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NET PROMOTER SCORE REPORT

based on surveys conducted from the 9th of March, 2015 to the 6th of July, 2015

EXECUTIVE SUMMARY

The idea of NPS or Net Promoter Score was suggested by Fred Reichheld in 2003 during his tenure at BAIN & COMPANY in order to measure customer loyalty. The starting point of this method is that customers are requested to answer a single question «**HOW LIKELY IS IT THAT YOU WOULD RECOMMEND US (or this product/service/brand) TO A FRIEND OR A COLLEAGUE?**» and give a rating from 0 to 10.

Depending on the responses of the customers they are divided into three groups:



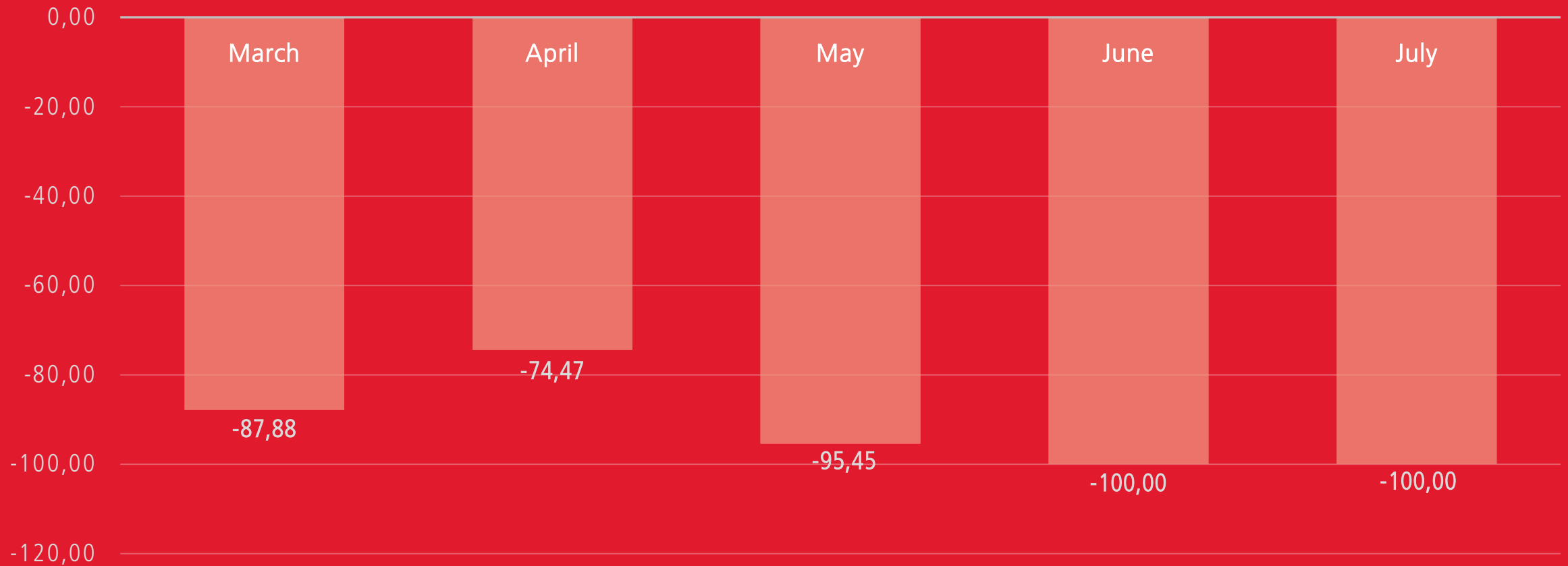
The mentioned rating scale were approved by the author during thorough studies of numerous surveys conducted by BAIN & COMPANY and represents a certain customer attitude towards the company or its product and services.

The NPS indicator itself is calculated as the difference of the percentages of Promoters and Detractors and can range from «-100» to «+100». When NPS is equal to «-100» it indicates that all the company's customers are Detractors, and the NPS which is equal to «+100», respectively, means that all the company's customers are the Promoters.

