

Net promoter score vs. Net sentiment

By [Melanie Malherbe](#)

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Customer centricity is more than just a marketing buzz term. In fact, [research](#) from Deloitte has shown that customer-centric businesses are 60% more profitable than those for which customers aren't a primary focus.



Source: www.unsplash.com

Look at the likes of Amazon, Uber and Netflix – all multi-billion dollar companies that have created significant market share and competitive advantage by putting customers at the heart of what they do.

The rise of NPS

As increasingly more corporates have followed suit by investing heavily into teams, tools, and processes to better understand their customers, one customer experience (CX) measure has emerged as somewhat ubiquitous. Measuring how willing a customer is to recommend a business to others, Net Promoter Score (NPS) is assessed through the simple survey question of:

“On a scale of 0 to 10, how likely are you to recommend [company] to a friend or colleague?”

The scores are then segmented into three sections – anything from 0 – 6 is considered a ‘detractor’; 7s or 8s are considered ‘passive respondents’, and 9s or 10s are ‘promoters’. NPS is then calculated by subtracting the percentage of detractors from the percentage of promoters.

Where NPS falls short

While NPS offers businesses a quick and seemingly efficient gauge of brand loyalty, it fails to delve into the drivers of this loyalty, and thus provides an incomplete picture. Over the years, doubts have also been raised about how well this customer satisfaction ‘gold standard’ aligns to future customer behaviour, which is ultimately what impacts commercial performance.



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This NPS-commercial disconnect is the combined result of several factors, ranging from problematic assumptions to potential misclassification on an eleven-point scale. Above all, however, is NPS' attempt to reduce a customer's experience to a single number when CX embodies the sum of every single interaction that a customer has with a brand – the opinion of which may change over time.

In this sense, NPS is often criticised as being a lagging indicator – making it a useful source of review data, but difficult to base real-time business decisions from. Making matters worse, NPS data is usually seen by decision-makers on a quarterly or bi-annual basis, dating the data even further.

How Net Sentiment can help

In the corporate quest for an authentic and complete voice-of-customer metric, Net Sentiment has grown in popularity as a real-time alternative or supplementary method to lagging metrics like NPS. An aggregated customer satisfaction metric, Net Sentiment is measured by collecting unstructured feedback from publicly available online conversations.

Like NPS, the calculation of Net Sentiment is based on attributing a score to each customer interaction. Each data point is classified as positive (1), neutral (0) or negative (-1), and a score is then calculated by subtracting total negative conversation from the total positive conversation. To calculate the percentage of Net Sentiment, this score is divided by the total number of posts (positive, neutral, and negative) during that period.



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Social media is an ideal and rich source of publicly available data from which to gauge public opinion. Unlike NPS, the views are volunteered, without prompting on what to say or how to say it. This unsolicited feedback offers an authentic customer voice, introducing colour to complete the NPS picture. Adding to this is the real-time nature of social media, enabling businesses to make quick course corrections based on an informed industry and market perspective.

Commercial value lies in getting the full picture

There is no doubt that NPS offers businesses a valuable backwards-looking view of customer loyalty and satisfaction. The issue is that it doesn't accurately portray how the business is doing today. This is where Net Sentiment comes in, as it allows businesses to be more operationally reactive on a day-to-day basis. Both NPS and Net Sentiment are therefore valuable sets of information, which together enable a business to get the full CX picture.

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