

NET PROMOTER SCORE INTEGRATION INTO THE ENTERPRISE PERFORMANCE MEASUREMENT AND MANAGEMENT SYSTEM – A WAY TO PERFORMANCE METHODS DEVELOPMENT

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Introduction

Enterprise performance in the conditions of the 21st century can be defined as the market success, the ability to succeed in the competition and to find the possibility for further growth of enterprise value in the constantly changing unstable economic environment. Drucker (1995) as the first one indicates the necessity to change the managerial control in the global conditions. He emphasizes the significance of a customer for the performance oriented management of an enterprise: "The enterprise's purpose is to create a customer and to satisfy him" (Drucker, 1995). Globalization requires a brand new attitude to enterprise strategic management. The systems of enterprise management cannot be seen as individually effective but as a summary of their effects. A new direction of enterprise management, performance oriented, is connected to the transfer from static models to dynamic ones, flexibly reacting to business environment changes. In this view, in the current conditions of unstable, chaotic and turbulent global world environment, performance is seen as a multi – criteria quantity. In the customer oriented market conditions marketing becomes an important part of management in the new concept, as e. g. Kotler and Keller (2013) understand it. Holistic marketing, which both authors present, means among other a close connection to enterprise performance management in the area of takings, brand value and customers, image, corporate ethics, company culture etc. (Kotler & Keller, 2013). The holistic marketing concept provides a more complex view on the enterprise performance measurement

and management, when more significance is gained by the non-financial indicators which are focused on customer's satisfaction and loyalty or his value for the enterprise. The approximation of marketing principles with the enterprise financial management therefore brings entirely new possibilities in enterprise performance measurement.

The global economic crisis doubted the explanatory power of indicators based on the market value growth of shares. The enterprise with a sufficient number of satisfied customers seems to be protected from competition and it ensures sufficient takings for performance growth. Therefore there appears the need not only to measure customer satisfaction but also to base the performance management on these principles. A suitable method and metrics for these purposes is Net Promoter Score (NPS). It not only measures and evaluates the customer satisfaction but it can also be used as a management system which can influence the enterprise performance too (Faltejsková, 2014; Owen & Brooks, 2009).

1. Research Targets and Methodology

The primary target of this paper is to identify and to prove the possibility and expediency of Net Promoter Score method integration into the enterprise performance measurement and management system. Based on the performed qualitative research the critical analysis and customer satisfaction measurement and management evaluation is presented in the context of customer's experience and then in the context of modern methods of enterprise

performance measurement and management. The performed empiric research target was to prove and demonstrate the possibility to use NPS for customer satisfaction measurement in the brewing industry area and on the beer market in the Czech Republic including the assessment of NPS and EVA integration suitability for the purpose of enterprise performance measurement and management methods development in the paradigm of the 21st century.

1.1 Fundamental Theoretical Bases of the Research

The basic idea that appears in the 21st century economic environment influenced by globalization is linking the classical, hard financial indicators with the non-financial, soft indicators as brought by the new approaches to enterprise management.

A new enterprise management direction, performance oriented, is connected to the transfer from static models to dynamic ones, flexibly reacting to the changes of the business environment. Controlling becomes an important part of these systems because of its integrating potential. From this perspective Horváth and Partners (2002) introduces his „Performance Architecture“, as a controlling connection to Balanced Scorecard and corporate processes (using Activity Based Costing) into a united system of performance management. Also Havlíček (2011), a Czech professional in the enterprise management area, notices the potential of controlling and its integration abilities. He introduces controlling from the process management perspective which is linked to other enterprise management disciplines according to the needs and thus becomes a multidisciplinary system. This enterprise management concept which can quickly react to the changes in enterprise macro and micro environment does not renounce the data from financial accounting because it considers them to be a source of lessons from the past.

In Porter's concept, the enterprise which achieves higher than average profitability within a given area has a competitive advantage (Porter, 1998). However, it also means that it has a competitive predominance only if its operating can provide a sufficient number of customers who protect it from the competition strength. The taking growth is conditioned by

the customer's satisfaction, tied to the product of producer in the long term. The customer's loyalty makes the basis of producer's prosperity.

The possibility to link financial and non-financial indicators in the BSC environment enables to use customer satisfaction measurement for enterprise performance management. However, the research of Knápková, Homolka and Pavelková (2014) shows that the BSC implementation itself does not automatically mean performance increase. They state, with reference to a lot of foreign authors, that various BSC implementation possibilities and uses can lead to various impacts on performance. Only the strategic BSC implementation leads to the financial performance increase. In the Czech Republic the BSC concept still does not belong to the very widespread ones (Knápková & Pavelková, 2009). According to the American firm Bain & Company research the customer relationship management (CRM) together with Balanced Scorecard (BSC) belong among the five most often used managerial tools in the world. In the terms of performance the essential knowledge for the enterprises is that it is more effective to keep customers than to get new ones. At the same time it is important to see the firm from the point of view of a supplier as he meets the expectations of a customer. In this context it is the customer experience measurement whose part is the customer's satisfaction. Kozel (2011) and his co-workers explain how to view the customer's satisfaction: “The customer's satisfaction belongs to the group of intensive sources of development which are necessary for creating and strengthening the competitive position of a firm on the market. Satisfaction can be defined as a subjective feeling of a person about meeting his expectations. These are conditioned by experience and information as well as by the personality and environment” (Kozel, Mynářová, & Svobodová, 2011). We must not also forget that modern managerial approaches can view the customer as the main costs object, while the product represents only the way to get customers. It enables the Activity Based Costing (ABC) principles to be used for analysis which can distinguish a loss customer from a profit one (Popesko, 2009).