Economic meaning of the NPS is to assess the company's growth potential and its vulnerability to competitors. If the majority of customers is Detractors and the NPS indicator leans to the minimum value it actually means that the customers use the products or the services of the company against their intrinsic will (due to the lack of substitutes, contract conditions, current marketing efforts of the company, etc.) and will switch to another supplier at first opportunity. On the other hand, a large percentage of Promoters and a high NPS indicate a high potential for the company's development and its sustainability. Apart from that, in developing his theory, Fred Reichheld suggested to distinguish revenues and profits into "good" and "bad" depending on whether they received orders from Promoters or Detractors.

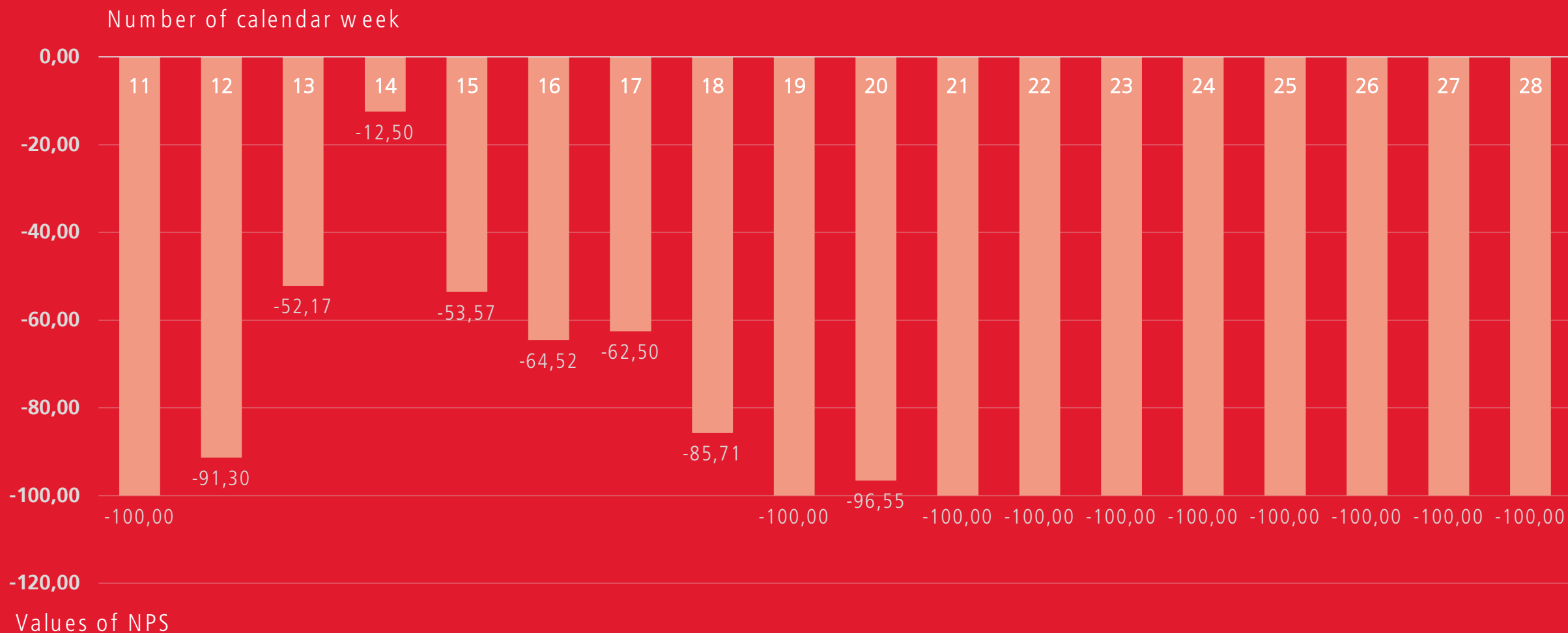
This report contains the findings of measurements of NPS in Hungry House (the UK-based platform for online ordering of takeaway food) for the period from March to April 2015, analysis of the root causes of the low NPS values, benchmark against the competition, as well as conclusions and recommendations for further improvements.

