Abstract

- **Objectives**
The Net Promoter Score, registered as a trademark under the logo: NPS®, is the brand advocacy metric promoted by Reichheld (2023), a Director Emeritus of the consulting firm Bain & Company. Over the last twenty years, this marketing KPI has triggered much attention from both the business and academic worlds. Colleagues promptly questioned its champion’s assertion that the NPS proves to be the best predictor of long-run sales growth. Despite early severe critiques, the NPS has gained overwhelming popularity among managers. Therefore, willing to overcome controversies, we attempted here to empirically (in)validate the primary usage made of the NPS by decision-makers: i.e., for longitudinal or transversal benchmarking.

- **Methodology**
The NPS capacity to consistently contrast brands’ performances, according to consumers’ willingness to refer them to their relations, is best reflected by the robustness of the standardized difference between any two NPSs. Therefore, we assessed the reliability of this NPSs-differential against the stochastic dominance measure proposed by Marshall (1951), which we regard as the most comprehensive conceivable to weigh up disparities between entire histograms of ordinal categorical grades, such as the recommendation-likelihood ratings (R) from which NPSs get abstracted. To proceed with such testing, we checked the correlations between these two statistics derived from a great many pairwise comparisons of branded items of a fast-moving consumer good, and services offered by telecommunications operators.

- **Results**
We observed high levels of positive correlation between the NPSs-differential and Marshall’s measure. Though, these two statistics may diverge in which case cross-examination of the R-ratings’ frequencies is called for.

- **Managerial implications**
These strong correlations show that the NPS is defendable as a benchmarking instrument, relevant to collate distributions of R-ratings. Nevertheless, managers should be well advised to supplement their diagnoses with straightforward, graphical displays of the R-ratings’ histograms from which the scores are derived, and query comparable NPSs supposed to reflect equivalent brand support, at the light of the all-embracing Marshall’s yardstick.

To contact the authors: alain.bultez@uclouvain.be ; gilles.laurent@essec.edu ; laurent.lemay@proximus.com

Bultez A., Laurent G. and Lemay L. (2024), Net Promoter Score, 20 years after, Décisions Marketing, 114, online first.
• **Originality**
  We addressed a practically relevant question never tackled before: i.e., the evaluation of the dependability of the most tracked marketing indicator when destined to quantify gaps in consumers’ attachment (its primary usage). The Marshall’s statistic, which we endorsed as the norm, had thus far only been used once for market-research purposes (yet, in a totally different context). Providing all explanations needed to apply it, we expect to contribute to the spreading of its use to contrast brands with respect to all other ordinal categorical criteria such as satisfaction, purchase intention, and attitudes.

• **Acronyms:** *ACSI* (American Consumer Satisfaction Index), *NPS* (Net Promoter Score), *WOM* (Word-Of-Mouth communication), *R* (Recommendation-likelihood), *CFMs* (Customer Feedback Metrics), *RFD* (Relative Frequency Distribution), *CRFD* (Cumulative Relative Frequency Distribution), *FMCG* (Fast Moving Consumer Good).

• **Keywords:** Recommendation likelihood, ordinal categorical ratings, net promoter score, benchmarking, statistical and graphical contrasts, stochastic dominance.