consensus is a good metric to use to for NPS improvement. Because it includes both the number of mentions and the sentiment rating it highlights both the number of people that find the topic important (mention count), and how they feel about it (sentiment rating).

Set the options in Inspector to use Consensus. Open the Settings dialog in Inspector. On the General tab, sort by Consensus and clear the Reverse the Sort box:

Settings

| General | Lists and Tables | Charts | Link |

Sort by [Consensus ▼] ☐ Reverse the Sort
    ☐ Search Using Regular Expressions
    ☐ Do not show the Tour Guide

On the Lists and Table tab, display Mention Count and Average Sentiment:

Settings

General	**Lists and Tables**	Charts	Link

Page Size `50`

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Display
- ☑ Consensus
- ☐ Respondent Count
- ☑ Mention Count
- ☑ Average Sentiment
- ☐ Sentiment Bar in Topics List

We have configured Inspector to show the lowest Consensus values at the top of the list. These are the topics that have both more mentions and lower sentiment. These are the key areas to focus on for NPS improvement. If your business is health clubs, you might have a topic list that looks like this:

Topics	Consensus	Mentions 538	Rating -1.3
/Strong Negative Sentiment/	-294	147	-2
/Negative Sentiment/	-113	113	-1
showers	-25	16	-1.6
bathrooms	-23	18	-1.3
rooms	-17	11	-1.5
bathroom	-13	14	-0.93
music	-13	15	-0.87
shower	-12	11	-1.1
floor	-10	6	-1.7
need	-10	7	-1.4
condition	-9	18	-0.50
odor	-8	12	-0.67
service	-8	19	-0.42

Grouping

Depending on the number and length of the responses you have collected, Inspector will generate many tens or even hundreds of topics. Inspector has quickly shown us where we can concentrate efforts, but we can refine this a bit by grouping. In the example above we can put *bathroom* into the *bathrooms* group, and *shower* into the *showers* group. To do this, switch to List view and drag one topic onto the

group you want to put it in. Resist the temptation to spend a long time getting your groups perfect. Tackle the topics that will have some payoff in your overall view of the results, and don't spend time on topics with one or two mentions.

Once you have completed your groupings save the result to a taxonomy so that you can apply these groupings to any new analyses you do for this survey.

In the example above note that /Strong Negative Sentiment/ and /Negative Sentiment/ are at the top of the list. Here Inspector found negative sentiment but could not associate the sentiment with a topic. You can ignore these items for the time being.

Focus areas

Now you need to apply your knowledge of the business to determine just which topics you will concentrate on in this iteration of the NPS improvement campaign. The analysis has helped you determine which topics will have the highest payoff if you can improve their associated sentiment, but you will need to introduce the practicalities of the business. For example, our survey of the health club members may have told us that the condition of the showers and the location of the gyms would both contribute strongly to improved NPS. However, moving the gyms is probably much costlier than improving the showers. Use your knowledge of the business to pick out one to at most five topics to tackle in this iteration.

During this process, use the results of your analysis to help determine just what needs to be done to boost satisfaction for each topic. For our health club survey, we have found that *showers* is an appropriate topic to concentrate on. But what do we need to do? Enlarge the showers? Provide more showers? Clean the showers? Here the drill-down to the underlying expressions and comments is very helpful. In our case we find these expressions for showers:

Expressions	Consens	Mention 16	Rating -1.6
disgusting	-10	5	-2
dirty	-3	3	-1
nasty	-2	1	-2
not well clean	-2	1	-2
so dirty	-2	1	-2
terrible	-2	1	-2
bad	-1	1	-1
moldy	-1	1	-1
not like	-1	1	-1
not very clean	-1	1	-1

We clearly have a problem with the cleanliness of the showers!

Another thing to consider as you construct your list of focus areas is whether there is a common cause for dissatisfaction with a topic. In our example of the showers above, the common cause is clearly cleanliness. When deciding on which of two candidate topics to consider as a focus area, favor the topic that has fewer root causes. It will typically be easier to address in a remediation plan.

Action plan

Armed with your focus items you are ready to build your action plan for NPS improvement. This is of course very specific to your business, and will likely involve more people and possibly your company's management team. Some things to consider as you create your plan:

- A presentation, perhaps in Illustrator or PowerPoint, can be an effective tool for internal understanding and to promote buy-in. Consider using a few representative comments to add support to your proposed action plan.
- Set expectations for quantitative NPS improvement. Improving NPS dramatically in a single iteration of the campaign is unrealistic. In our example of the showers, we have a mention count of 16 with an average sentiment rating of -1.6. You can run a sample calculation of NPS assuming the campaign converts these to an average sentiment rating of 1.0. Don't expect the overall NPS to change too much! NPS improvement is a process, not an event.

Iterations

Once you have executed your action plan the process starts again. Each iteration through the process will increase your understanding of how your customers view your company. You will find that each iteration becomes simpler. You can make use of existing taxonomies and presentation templates. Your team will become familiar with the process, making buy-in and execution easier. After a few iterations you will achieve a measurable increase in NPS, and will be fostering attention to increasing customer satisfaction in a measurable way.

Assess Effectiveness

On each iteration through the NPS improvement campaign cycle, measure the effectiveness of the previous cycle. The obvious way to do this is by looking at the NPS in each cycle. Don't confine your assessments to overall NPS alone. Using this metric alone can be misleading. In any cycle there are too many factors affecting the overall NPS. Look at the specific focus areas for each cycle and measure the improvement in those areas.

Be prepared for the sentiment for a focus area to begin to disappear from the analysis rather than having its sentiment score increase. Think again about our shower cleanliness example. If the shower cleanliness becomes less of a sore point for our customers it is far more likely for a customer simply not to mention showers as a reason for the NPS score assigned than to say "The showers are really clean!"