1.2 Research Data Source

Research results quantification presented in the paper is based on the customer satisfaction

Tab. 1: Demographic division of respondents according to regions

Region in the Czech Republic	Number of respondents			Highest age	Most common job		Most favorite beer brands		
	total	men	women	18–25	student	employee	Pilsner Urquell	Svijany	other
Ústí region	59	22	37	40		29	10	5	44
Capital Prague region	46	22	24	23		24	7	9	30
Liberec region	41	17	24	17		25	6	9	26
Central Bohemia region	19	14	5	7		13	2	2	15
Olomouc region	18	7	11	9	7		1	4	13
South Moravia region	16	5	11	8	8		1	1	14
South Bohemia region	12	4	8	7	5		4	1	7
Moravian-Silesian region	10	3	7	8	8		1	1	8
Hradec Králové region	9	4	5	6	7		0	2	7
Vysočina region	8	4	4	8	7		0	0	8
Pilsen region	7	4	3	4	3		3	1	3
Pardubice region	5	2	3	2		3	1	1	3
Zlín region	3	1	2			1	0	0	3
Karlovy Vary region	1	1	0	1	1		0	0	1
Other answer	1	0	1	1	1		1	0	0
Total	255	110	145	141	47	95	37	36	182

Source: own processing

measurement by Net Promoter Score (NPS) on the basis of the primarily acquired raw data from a questionnaire survey.

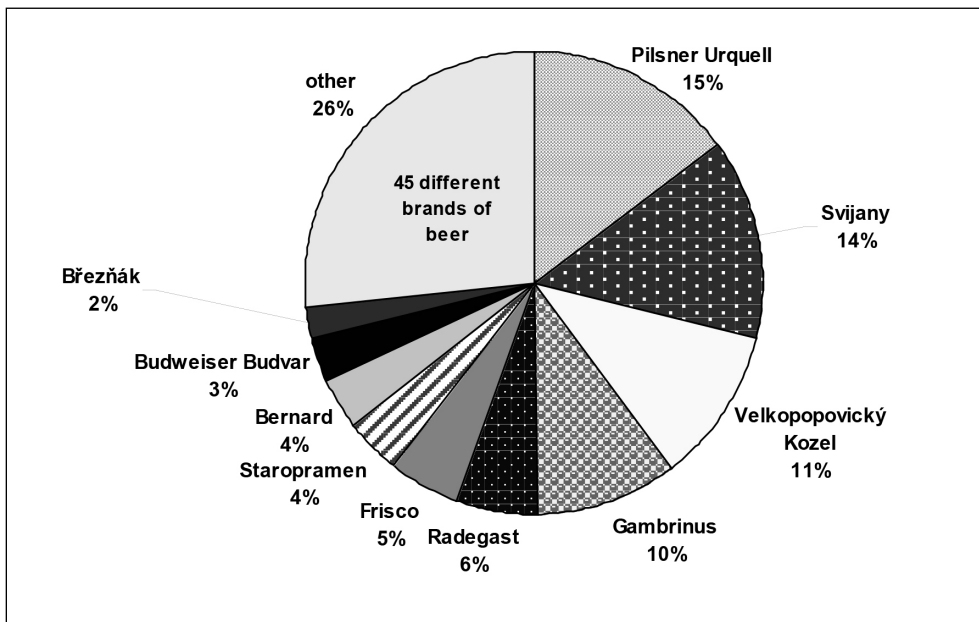
The questioning took place at the beginning of February 2014 within about 10 days. 255 respondent answers were gained from all 14 regions of the Czech Republic. The questionnaire was placed at the server <http://www.vyplnto.cz> and its response rate was 65.1%. The demographic range of respondents is illustrated in table 1.

The main database source lies in Ústí region, Liberec region and Capital Prague region. The respondent composition influences the data about the popularity of individual beer brands – see figure 1. The respondents are mainly young people aged 18–25, students and employees in the mentioned regions. However we can say that high diversity of various beer brands on the Czech market, which the respondents declare to be their popular, reflects the direction of current Czech brewing.

