



Expectancy Theory As A Determination Of Net Promoter Score (NPS): Increasing The NPS Value Of Services

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ABSTRACT

The wave of digital transformation had been boosted and accelerated by the pandemic, but whether or not this opportunity is leveraged by the industry especially the financial service industry remains a big question. The question around which aspect of digital transformation would best impact the industry is another challenge. In the discussion of reputation management, the customer aspect is a critical factor, thus the question of whether or not the customer perceived the benefit or accepted the digital transformation also need to be discover. Let's go back to the financial service industry which is the focus on this research, are the services provided by financial service company had fulfilled their expectation and thus would result in a higher Net Promoter score for the company. This research uncover that providing digital services is not enough when it comes to NPS it requires understanding of the customer hopes and acting upon it.

INTRODUCTION

Companies face challenges known as perfect storms. A perfect storm is usually associated with natural disasters that are so powerful they can only occur in the mind and imagination and are even difficult to describe as being able to happen. In his reporting on CNN.Com more than a decade ago, Tanneeru, (2009) described a situation he called the Perfect Storm which caused an economic crisis in the United States. This perfect storm is illustrated by the collapse of the mortgage market caused by fluctuating interest rates and uncontrolled house price fluctuations. However, the storm that the world faced at the beginning of 2020 was the beginning of a storm that the business world had never thought of before. The Covid 19 pandemic storm caused the wheels of the world economy to stop, causing the collapse of companies.

National Interest published an article by (Simes, 2019) saying that the perfect storm in the world is a combination of a spreading virus, economic depression, the collapse of world regulations, and the absence of a coordinated response. But Simes closed his comments by saying that amidst all this there is still opportunity. The opportunity to learn and bounce back. As written by the Creative Center for Creative Leadership (CCL, 2019) that the situation referred to

as RUPT or Rapid, Unpredictable, Paradoxical and Tangled which describes the modern economic situation which is full of challenges and uncertainty accompanied by very rapid changes will lead to new breakthroughs and new way.

Two years after the pandemic hit, the economic situation shows that the storm is still there and getting stronger. Bloomberg reported on the Perfect Storm situation in Latin America written by Juan Pablo Spinetto (2022) saying that there was famine, power outages in various countries, giant electronics companies from China lost their passion, Beijing's desire to obtain iron ore threatened the future of West Africa, there was a movement Wall Street to review IPOs in middle east and india inflation won't be easy (Baehre et al., 2022; Szwajca, 2017).

Micho (2021) writes that companies are facing political storms, storms of economic uncertainty and a world that is trying to deal with a pandemic. It was further stated that there are several trends that companies need to anticipate in terms of reputation management. The trend is that public trust in government and public institutions is increasingly declining and the business world is becoming the party trusted to represent the public interest in fighting for social values in order to build consumer trust .

Data and analytics trend, where companies will increasingly invest in data and analytics to obtain real-time information for decisions to improve the company's reputation. The trend where ESG is no longer an option but a necessity, the trend of employees being the main key to improving reputation by telling stories about their experiences with the company's attention can increase the positive reputation of the company.

It seems that the trends mentioned above do not leave room for companies to fall asleep in providing their best services or stop, slow down in their transformation agenda. The financial industry or financial service industry is no exception, even in the midst of a perfect storm the financial industry must still be able to provide excellent service.

The Insurance Industry, which is part of the financial industry, has unique challenges, in the midst of a pandemic which of course presents Catastrophic challenges which will certainly burden the financial performance of insurance companies, but the insurance industry must still be able to provide the best services (Tariq & Moussaoui, 2009).

But what kind of service do customers expect? With the acceleration of digital transformation occurring in almost all industries and changes in customer behavior which are increasingly comfortable using digital services, does this mean that digital services are a must for all companies, must be owned by all industries, including the financial services industry (Bhat et al., 2018; Mekonnen, 2006).

PT Asuransi BRI Life is a life insurance company that must also continue to innovate amidst this perfect storm. Republika (Intan, 2022) reported that throughout 2021 BRI Life had paid customer claims amounting to IDR. 5.7 trillion and the company remains focused on excellent service. One of the initiatives from BRI Life is launching digital services with the launch of MyAccess as an application for customers to be able to carry out self-service thereby providing a new experience for its customers. However, of course the overall service must be paid attention to in order to continue to gain and maintain trust in the company, trust in the company brand and of course it can then be promoted by customers who are satisfied with the service they experience (Elmada et al., 2022).

