

Promoter Score Japan as a New Framework to Measure Loyalty of Japanese Customers

Tatsuya Kimura

Waseda University, Tokyo Japan

[https://doi.org/10.35609/gcbssproceeding.2022.1\(58\)](https://doi.org/10.35609/gcbssproceeding.2022.1(58))

ABSTRACT

We examine the applicability of the Net Promoter Score (NPS), which several companies and organizations use as an indicator of customer recommendation, to Japanese consumers. The NPS, proposed by Reichheld et al. (2003) is used to measure the relationship between customer loyalty and corporate growth as an alternative to the conventional customer satisfaction index because of its simplicity and ease of understanding for managers. In recent years, it has been used not only by companies but also by local governments and non-profit organizations (NPOs) in Japan to survey the effectiveness of their services. However, due to its simplicity, the NPS has been criticized for not taking into account the culture and consumer characteristics of the country in which it is used. In general, response biases are often observed in surveys, whereby survey participants' responses are influenced by factors conflicting with the researcher's interests, one of which is the response style. In this study, we review the response styles of Japanese consumers and examine a measurement scale that is more adaptable to the Japanese market, based on an analysis of the relationship between sales data and customer NPS data for multiple companies.

Keywords: Customer loyalty, Net Promoter Score, Response biases, Response style