2. Customer Satisfaction Measurement in Context of Customer's Experience

For the customer satisfaction measurement purposes emotions can be characterized as the affective reaction to a perceived stimulus, i.e. a service or a product. Customer experience is significantly connected to emotions. The experience measurement therefore provides the feedback about how the products meet the customer's expectations, which satisfaction as a subjective feeling is connected to. There are numerous ways to measure customer's satisfaction. The most often used is the measurement of various modifications of customer satisfaction index (Customer Satisfaction Index = CSI), proceeding from the barometer of customer satisfaction which Sweden started to apply in 1989. In 1996, Fornell formulated the American index of customer satisfaction ACSI and based on the experience with its use and thanks to the

Fig. 1: The most popular beer brands



Source: own processing

European Organization of Quality (EOQ), European Foundation of Quality Management (EFQM) and European Academic Network for Customer – oriented Quality Analysis The European customer satisfaction index ECSI was conceived (Foret & Stávková, 2003; Marinič, 2008):

$$\varepsilon_j = \frac{\sum_{i=1}^n v_{ij} \cdot x_{ij}}{10 \sum_{i=1}^n v_{ij}} \quad (1)$$

where:

- ε_j – Customer satisfaction index,
- v_{ij} – Weight of i - measurable variable for j -value,
- x_{ij} – Value of measurable variable,
- Number 10 – relates to the used range (scale from 1 to 10),
- n – Number of measurable variables.

Customer satisfaction indexes (ECSI, ACSI, CSI) measure the cumulated satisfaction which summarizes the experience from customer's behavior, including the changes of the attitude

towards the supplier. An interesting method for so-called immediate customer satisfaction measurement is NPS (Net Promoter Score). The NPS® (Net Promoter® Score) metrics was developed by companies Satmetrix, Bain & Company and by Fred Reichheld with registered copyright.

The world first knew about it in 2003 from an article in Harvard Business Review. Since then it has been understood as a standard for measurement and increase of customer loyalty. "Tracking net promoters – the percentage of customers who are promoters of a brand or company minus the percentage who are detractors – offers organizations a powerful way to measure and manage customer loyalty" (Reichheld, 2003). The nature of the measurement is demonstrated in figure 2:

For the calculation the share of customers-critics (detractors) is deducted from the share of customers-promoters which gives us one simply comparable NPS index. The index can have value +100 (everyone is a promoter) to -100 (everyone is a detractor). NPS, higher than 0, is viewed as good, higher than 50 as excellent.

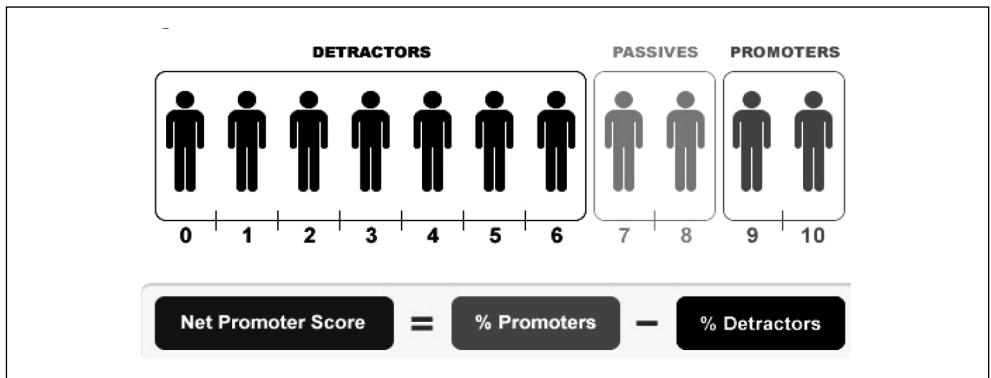
Also the metrics in Reichheld conception has gone through a change. NPS® (Net Promoter® Score), known in all the world, was preceded by NPS version (Net Promoter Score). Reichheld introduced NPS® (Net Promoter® Score) in his book “The Ultimate Question: Driving Good Profits and True Growth” in 2006 (Kotler & Caslione, 2009) with a different evaluation scale 1–10 and detractors segments (1–6), passives (7) and promoters (8–10).

However, the essential knowledge is that Net Promoter Score is not just an indicator for customer satisfaction and loyalty measurement but it has also a much wider use as a management system. According to Reichheld the principle of loyalty creation concept, resp. loyalty, is to prove that loyalty, fidelity is a logical strategy to achieve somebody’s own interests and lifelong success.

He formulated this idea into six loyalty building principles (Reichheld, 2001):

1. Always play so that not only the company but also its customers rejoice the loyalty.
2. Choose carefully what employees and customers the firm will cooperate with, so that they contribute to the quality of the whole cooperation system.
3. Hold on to the firm proclaimed loyalty approach (and get the loyalty in return).
4. Reward correct results.
5. Listen, learn, negotiate and explain (communication is a dialogue not a monologue).
6. Think about what to say or do today, start with your idea of the firm’s perception and then direct your words to this target.

Fig. 2: Net Promoter Score construction



Source: Van Dessel (2011)

The three most important groups of interest (stakeholders) in an enterprise which are customers, employees and owners in such a formed concept do not stand against one another but they are able to create a synergic cooperation effect, leading to success.

According to Reichheld (2001) the customer loyalty is an important tool for performance growth. If an enterprise cannot prevent the loss of customers, the impact on its operation can be fatal. He states that already 5% customer number increase has a 30 to 95% influence on the net present value (NPV) and the same influence on the enterprise profit. He also points

out the very close correlation between the long-term firm performance and NPS metrics, which is proved by a lot of companies which have introduced the concept into their management, e.g. E.ON, Philips, GE, Apple Retail, American Express and others.