NET PROMOTER SCORE (BREAKDOWN BY MONTHS)



After processing the raw data we can see that average NPS of Hungry House starts from -87,88 in March 2015 than slightly rose in April up to -74,47 and after that since May the value of the NPS fell to -94,45 and then in June and July it fell to the minimum possible value "-100".

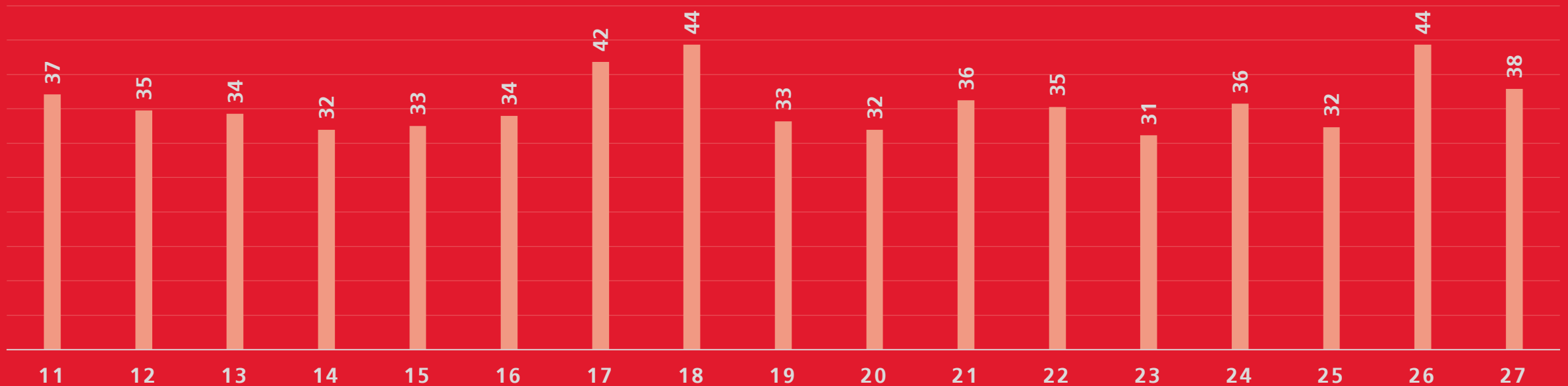
NET PROMOTER SCORE (BREAKDOWN BY WEEKS)



We observe the same trend analyzing average NPS by calendar weeks for the mentioned period. Thus, in the reporting period, Hungry House has the worst possible NPS indicators that cast doubts on the future sustainable development of the company.

