

Unlocking Sales Success: Decoding Net Promoter Score Categories and Buyer Repurchase Intentions

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An extensive analysis of Net Promoter Score (NPS) assessments provided by 169 significant business-to-business companies, was conducted to deepen our understanding of the relationship between buyer likelihood to refer and stated repurchase intention. The results of the study show that: (1) senior-level B2B buyers categorized as NPS “promoters” exhibit a strong positive relationship with buyer repurchase intentions; (2) buyers considered “passives” were less likely than promoters, but more likely than detractors, to repurchase; and (3) “detractor” buyers were the least likely to state an intent to repurchase. This is one of the first studies that specifically examines the Net Promoter Score’s three construct groups in relation to repurchase intentions. After discussing the findings, we offer managerial and theoretical contributions, limitations, and suggestions for future research.

INTRODUCTION

In the world of large business-to-business (B2B) sales interactions, collaborative efforts between buyers and sellers are imperative due to the inherent need for tailored solutions that align with buyer requisites. The significance of buyer feedback in sales-related studies has been emphasized by B2B researchers (Friend et al., 2014, Hansen, 1997, Talbert et al., 2023). However, such sales transactions may involve high-level managers and senior executives, two groups that are often difficult to access and engage. The recent integration of the Net Promoter Score (NPS) has facilitated engagement with these elusive buyer groups, although opinions about research validity differ among experts in the extant business literature. To gain a more-nuanced understanding, this study examined the influence of NPS scores on buyer repurchase intentions within large B2B firms.

The retention of buyers is pivotal in relationship marketing and sales due to its potential to foster improved relationship economics (Ahmad and Buttle,

2002, Hansen, 1997). That is, managers understand that maintaining existing accounts is more cost-effective than acquiring new customers (Coyles and Gokey, 2005). For sales-focused enterprises, it is judicious to invest in retaining and expanding relationships with valued customers, particularly large B2B buyers. Research suggests that a positive encounter between a buying firm and a sales organization can transform the customer into an advocate for the sales firm (Baker et al., 2016). Consequently, sales managers attempt to engineer customer experiences that delight customers and foster long-term loyalty.

To date, much insight into B2B sales interactions stems from feedback provided by salespeople and sales managers (Judy et al., 2017). Yet, there remains a dearth of knowledge related to how buyers perceive the performance of suppliers engaged in selling B2B products and servicing their accounts over an extended period. This gap is concerning since buyers directly experience and evaluate sales interactions. Soliciting feedback from buyers assumes heightened significance within the sphere of large B2B sales engagements, since negative experiences are more likely to erode buyer loyalty and contract renewals (Johnston et al., 2018). This study endeavors to expand on a hypothesis originally posited by Reichheld (2003): Promoters lead to increased future sales, while detractors reduce future sales, thus establishing a link between NPS and buyer intentions. To date, less is known about NPS passive buyer ratings. Recognizing the potential intricacies of promoters, passives, and detractors, we investigate

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the three groups in the NPS construct and examine the influence of these classifications on buyer behavior, specifically in terms of repurchase intentions.

LITERATURE REVIEW

Loyalty

The existing body of literature underscores the significance of buyer loyalty, akin to goodwill, which develops over time and is cumulative (Dorward, 1977). Explored for over a century (Wolfe, 1919), the conceptualization of buyer loyalty initially revolved around repeat purchases. However, more recently, research has evolved to encompass a more comprehensive understanding.

Loyalty can also be assessed via utility and/or sentiment, particularly in the context of large B2B sales (Herjanto and Franklin, 2019). Oliver et al. (1997) documented that buyers who experience very high levels of satisfaction, referred to as “delight,” will want to recreate this sensation through repeat purchases, in turn creating loyalty (Hicks et al., 2005). Berman (2005) expanded on this concept that delighted buyers demonstrated significantly higher levels of loyalty to a company compared to those who were merely satisfied. Recently, practitioners have argued that delighting B2B customers does not build loyalty—that is, satisfaction is not a good predictor of retention (Dixon et al., 2013). While buyer loyalty has long been shown to be a potent market differentiator that can serve as a strategic asset (Dorward, 1977), B2B sellers are finding it increasingly challenging to retain customers and COVID only served to exacerbate this trend. In 2021, the global B2B Future Shopper Report survey (Fletcher, 2021) indicated that within the prior 12 months, 96 percent of US B2B firms had switched some, or all, of their business purchases suppliers.