Reichheld’s measurement of immediate customer experience has its promoters but also its detractors. For example Kotler and Keller (2013) refer to an academic study performed in Denmark in 21 firms with more than 15,000 consumers which could not find any advantages of NPS indicator compared to other indicators such as ACSI.

However, the customer satisfaction research performed by Lošťáková (2008) and her co-workers found out that the indicators made on CSI principles offer an overall view on customer satisfaction, “but it is not sufficient for customer relations management”. According to Lošťáková et al. (2008) in such a case it is necessary to differentiate customer segments, according to their satisfaction, from satisfied to completely unsatisfied.

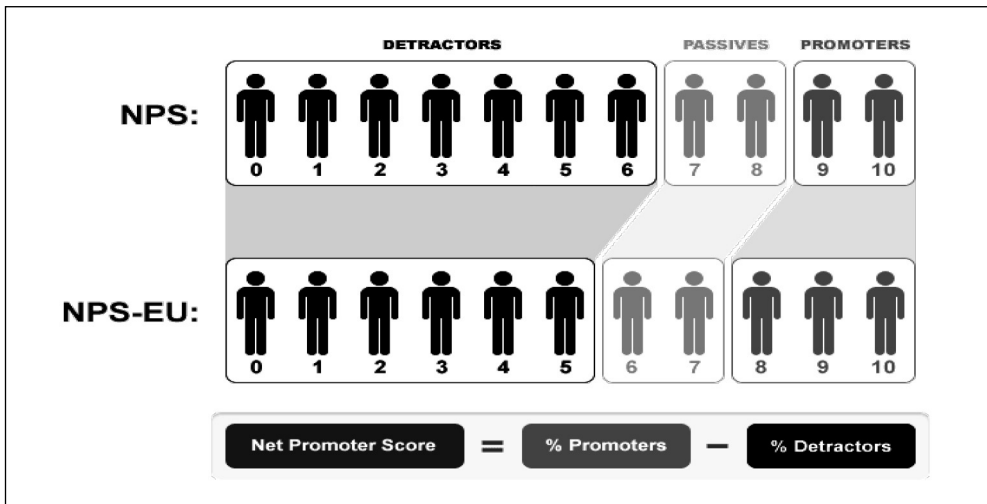
Just this idea is the viewpoint which brings a different view on customer satisfaction and its monitoring. The meaning of NPS is not only to measure but also to manage. The segment division, which the customer satisfaction measurement is built on, is the most important. The customers’ reaction by answering appropriately selected open questions brings a number of information for enterprise performance improvement. Therefore a more important matter to solve is how to use NPS as an enterprise management system.

Mitzenmacher (2012) presents a simplified but completely logical form of a management system based on NPS in his web presentation “NPS on a Napkin”. He states that he has helped about 40,000 of his customers on-line this way. His NPS conception as a management

system proceeds from three basic assumptions which support the improvement of mutual relationships and communication between customers and an employee:

1. Customers division in three segments of promoters, passives and detractors enables the sellers who are in the direct contact with customers as well as the managers who manage the firm to further work with opinion flows of these groups.
2. To learn and improve: NPS works with the feedback effect which enables to react to criticism and requirements of customers.
3. To make loyalty the highest priority: Promoters have to be rewarded for their loyalty, customers as well as employees. The main target is not to please the customers but to change them into promoters – make them customers who buy more and who recommend you gladly to their friends and colleagues. The companies which strive their growth have to increase the percentage of promoters and reduce the number of critics. “These are two different processes which have to be managed – and just NPS shields them both” can be added by Reichheld’s words (Reichheld, 2003).

Fig. 3: Proposal of NPS metrics adjustment for the EU conditions



Source: Dobronte (2012)

Net Promoter® Score is protected by copyright for these reasons exactly. Especially the work with customer segments is important for the NPS use. Obviously because of this a whole number of this metric and systems versions have appeared mainly in the USA.

A paper by Dobronte (2012) brings an interesting contemplation about the portfolio division in promoters, detractors and passives, whether the cultural differences between Americans and Europeans contribute to the fact that NPS measurement in Europe is lower than it usually is in the USA. If a European evaluates 7–8, it is meaning an excellent result, but an American quite often uses 10 points when is he really satisfied, and he means an excellent result. This is evident in shift the scale, shown in figure 3:

During the NPS use there appears the question of measurement comparability. For performance growth we need comparison with the competition – benchmarking and that is the place where the metrics can have some detractors. Kozel (2011) and his co-workers point out the comparability problem when he states: “It is not possible to present unambiguous rules for NPS interpretation, just within one sector in one location”. The benchmark outputs are very strongly influenced by cultural and social environment and also by the sectors in which the firms operate (Kozel, Mynářová, & Svobodová, 2011).

On the basis research of interest groups around the enterprise, Czech authors the Neumaier (2011) presented findings to support Reichheld’s claims, that using of NPS metrics leads to consistent enforcement performance-oriented measures in business management. It enables to formulate a unified strategy towards a customer and an employee too. And because the performance growth is a point of interest for another interest group around the enterprise, the owners, it becomes the unifying element of the interest groups in performance oriented firm

strategy which is necessary for its success. The company brand strategy as a part of corporate culture leads to high employee productivity and firm’s profitability (Neumaierová & Neumaier, 2011).