OTHER INDICATORS AND PATTERNS

Average response time, seconds per client a week



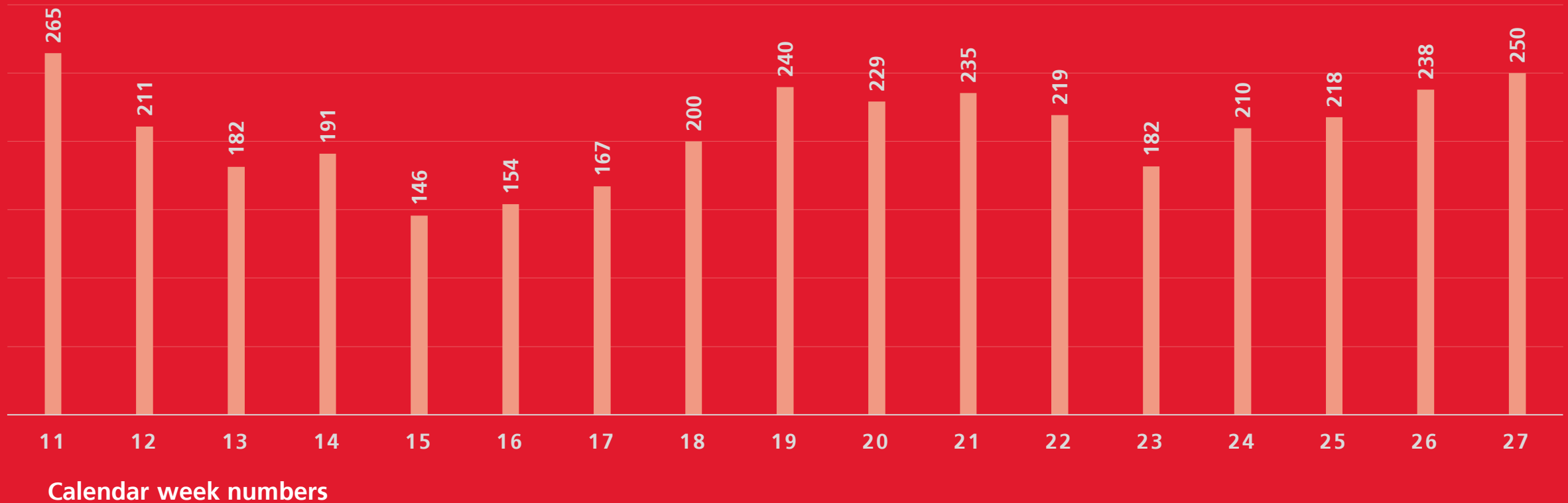
Calendar week numbers

Trying to discover the root causes of the low NPS in Hungry House I continued to process the raw data in order to identify some patterns which might influence the NPS. Thus, on the chart above we can see the average response time to customer calls in seconds per client a week which fluctuates from 31 to 41 seconds. Comparing those values with other industries we can hardly conclude that it is the main root of the problem (1).

(1) <http://www.telegraph.co.uk/finance/personalfinance/11620116/The-UKs-worst-call-centres-named-and-shamed.html>

OTHER INDICATORS AND PATTERNS

Chat duration, minutes per client a week



Analyzing the chat sessions between customers and the company's customer support we can see quite significant different durations of those sessions, which varies from 146 to 265 minutes per customer a week. Although, very often customers just leave an open browser with a chat session, the fact that they initiate such session indicates that customers have something to raise concern over, this is most likely to be problems relating to the quality of service performed by the company or the quality of food delivered.

OTHER INDICATORS AND PATTERNS

Visitor message count, per client a week



Analyzing the visitor message count we can see that average number of messages per client a week varies from 94 to 179 that allows us assume some customer concerns about the quality of service or delivered food which lead to the low NPS ranking.

BENCHMARKING AGAINST COMPETITION

SECTOR	BRAND	NPS
Auto insurance	LV	34
Banking	First Direct	73
Brockerage/investments	Hargreaves Lansdown	34
Cable/satellite TV service	Freeview	38
Cellular phone service	Tesco Mobile	38
Credit cards	Santander	28
Health insurance	Simply Health	25
Home / contents insurance	AVIVA	7
Internet service	PLUSNET	37
Life insurance	PRUDENTIAL	7

<http://blog.satmetrix.com/2015-u.k.-consumer-net-promoter-benchmarks-findings-revealed>

To understand the importance of the low NPS score in Hungry House we can benchmark the obtained results against industries which are traditionally considered having the lowest NPS. From the table above we can see, in particular, NPS of some insurance companies in the UK in 2015 which doesn't fall below than "+7".

CONCLUSIONS

The results speak for themselves. Hungry House has the lowest possible NPS which is equal to “-100” and lies even below the sectors (in particular, insurance) which never succeeded to gain a popularity among its customers. This means that the company have all its current achievements only due its current marketing efforts or inability of its customers to switch to another supplier and there are serious threats to future sustainable development of Hungry House. Once the company reduces or stops its marketing activities or some competition appears the company may lose all its customers in a short time.



RECOMMENDATIONS

01



The classic NPS measurement only gives us an idea about the level of customer loyalty but don't tell us about the exact roots of the problems that's why it's strongly recommended to keep measuring NPS on a regular basis but also to ask customers one additional question about the primary reason for the given score.

02



In order to overcome identified shortcomings to implement the closed loop learning and improvement processes into the company's daily operations.

03



To introduce NPS as “Net Promoter System” at all the company's levels as a “business philosophy, a system of operational practices, and a leadership commitment, not just another way to measure customer satisfaction”.

04



To benchmark the company's NPS against competition in order to understand how the company stacks up against direct and indirect competitors.

05



To inspire the company's employees to use the NPS techniques and to participate in improvement processes.