Feedback NPS Index for Assessing the Quality of Education

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Abstract: Net Promoter Score, called the consumer loyalty index or "Individual customer metric" and calculated based on customer responses to one simple question about their loyalty. This method has been used since 2003 and it is used in many different areas of the economy. The NPS method has both positive and negative sides, depending on the task at hand. Since the current state and development of the service sector requires information support for successful management of the company, various metrics are an important scientific approach. Based on this, this paper considers a new approach for assessing the quality of education based on the NPS method. Based on the results, the problems of the education system in the Republic of Uzbekistan are analyzed. Here, in General, the advantages and disadvantages of the NPS method itself are evaluated and explained in which situations this method leads to positive results. This paper presents a new paradigm of the NPS method based on feedback.

Keywords: NPS, Net Promoter Score, Education, Feedback.

I.   Introduction

The success of a business depends on many parameters, and managers need adequate data and information about the state of the enterprise to make management decisions. Collecting this data, which is necessary for market research, requires a responsible approach and the accumulated data must be clear and meaningful. In this paper, we study educational services in Uzbekistan and use the NPS (Net Promoter Score - consumer loyalty Index) approach as a methodological basis.

For the first time, the method of determining the consumer loyalty index NPS was proposed by F. Reicheld in the early 2000s and since then has enjoyed considerable popularity in the study of customer behavior [1]. The greatest correlation between the NPS consumer loyalty index and the company's growth rate and sales growth is shown for service companies whose main activity is providing various types of services. The big advantage of evaluating using the NPS consumer loyalty index is its simplicity.

The NPS index allows you to evaluate the quality of customer service and shows how much your customers are willing to recommend you (a product or service) to their friends and colleagues. NPS indirectly shows the consumer's readiness to repeat purchases.

II.   The Proposed Approach

The NPS method is based on the fact that clients are offered a survey consisting of a single question: "What is the probability that you will recommend our company (product, service) to your friends and colleagues?" Based on the responses received, three target audience segments are formed: critics (with a score of 0-60%), neutral clients (with a score of 70-80%), and supporters or promoters (with a score

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of 90-100%). The NPS consumer loyalty index is calculated using the formula "the share of supporters minus the share of critics" [1].

Analysis of the question that is addressed to the client shows that the answer does not have a direct impact on the client. For clarity of the question, we offer a graphical representation of all stakeholders in this survey, i.e. we will consider this approach in graphical form:
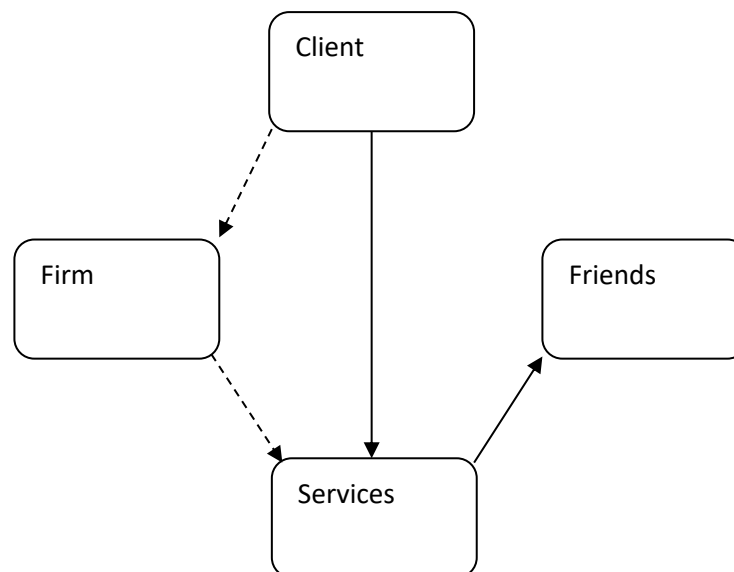

Figure 1. Ideal NPS model

Thus, there is no connection between the "Client" and "Friends "subjects, i.e. the client's recommendation does not affect the "Client" subject in any way, although the relationship between the "Client" and "Friends " subjects may change,

In General, this NPS methodology allows you to evaluate the activities of firms that provide services not only in business, but also educational services. However, you should be careful, since the method of calculating NPS differs sharply from the method of collecting primary data, which is correctly indicated in [2].

A detailed analysis of the NPS approach, indicating problems and considering recommendations for their elimination, shows that [3]:
➢ NPS does not provide data on what to do for improvement;

➢ NPS focuses only on customer retention, not on attracting new customers;

➢ there is no" passive " buyer;

➢ NPS does not provide competitive data;

➢ NPS is focused on the internal component of the business, not the external one.

The main conclusion given in [3] is that this method does not answer the question: what to do? Naturally, this means what needs to be done for the direct development of the business.

But the essence of the NPS method is simplicity and ease of understanding the question.