It is apparent that the firm culture as a part of the firm identity can significantly affect the enterprise performance growth, customer oriented. Employee satisfaction measurement can confirm whether the corporate culture works as a performance growth factor in the enterprise. Formation of such environment is supported by a sustainable development application (Corporate Social Responsibility) in the enterprise management where the economic performance is in balance with the social and environmental factors.

In the previous years the NPS metrics has started to penetrate also in the Czech firms practice and also the interest to implement the Net Promoter system into firm management is growing. Among the largest users we can find financial institutions, mobile operators, hotels and restaurants, travel agencies but also industrial enterprises in B2B relations (supplier-customer relations) or B2C (services and products for final consumers). The experience from NPS application into Czech industrial enterprises management have not been published in a larger extent yet.

3. Economic Value Added EVA in the Context of the 21st Century Performance

The unstable environment of the current global economy displaces the conventional functional layout and standard management methods which are replaced by new ones. In this context a number of economists ask a question: How are the current society paradigms changing and what influence do they have on the business subject performance? Table 2 presents what

Tab. 2: Development of enterprise financial performance indicators

1st generation	2nd generation	3rd generation	4th generation
“Profit margin”	“Profit growth”	“Capital performance” (ROA, ROE, ROI)	“Value creation for owners”
Profit/Takings	Profit maximalization	Profit/Invested capital	EVA, MVA, CFROI, DCF...

Source: Knápková & Pavelková (2009)

happened during the 20th century and what is called “the war of indicators” in historical continuity.

Among the modern indicators of financial performance of a 4th generation we can to differentiate the lead indicators, which “turn on the red light in time”. Economic value added (EVA) also belongs among such indicators which present economic, extraordinary profit, created by an enterprise after covering all capital costs (other's and own ones in the form of sacrificed opportunity costs). Eva measures how the enterprise contributed by its own activities to the value growth for its owners and therefore it belongs to the enterprise management concept according to value. According to Knápková and Pavelková (2009) the advantage of EVA is that it helps the enterprise managers to improve the operational, financial and investment decision-making and it enables them a united, holistic view on the enterprise through the owner's eyes.

Remeš (2009) points out that “EVA lacks the focus on specific actions management which leads to realization of measures to improve a selected performance factor. Eva is a strong tool designed for performance measurement”. For these reasons he recommends to add a non-financial tool in the management area which will enable the management of financial targets realization by focus on non-financial targets and actions. According to Remeš (2009) such a tool has to be in accordance with the enterprise strategy. He confirms that such a tool can be e.g. Balanced Scorecard by authors Kaplan and Norton.

Also the Neumaier (2002) together with their co-workers express their idea to the performance measurement issue, that: “Everything what happens in an enterprise sooner or later gets its financial dimension. In other words – the effect of soft and hard factors is always reflected in the enterprise financial performance in the end. The basis for diagnosis of enterprise situation and discovery problem, is therefore view on enterprise financial performance”.

Obviously, linking the financial and non-financial measures plays an important part on performance measurement and management. By joining EVA on the financial dimension with the customer and employee dimension of BSC tuned by NPS, the enterprise could measure the performance effect from the value for customer.

The logical arrangement of individual Balanced Scorecard perspectives contributes also to the targets reconciliation from the interest groups perspective. The interest unification of stakeholders in the chain customer – employee – owner about the common objective, performance growth which brings benefit to all of them, is an essential presumption. The necessary reconciliation of customer and employee strategy about the common objective can be supported by NPS metrics.

4. NPS Use for Measurement of Customer Satisfaction with the Beer Offer

It is evident from the statistic data presented in the last decade that the beer consumption in the Czech Republic has significantly fallen and the price of beer has significantly grown: In 2000 it was 159 liters per year, it dropped to 144 liters reported in 2014. If a bottle of 10° beer cost 4.45 CZK in 1992, in 2012 it was possible to buy it for 10.12 CZK.

Even in spite of this, the Czech Republic occupies a front position in beer consumption in the world and it is also presented in the world global extremes overviews, published by CIA World Fact Book on www.cia.gov/library and as also Kotler and Keller (2013) inform about: “Referring per capita the Swiss consume the most chocolate, the Czechs the most beer, the Portuguese the most wine and the Greeks the most cigarettes”.

However the current beer market is changing under the influence of the beer prices growth and also under the influence of the currently effective global economic crisis. How sensitive is the Czech customer about the price of beer and how he perceives it in the context of the overall satisfaction with his brand was shown by the analysis with the help of Net Promoter Score (NPS).

The questionnaire used in the research was designed so as it enabled the NPS measurement to capture at the best the value for customer, which is characterized by quality, costs and time attributes. The expression “emotional, immediate customer experience”, whose parts is satisfaction and brand loyalty is absolutely appropriate in this case, as table 3 demonstrates.

