

Help! My NPS is Falling!

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Truth:
**NPS IS NOT AN
INDICATOR OF
CUSTOMER
EXPERIENCE.**

Ten years ago, I wrote an article for [The Hub](#) declaring that an insight statement does not include a percentage symbol. While that may be glaringly obvious to anyone who has been in the market research industry for a while, it was an “insightful” enough opinion at the time that the article was published and I was asked to present my POV multiple times to industry peers and clients. As my career has shifted from consumer insights to shopper activation and now customer experience, I find myself in a similar situation.

Let’s set the record straight: a NPS is not an indicator of customer experience. It is simply a metric, a measurement against what a lot of times is an arbitrary benchmark. Again, while that may be glaringly obvious to many, we also know there are hundreds if not thousands of organizations that rely on that single number to determine every customer experience decision they make. And much like Chicken Little, key stakeholders within these organizations believe

the world is coming to an end when they see their NPS declining without taking the time to gain deep understanding of:

- why the score is what it is
- how they got there
- what to do about it, and
- who is ultimately responsible

Wolf! Wolf! The wolves are all about!

Problem: As is common with most longitudinal measurement programs, NPS studies typically tell “what” is happening but not the “why” behind it. NPS is a lagging indicator, not a leading one. Rather than investing in tools that can provide real-time insights, taking the time to truly diagnose the drivers of the issue and developing a strategic plan, many organizations “cry wolf.” So, the villagers come together to brainstorm tactical solutions and usually choose the one that is the fastest, easiest, and cheapest to implement. If that doesn’t yield a positive result, the same process is repeated over and over again. But an organization can only “cry wolf” so many times before employees get frustrated and no longer take CX as a meaningful objective.

Solution: CX measurement plans must go beyond the “one number” mentality. Collect customer feedback frequently across multiple channels that elicit long-form responses (i.e., surveys), or even better a dialogue (i.e., focus groups, one-on-one conversations, etc.). Ideally, measurement should be a balanced scorecard approach that includes survey scores, drivers of CX, employee behaviors and business impact measures.

See the forest through the trees

Problem: [14.25%](#) of CX leaders believe that having a unified view of CX is important to being customer-centric. However, in my



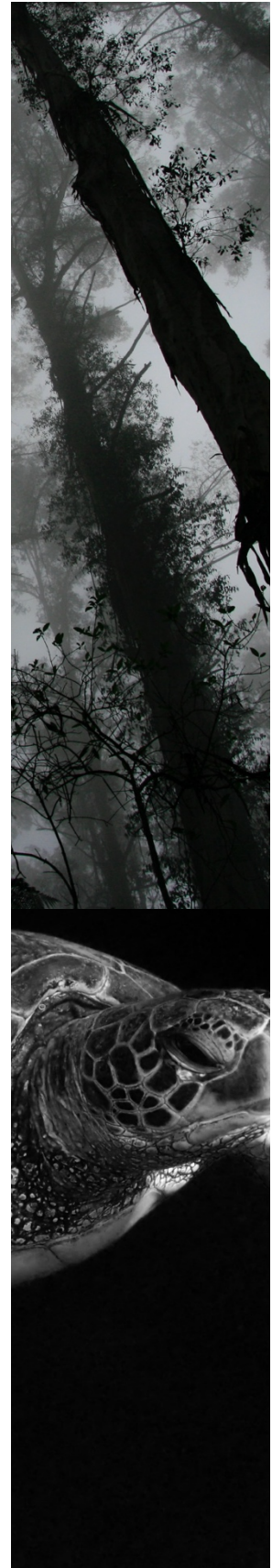
experience, it is rare to find an organization where employees can recite a common definition of what CX is let alone explain the CX vision. It is even more rare to find an organization that has a deep understanding of the drivers of CX – those moments throughout the customer journey that have the most direct impact on more than just key measures (i.e., increased revenue, decreased churn, etc.). Further compounding the problem is when employees and customers have differing perceptions of what are the most important experiences or how well they are being delivered.