In General, [3] indicates specific negative aspects of this method. As proof, here is a notable example where the oldest company founded in 1897 ceased operations in 2004. There are numerous examples of companies that have high or increased customer loyalty, losing customers and not winning new customers. One example is Oldsmobile. Oldsmobile, founded by Rance E. Olds in 1897, was one of the oldest companies in the world before it ceased operations in 2004. After 107 years of existence, the Oldsmobile company.couldn't stand the competition. At the same time, Oldsmobile conducted customer surveys and measured their loyalty by tracking the percentage of customers who responded that they "really want to buy again" and / or "really want to recommend" in their surveys. The data was reliable and predicted business growth.

To improve the NPS approach, a new paradigm such as Net Promoter System and Customer Value Management (CVM) is proposed [3]. In these approaches, it is proposed to conduct research with a multi-pronged approach to the study of customer opinions. Comparisons of these methods are also provided.

In [4,5], after analyzing the NPS approach, F. The authors identified the disadvantages of this approach and developed a modernized NPS approach based on mathematical analysis and probability theory.

It should be noted that the NPS concept divides clients into three categories: promoters, liabilities, and detractors. The NPS categorization theory is absolutely true for promoters and detractors, but it is absolutely wrong for the passive category. Promoters are loyal and will speak favorably about the company. They are not looking for a better, more valuable alternative. Detractors are disloyal and speak unfavorably about the company. They are looking for the best offer and will go to the competition. However, the concept of NPS "passive clients" is absolutely wrong. These customers may be passive in speaking favorably or unfavorably, but they are very willing to shop more profitably. Based on this, there is no passive client. And by definition, passive customers are not regular customers. They are very willing to consider competitors and are very likely to change their minds.

The NPS metric is a single-step approach and is therefore focused on the tactical management level. Based on the results of the NPS, it will not be possible to determine the opinion of customers to improve the business and attract new customers.

III.   Results and discussion

In General, this method is used by many researchers, for example [3]. Studying these works, we observe different opinions. So, in work [3] the main problems are indicated when using this NPS method, the Analysis of the question formulation allows us to identify another drawback, in particular, the "Shakespeare problem" "To be or not to be"is not solved here. This approach is shown in Fig.1. the lack of feedback. To understand this problem, you can formulate a question that is schematically indicated in figure 2.
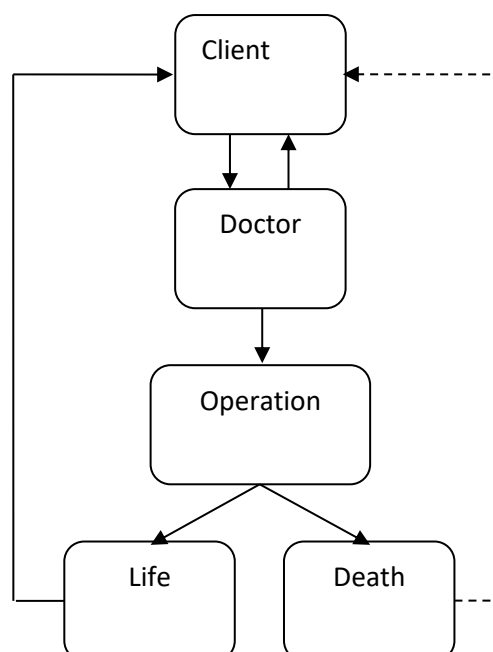

Figure 2. Example of an NPS model with feedback

If you formulate a question based on Figure 2., the client will think a hundred times whether to go to this doctor or not. Modernizing the NPS method, we propose an NPS with feedback, which is presented in a schematic form in Figure 3.

Thus, NPS is one of the ways to calculate a single customer loyalty point. It is important to know the percentage of customers who are loyal, will buy again and recommend. And as one of a number of

indicators of loyalty, it may well be useful. However, this is unsatisfactory for making business decisions because it doesn't tell you why they are loyal or disloyal. NPS does not provide statistically reliable data and information about what customers value in order to retain and attract new customers.
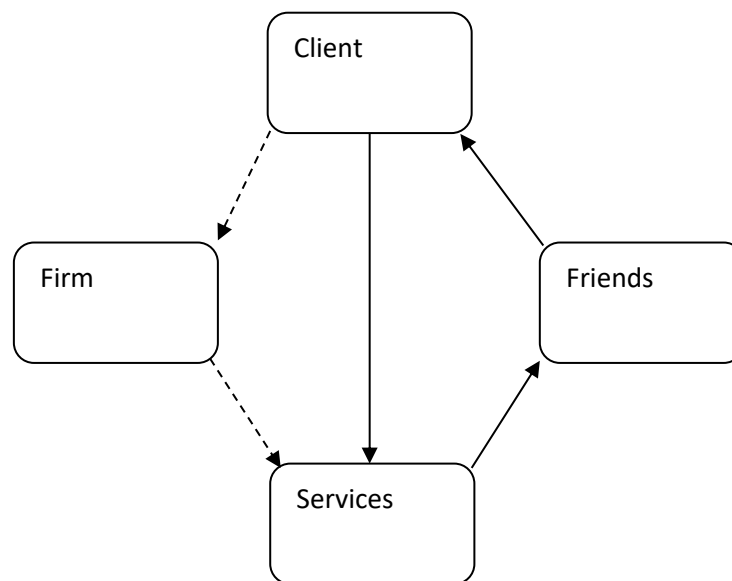