Also the correlation in relationship between the overall satisfaction and loyalty (willingness to recommend own brand), price (from customer's point of view costs which he has to give to get it), time (how available the brand is

Tab. 3: NPS of respondents' satisfaction with their most favorite beer brand

Total of respondents	Detractors	Passives	Promoters	NPS	Most favourite brand, %
Overall satisfaction	8.20%	28.13%	63.67%	55.47	total 100%
loyalty (recommendation)	5.08%	15.63%	79.30%	74.22	
quality (taste)	8.59%	19.92%	71.48%	62.89	
time (availability)	34.38%	19.92%	45.70%	11.33	
price	37.50%	33.59%	28.91%	-8.59	
Overall satisfaction	5.41%	24.32%	71.48%	66.08	Pilsner Urquell 15%
loyalty (recommendation)	0.00%	13.51%	86.49%	86.49	
quality (taste)	5.41%	21.62%	72.97%	67.57	
time (availability)	10.81%	18.92%	70.27%	59.46	
price	59.46%	29.73%	10.81%	-48.65	
Overall satisfaction	2.78%	36.11%	61.11%	58.33	Svijany 14%
loyalty (recommendation)	2.78%	13.89%	83.33%	80.56	
quality (taste)	5.56%	19.44%	75.00%	69.44	
time (availability)	47.22%	27.78%	25.00%	-22.22	
price	13.89%	36.11%	50.00%	36.11	

Source: own processing

for the customer, if he has to search for it etc.) and quality (understand the taste of the favorite brand) was evaluated, see table 4.

Lower correlation relation between the respondent satisfaction and the price of beer suggests that the customer satisfaction depends on other attributes. Quality, in our case the taste of beer, determines the overall satisfaction according to the respondents. The dependence of satisfaction and the taste of beer is apparent at both researched brands as well as at the whole set of respondents. The respondent set showed high sensitivity about the price and inappropriate price policy can affect the takings, especially at large breweries. It appears that the customer's behavior can depend on other attributes than those which he objectively links to his satisfaction.

According to the Czech Beer and Malt association in 2012 transfer of beer sales from restaurant distribution channel -3% to the direct sales in shops +3% was registered annual increase. Probably also for this reason there was some adjustment of beer prices in the business network last year, allegedly with the target to support the consumption of draft beer. However this strategy is practically not very effective

because the business chains like the largest retail beer sellers have sufficient space to push the prices down by various actions. There was a question in the questionnaire: Would you be willing to pay a higher price for your brand? The NPS metrics reached in this case value -49.61 in the whole set of respondents, it means very negative. Total of 61.33% of all respondents moved among the detractors, which means growth of 23.83 percent points in comparison to the reaction to the satisfaction with the price of beer.

Negative feedback to price and growth possibilities is evident from figure 4 by the sharp growth of detractors. On the other hand the respondents evaluate their favorite beer brands very high. The overall satisfaction measured by NPS reached a very positive value = 55.4. The highest rating, see figure 5, is connected with consumers who drink 3–5 half a litres of beer at one sitting, i.e. ca 54% out of 255 participants of the questionnaire survey. These evaluated the overall satisfaction measured by NPS more than 60 by occasional consumers who drink less NPS was measured 25.

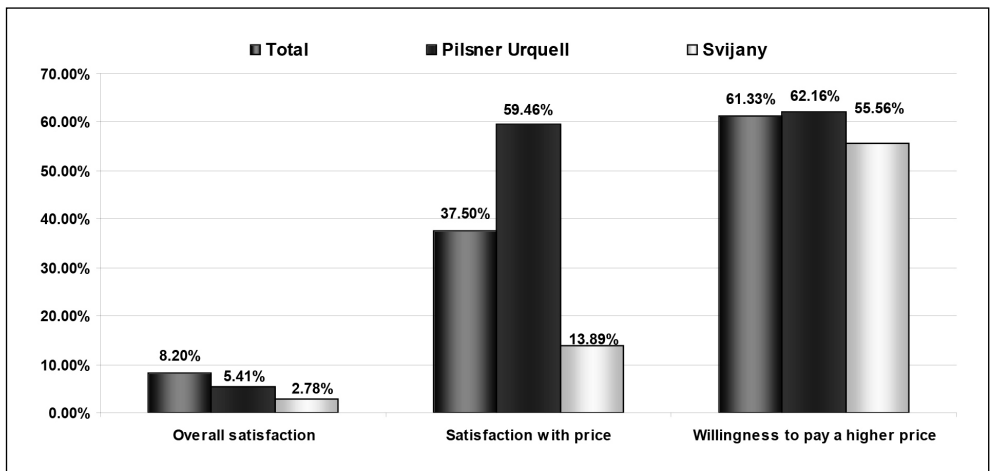
Authors Novotný and Duspiva (2014) come with interesting knowledge about the consumers

Tab. 4: Total satisfaction correlation with other satisfaction attributes

Satisfaction correlation vs. other attributes:		Pilsner Urquell	Svijany	Beers total
Overall satisfaction	loyalty (recommendation)	86.24%	72.57%	83.51%
	quality (taste)	97.34%	93.82%	95.66%
	time (availability)	98.99%	27.35%	87.85%
	price	-14.79%	94.36%	68.29%

Source: own processing

Fig. 4: Changes in the detractors segment of the obtained set of respondents



Source: own processing

segmentation use. Referring to other foreign and local authors they state that consumers segmentation into two groups, according to the similarity in shopping behavior (their mutual homogeneity) and according to their difference (heterogeneity towards each other), enables easier decision-making to the enterprises in their business policy. In our research such segments are women and men, beer consumers. NPS measurement showed from the immediate customer experience perspective that women react differently to men in evaluation of satisfaction with beer, see table 5.