This research is a case study of the services provided by PT Asuransi BRI Life in increasing customer satisfaction and to obtain a Net Promoter Score which can have a positive impact on the company.

LITERATURE REVIEW

Expectancy Theory is a theory proposed by Victor Vroom to look at the tendency to do something based on how strongly a person's expectations are met. This theory is part of motivation theory which is considered more comprehensive and more realistic. The output or

result of this theory is referred to as Valence or the strength of fulfilling expectations which is measured as High Positive and High Negative (Parijat & Bagga, 2014).

In controlling or managing public views or public perception, the company must know the public's views on the company which will involve internal and external public views. In the process, the company will find several positions or parties in the analysis of external views, including positions or parties called Supporters or supporters who are seen as being able to provide support for a positive company reputation because they have similar values and goals (Ronald D. Smith, 2004). Supporters or supporters have the same values and goals because they feel their hopes are fulfilled. We can call these supporters or supporters promoters (Smith, 2017).

Net Promoter Score is an approach that radically changes the way customer satisfaction surveys are conducted, this approach was discovered or proposed by Fred Reichheld and a company called Bain Consulting (Rigby & Bilodeau, 2011).

Fred (Reichheld, 2006) explains that the Net Promoter Score is a thought based on the view that every customer of a company can be divided into three categories, namely Promoters, Passives and Detractors (Rajasekaran & Dinesh, 2018).

Promoters are a group that is loyal or loyal to a company who buys the company's goods and services and even promotes or invites their friends to do the same. Passives are a group who are satisfied with the services and goods they receive but do not have high enthusiasm so they may change their views and even choose other products and services (Norhaznan, 2021). Detractors are customers who are unhappy or dissatisfied or even have a bad relationship with the company (Reichheld, 2006).

The way to calculate the Net Promoter Score is to take the number of respondents who gave a score of 10 and 9 or Promoters and subtract it from respondents who gave a score of 1 to 6 which are grouped as Detractors. In NPS the values 7 and 8 or passives are not counted, so the NPS formula is $P - D = NPS$ (Reichheld, 2006).

METHODS

This research is a study with a descriptive approach. Research that uses a descriptive approach is research that aims to explain factual events (Sugiyono, 2015). Descriptive research aims to test a hypothesis on a group of people to see their perceptions, views and input on a situation, event and experience.

Descriptive research can be combined with quantitative research or qualitative research. Qualitative research according to Prof. Bungin (2011) is a study with a tradition of conducting scientific research which usually produces new knowledge. The process in qualitative research will challenge researchers to deeply analyze and understand so that it will produce advanced thinking.

This research chose to conduct research at a life insurance company, namely PT Asuransi Jiwa BRI Life (BRIL). BRIL is a life insurance company that was founded on October 28 1987 and has PT Bank Rakyat Indonesia (Persero) as the controlling shareholder and collaborates with FWD Management Holdings as a Strategic Partner in 2021.

In 2022 BRIL will begin using the Net Promoter Score (NPS) approach to measure the success of the services provided by the Company by looking at how much customers will recommend BRIL services to others. The Company's operational services include services to customers and also to sales personnel, where in these two services the Company provides digital services to facilitate outreach for customers and sales personnel.

This research focuses on the services provided to customers and especially the digital services provided by the Company. Researchers will focus on the Company's service activities for customers in the period January 2022 to August 2023.

The company has conducted customer satisfaction and NPS survey activities in July 2022, December 2022 and August 2023. Researchers will focus on the results in July 2022 and August 2023 so that the research results at the end of 2022 will not be used in this research .