Figure 3. NPS model with feedback

As a result, it is proposed not to be limited to this method only. In General, the advantage of this method is that it is one-time and allows us to judge whether we are able to retain customers.

Keeping customers is very important. However, business cannot grow without attracting new customers. No matter what, you will always lose a certain percentage of customers. Attracting new customers is a prerequisite. NPS is one of the most reasonable indicators of customer loyalty, but it is not good enough for business success because it is not a competitive indicator. A measure directly related to customer forecasting is crucial.

However, we cannot estimate the volume of regular customers. What drives customer growth? Simply put, it is your customers who choose your products and services over those of your competitors. The increase or decrease in revenue is due to customers ' perception of the value of products and services compared to competitors. It's all relative, and it's all perception. The NPS does not measure the perceived value of products and services compared to competitors. Also, we will not be able to assess what drives the growth of the number of clients, i.e. the NPS does not provide competitive data.

Thus, based on the responses received, three segments of the target audience (N) are formed: critics (K) (with a result of 0-60%), neutral clients (with a result of 70-80%), and supporters or promoters (P) (with a result of 90-100%). The NPS consumer loyalty index is calculated using the formula "the share of supporters minus the share of critics".

$$NPS=(P-K)/N$$

The NPS consumer loyalty index allows you to evaluate the quality of customer service and shows how much your customers are willing to recommend you (a product or service) to their friends and colleagues. NPS indirectly shows the consumer's readiness to repeat purchases. However, the NPS score will improve as the number of neutral clients decreases, since they are no longer clients, which consequently leads to a decrease in the number of N, as a result, the NPS value will grow, with the difference values (P-K) unchanged. This is a weakness of this approach.

The construction of NPS technology begins with the development of a key question, which is compiled in accordance with the goals and objectives of training, and the answers to this question should allow for interpretation in terms of a certain numerical scale.

Based on these arguments, in this paper, students were offered a survey consisting of a single question: "Are you going to do the surgery with the surgeon, who was studying like You." The answers

consisted of seven points: Yes, Rather Yes, Probably Yes, I'll Think about it, Probably no, Rather no, No.

Based on the responses received, three target audience segments are formed: critics, passive users, and promoters, based on Table 1.

Table 1. Classification students

Class	Оценка	Brief description
Promoters	Yes, Rather Yes	➢ Students for whom getting a good education is the main goal; ➢ Act in the interests of the University's development, with energy and enthusiasm, find time to participate in public work; ➢ Behave like committed students, spend a lot of time in the reading room, read a lot of books; ➢ Recommend their University to friends and family.
Passive	Probably Yes, I'll think about it, Probably not	➢ They are passively satisfied with the educational process and their knowledge, and they are thinking of changing the sphere of education; ➢ Can provide qualified recommendations, but do not take responsibility.
The critics (detractors)	Rather no, No	➢ Their assessment is an indicator that education has not given them anything. They don't ➢ satisfied and disappointed with the way they are being trained; ➢ Constantly complain about teachers and their bad attitude towards them; ➢ Give bad reviews about the University to their friends and family. ➢ They are passively satisfied with the educational process and their knowledge, and they are thinking of changing the sphere of education; ➢ Can provide qualified recommendations, but do not take responsibility.

The survey results show that in all cases, the responses were negative, meaning the NPS value is less than zero.

IV.   Conclusion

The results of the study show that neutral clients are crucial in increasing the value of NPS. Changing this parameter may lead to incorrect interpretation of the observation data. The given NPS with feedback is a serious approach towards the client. Who measures his choice with his future fate, which radically changes the situation. The problem in the educational process, identified during the experiment, clearly shows that the solution does not lie on the surface. They are systemic in nature and require a radical change from high school to higher education.

Thus, this article considers the NPS approach for assessing the quality of higher education and draws the following conclusions based on the results obtained:

1. when evaluating educational services, the possibility of using the NPS approach is optimal;

2. the Current low assessment of education indicates a high probability of system errors, in General, in the educational process in the Republic of Uzbekistan;

3. at the moment, students are not interested in poor education, as they are aware of the consequences of such education by personal example;

4. The program for the development of students ' knowledge level should be coordinated with all levels of the educational sphere and this process can only be implemented with the support of the state.

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