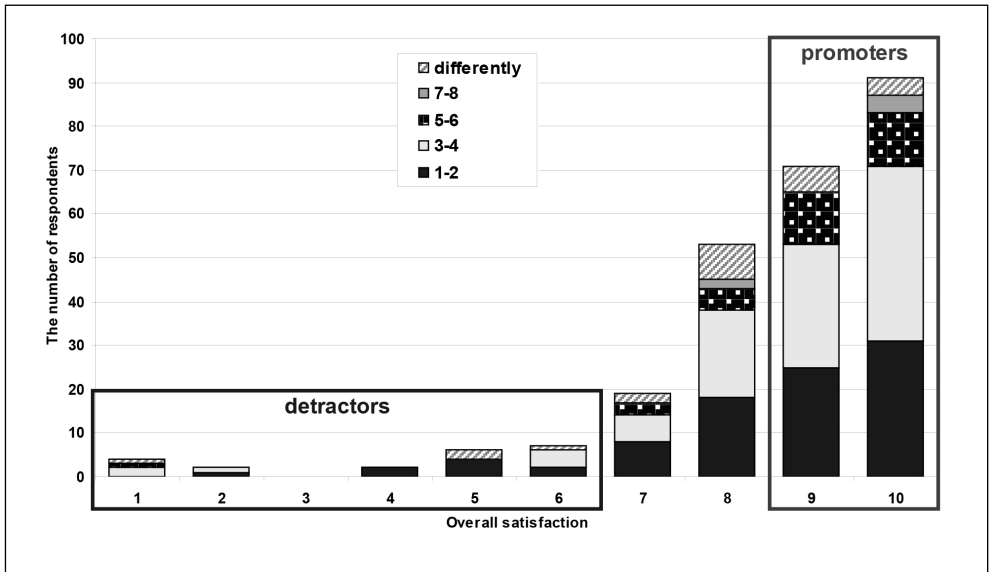
If the respondent's satisfaction reflects the beer quality like the taste the most, then women prefer different tastes to men. And exactly this is the segment which the breweries have focused

their offer of Radler beers and fruit-flavored beers on recently.

The sample of 255 respondents is relatively small but still it reveals the trends in customer satisfaction and loyalty in Czech brewing. The high NPS proves that customer's satisfaction with beer is high and that the consumers connect it with other attributes than the price. However, price is the thing that influences customer's behavior.

In the long-term view the beer sales have decreased and breweries have to find a way to assure their market position. Therefore the export is growing and there are still new and new innovations such as beer specialties and recently also the apple drink – cider. The evaluation also shows that a Czech customer

Fig. 5: NPS segmentation according to overall satisfaction evaluation



Source: own processing

Tab. 5: NPS satisfaction of women and men with their most favorite beer brand

Customer segments in respondents set	number	% detractors	% passives	% promoters	NPS
Women	145	11.72%	30.34%	57.93%	46.21
Men	110	3.60%	25.23%	71.17%	67.57
Total	255	8.20%	28.13%	63.67%	55.47

Source: own processing

does not hesitate to express his loyalty. In our sample not only the passives respondents but even a part of detractors evaluated their recommendation high and got moved to the promoters segment.

4.1 Net Promoter Score in Connection with Financial Performance of Brewery

Another research target was the assessment of suitability to link NPS with the financial indicator economic value added EVA and whether this metrics appropriately complements the view on enterprise performance. Within the empirical research a decreasing trend of economic value

added EVA indicator has been detected since 2009 which corresponds with the volume of beer sales of Plzeňský Prazdroj, a. s., see table 6. This data offer an image of the development in a brewery activity presently influenced also by the crisis impacts although the monitored timelines are marked by essential changes:

- SAB Miller Group reports the business results to the 31st March, since 2005 Plzeňský Prazdroj, a. s. too;
- since 2009 the group has transferred to a biennium evaluation period, start of Prazdroj production in Poland;
- starting 2012 Plzeňský Prazdroj, a. s. reports its results in biennium period and

Tab. 6: Development of financial indicators EVA and beer production of Plzeňský Prazdroj, a. s.

	2006	2007	2008	2009	2010	2011	2012
EVA	2,257.2	2,210.2	2,382.4	2,028.9	1,649.6	1,785.1	1,623.8
Beer production in mil. hl.	10.2	10.9	10.7	10.2	9.9	9.9	9.9

Source: own processing

Tab. 7: The overall satisfaction with the beer brands of Plzeňský Prazdroj, a. s.