This research uses data obtained from the Customer Satisfaction and NPS Survey conducted by the company which was carried out in July 2022 and August 2023. The company conducted a customer satisfaction survey in July for two subjects, namely:

1. Customer satisfaction survey and Net Promoter Score for the Digital My Access service or known as the BRI Life MyAccess survey, make your day easier, #BeTranquil in your life
2. Customer satisfaction survey and Net Promoter Score for all company services or what is called a survey. Support Us to always #BeTranquility for BRI Life Friends and their beloved families

RESULTS

Survey Results For The 2022 Period

The results of the Net Promoter Score survey for the 2022 period are as follows:

- Score's Net Promoter for the MyAccess Application or the Company's digital services is: 35
- Net Promoter Score for the Service as a whole is: 6

The results of this survey will be further discussed and analyzed in the next discussion.

Data – Digital Services Survey

The Support Us Survey to always #BeTranquility for BRI Life Friends and their beloved families opened on July 5 2022 and closed on July 7 2022. The number of respondents obtained was 407 respondents. The company provides prizes in the form of digital wallet vouchers to attract respondents so that the information obtained or data sets obtained in this survey have information such as

1. Name of Respondent
2. Digital Wallet Options
3. Respondent's telephone number
4. As well as the respondent's email address

The digital service survey is sent to customers who have downloaded the BRI Life MyAccess application from the Playstore and Apps store and who have activated the digital service so that the survey conducted is a survey that can represent the voice of real customers.

Data – Overall Service Survey

The Support Us Survey to always #BeTranquility for BRI Life Friends and their beloved families opened on April 7 2022 and closed on April 17 2022. The number of respondents obtained was 106 respondents. The company provides prizes in the form of digital wallet vouchers to attract respondents so that the information obtained or data sets obtained in this survey have information such as

1. Name of Respondent
2. Digital Wallet Options
3. Respondent's telephone number
4. As well as the respondent's email address

The overall service survey is sent to customers who within the specified time period have received services from BRI Life. So that the respondents are not random or at random and are not respondents who are not familiar with the company's services.

DISCUSSION

To see the hypothesis that will be tested, use a hypothesis based on Expectation Theory, namely:

1. For every very strong negative expectation it will produce a bad promoter score
2. For every very strong positive hope, it will produce a good promoter score

Researchers will only use Very Negative Satisfaction Results, namely Not Satisfied, and Very Positive Satisfaction Results, namely Very Satisfied, and compare them with the detractor and promoter results.

Digital Services

Customer satisfaction survey results and Net Promoter Score for the Digital My Access service or BRI Life MyAcces survey make your day easier, #BeTranquil in your life

Ease Of Service

Results of the question: How do BRI Life Friends rate the ease of access to the BRI Life MyAccess Application? (for example: Activation, Login, Forgot Password, Policy Information, Unit Link Information) are as follows:

To see the hypothesis that will be tested, use a hypothesis based on Expectation Theory, namely:

1. For every very strong negative expectation it will produce a bad promoter score
2. For every very strong positive hope, it will produce a good promoter score

Researchers will only use Very Negative Satisfaction Results, namely Not Satisfied, and Very Positive Satisfaction Results, namely Very Satisfied, and compare them with the detractor and promoter results.

Digital Services

CONCLUSION AND SUGGESTION

In interviews and further documentation studies to find out what steps the Company has taken in the last 12 months, based on survey results in the previous period, researchers found that the Company has taken several actions in order to improve the Company's services digitally and as a whole. In terms of improving digital services related to service availability, the Company has implemented an application monitoring mechanism or application performance monitoring to ensure that service applications can still be accessed by customers and that there is no down time in the myaccess application for customers.

In terms of improving digital services related to the availability of information, the Company has increased the number of products and information that can be accessed via the myaccess application. Until the first quarter of 2023, the company has added all products not related to microinsurance, credit life insurance and corporate insurance to the myaccess application. The three product groups were not included because the three product groups have different service processes and different sales processes and different market segments.

In terms of User Experience or design, the Company has not taken any steps to redesign the myaccess service. In terms of transactional services, which are aspects reviewed in comprehensive services, the Company has implemented regulations that salespeople cannot use customer service numbers to avoid unavailability of services for customers. The company has also strengthened its auto response service for customer questions to ensure customers can get answers to customer questions automatically.

From 2022 to August 2023, the company has held 12 service review meetings and tactically implemented the changes needed. The company has also conducted 2 Customer Service

Excellence trainings for each employee in the service function and has conducted 1 service improvement workshop.

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