Solution: Successful CX implementation starts with impactful and actionable insights. While a key driver analysis can be useful, the typical reporting approaches fail to bring the data to life. Journey mapping and [Experience Impact Analysis](#) (EIA) are better ways to visualize the data in a compelling way. EIA also helps identify the combination of touchpoint experiences that can lead to the highest performance measure. This can help align an organization to a common goal of the most important needs to be addressed and build a business case for resourcing and funding.

Slow and steady wins the race

Problem: Like the Hare, many organizations look for quick wins to improve customer experience but get comfortable and slack off once the most immediate issues have been addressed. Or, they begin a CX program with great enthusiasm and attention, but then just as quickly abandon it when arbitrary objectives are not achieved or ROI cannot be proven.

Solution: CX needs to be a strategic objective that ladders up to the organization's vision. Business leaders must be aligned around a common definition of customer experience. There should be specific, measurable objectives and a clear roadmap for delivering experiences that support the brand promise. A

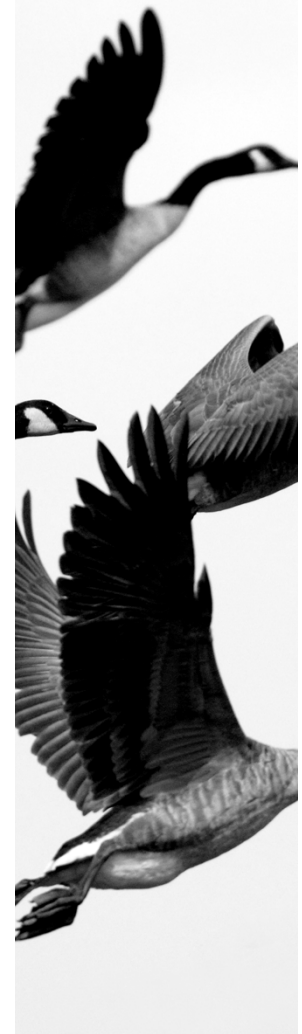


communications plan is needed for cross-functional sharing of the program's progress and lessons learned.

Teamwork makes the dream work

Problem: A vast majority of CX programs fail because they are not well-communicated and understood by the entire organization. [11.5%](#) of respondents from a survey conducted among CX industry leaders said that organization structure (silos) is a significant barrier to delivering positive customer experiences; task-oriented processes can further hamper implementation. And without the support of a C-level champion, an empowered CX leader, and a dedicated CX budget, even the most strategic CX program will eventually fall in to the organizational “been there, done that” bucket.

Solution: While there does need to be an assigned leader who should be accountable for a CX program to succeed, customer experience is not the responsibility of just one person or one department. Successful organizations have cross-functional alignment on the brand promise and experience expectations. All employees – not just the front line – understand what is expected of them and are motivated and engaged to think creatively to deliver positive customer experiences.



Customer experience is not simply a single interaction at a specific moment in time. It is a collective series of experiences resulting in an overall perception of satisfaction. Customer experience is holistic, not binary. So then why do so many organizations continue to rely on one number to evaluate their CX success or failure, and to determine their CX strategies? Customer experience should be proactive, not reactive. A CX program should be implemented as a strategic business tool supported by leadership and cross-functional owners, that aligns to the organization's decision-making process, and is designed to deliver the brand's mission and promise. ●

About the Author

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Beth Karawan is an accomplished marketing professional, with experiences as a consultative market research supplier (IPSOS), agency leader and shopper activation expert (Catapult Marketing), and client-side brand strategist (Kraft Foods, L'Oréal, Canon).

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ImprintCX is a modern marketing and customer experience services company that seamlessly combines insights, consulting and activation into one integrated offering. The company is powered by sophisticated analytics, deep human understanding and design thinking to help organizations develop and deploy retention and lifetime value strategies for their high impact customers. Collectively, the ImprintCX team has developed and lead hundreds of customer experience transformations for Fortune 500 companies such as Mercedes Benz, Honeywell, Pizza Hut and Walmart.com.