Beer brand	frequency	NPS	NPS (2001)
Pilsner Urquell	229	34.06	49.34
Velkopopovický kozel	213	-0.47	16.43
Frisco	222	-21.62	-9.46
Birell	220	-27.27	-15.45
Gambrinus	235	-31.91	-18.72
Radegast	186	-45.16	-34.95
Total of Prazdroj group	1,305	-14.56	-1.23

Source: own processing

individual data for 2011 is not available therefore there has been an adjustment and the data bases for the years 2011 and 2012 a half of the biennium period was taken;

- therefore the data cannot be compared by benchmarking with other breweries.

The NPS metrics of selected brands of Plzeňský Prazdroj, a. s. was quantified out of the database source of respondents. The evaluation fits the development context in table 6 and completes the view on this brewery's results. All the 255 respondents who took part at the survey could participate at the satisfaction evaluation, presented in table 7.

NPS version (2001) is the Net Promoters Score by Fred Reichheld from 2001 which can better reflect the European culture of evaluation (Kotler & Caslione, 2009).

NPS in relation to performance (measured by EVA) can complete the view on enterprise operation. The Beer production is a suitable area for satisfaction measurement and management by NPS. It has its loyal customers and culture which has been cultivated in Czech for centuries and therefore it can react to changes more sensitively. An important part of corporate culture Czech breweries are also

the principles of social sustainability (Corporate Social Responsibility), especially if it concerns upbringing of young people to healthy lifestyle. Brewing is an industrial sector which is tightly bound to the customer, beer consumer. His behavior is the factor determining the market success of a brewery.

Discussion and Conclusion

The current knowledge suggests that in the unstable global economic environment of the 21st century it is necessary to see performance as a multi – criteria value which is influenced by a number of factors. To be successful means to be efficient and competitive on the market. The customer plays an important role in this environment. In the current global world his satisfaction is an important factor which assures the enterprise's income stability and therefore also the performance growth. This is connected to the satisfaction of the needs of other interest groups within the enterprise which are employees and the owner. These three interest groups influence not only the enterprise performance but they also help to create factors and presumptions for further growth which include the corporate culture and credibility too. The interest groups unification about the

common target, performance growth, is the main manager's task. If we want to manage, we must measure. It seems the current 21st century conditions fit the best the connection of financial indicators with non-financial ones and therefore Balanced Scorecard (BSC) has become one of the most widely used management tools in the world. Linking BSC with controlling and enterprise processes into the concept of performance-oriented enterprise management, i.e. "performance architecture", reacts in time to the changes in the current unstable environment. An interesting metrics for customer and also employee satisfaction is NPS, Net Promoter Score. By linking the Net Promoter Score becomes a part of the multi-criteria enterprise management system which helps to increase performance also by forming the corporate culture and strengthening the image. NPS use as a management system is based on the work with customer segments in the feedback which enables to influence and tune the relationships between customers, employees and the owner and thus has a positive effect on the enterprise performance. In the environment of social sustainability (Corporate Social Responsibility) further growth enhancing synergy can be achieved. Reichheld (2003) states that firms with high NPS values report long-term high performance. This hypothesis becomes the research subject of professional public which disapprove it or on the contrary confirm it. We must not forget the costs which are connected to the realization of customer satisfaction feedback and to new customer acquisition. These costs can limit the expected growth of the enterprise performance significantly. This influence also has to be considered during the implementation of a strategy-oriented enterprise performance system into the enterprise management. The research presented in our paper confirms the importance and the need of customer satisfaction and loyalty measurement including their emotional potential monitoring which can influence and which do influence the brewing economic results. However, their public presentation is currently under a strong pressure of the competitive fight. Customer satisfaction monitoring is another alternative to detect the impacts of changes on the Czech beer market and beer culture.

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Abstract

NET PROMOTER SCORE INTEGRATION INTO THE ENTERPRISE PERFORMANCE MEASUREMENT AND MANAGEMENT SYSTEM – A WAY TO PERFORMANCE METHODS DEVELOPMENT**Olga Faltejsová, Lilia Dvořáková, Barbora Hotovcová**

In the current global environment the enterprise performance can be defined the best as the success on the market, the ability to succeed in the competition and to find the possibility for further growth in the constantly changing, unstable environment. In the view of these conditions performance has to be seen as a multicriterial quantity. The takings growth becomes its significant factor conditioned by the satisfaction of the customer who is bound to the product and the producer in the long-term. It creates the customer's loyalty as the basis of the enterprise prosperity. In the customer-oriented market conditions marketing is becoming an important part of management in the new holistic concept. The approximation of marketing principles with the enterprise financial management brings new possibilities in enterprise performance measurement. The customer satisfaction measurement and its integration into the performance-oriented systems of business management currently gets among the main points of interest. The paper presents the research results in the area of Net Promoter Score (NPS) integration into the enterprise performance measurement and management with the target to develop performance measurement and management methods in the paradigm of the 21st century. Critical analysis and customer satisfaction and loyalty measurement and management evaluation was performed based on the immediate customer experience principles in the context of modern methods of enterprise performance measurement and management. The results of the performed empiric research proved and demonstrated the expediency of NPS use for customers' satisfaction measurement in the brewing industry area and on the beer market in the Czech Republic, including the confirmation of suitability and significance of NPS integration into the financial performance measurement system based on the economic value added method.

Key Words: Economic value added (EVA), Net promoter score (NPS) in brewing, multi-criteria performance.

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