This behavior motivates the need for expanded methods of predicting repurchase intentions given their integral role in understanding buyer behavior and loyalty. The widespread adoption of the NPS by over two-thirds of Fortune 500 organizations to measure buyer loyalty attests to its perceived importance by practitioners (Colvin, 2020). Scholars have underscored that buyer loyalty encompasses both attitudinal and behavioral dimensions (Olaru et al., 2008). Attitudinal loyalty,

often manifested in positive perceptions and emotional connections (Hellier et al., 2003), is linked to behavioral loyalty, which is reflected in repeat purchases. Some researchers have positioned word-of-mouth as a form of attitudinal loyalty (Olaru et al., 2008, Lee and Wong, 2021, Dandis and Al Haj Eid, 2022), signifying the communicative aspect of a buyer’s allegiance (Goyal and Verma, 2023) to a brand (De Haan et al., 2015).

Within this context, Olaru et al. (2008) investigated the relationship between how a buyer’s repurchase intentions influenced their willingness to refer. Additional studies report a strong link between attitudinal loyalty and behavioral loyalty, where willingness to refer predicts the buyer’s repeat purchases (Kittur et al., 2022). Repurchase intentions, therefore, are salient as a potent predictor of behavioral loyalty.

In support of these findings, De Haan et al. (2015) highlights the constructive impact of word-of-mouth on buyer retention and Harrison-Walker (2001) found a positive association between recommending intentions and commitment to the company. Social influence research demonstrated the powerful principle of commitment and consistency (Heider, 1958, Newcomb, 1953). A major component of this principle is that once you commit to something verbally or especially in writing (Cialdini and Trost, 1998), humans’ natural desire to strive toward internal consistency (Festinger, 1957) makes one much more likely to be consistent and follow through on that commitment. These prior research studies underscore the potential significance of using promoters and detractors as indicators of buyer retention, affirming the crucial role of attitudinal loyalty in driving behavioral outcomes. “Overall, customers evaluate future purchase intentions based on the value obtained from previous episodes/ contacts, with relationship benefits being a proxy for expectations for future benefits” (Olaru et al., 2008, p. 556). These insights accentuate the multifaceted nature of repurchase intentions and their intricate connection with the broader dynamics of buyer-seller relationships.

Net Promoter Score (NPS)

The imperative of considering customers’ perspectives for improving quality efforts has prompted the emergence of customer satisfaction measurement

(CSM) to incorporate the “voice of the customer” (Woodruff, 1997, p. 139). Historically, obtaining buyer ratings, especially from managerial and executive personnel in large firms, posed a challenge until the advent of the NPS (Reichheld, 2003). Over 67 percent of Fortune 500 supplier companies utilize NPS to gauge customer loyalty (Colvin, 2020). NPS categorizes customers as promoters, passives, or detractors of a company based on responses, on an interval scale, to the question: “How likely is it that you would recommend company X to a friend or colleague?” (Reichheld, 2003, p. 1). The “net-promoter score” is determined by subtracting the percentage of customers unlikely to make a recommendation from those extremely likely to do so (Reichheld, 2003, p. 7). For example, if 47 percent of buyers give a promoter rating of 9-10 and 13 percent of buyers offer a detractor rating of 6 and below, the overall NPS rating is +34. Passives, who give a rating of 7-8, are excluded from the actual calculation of the overall NPS.

Research findings support that NPS is equally effective at gauging buyer satisfaction as other established assessment measures (Morgan and Rego, 2006). However, despite widespread corporate adoption, there has been limited acceptance of NPS in academic research due to researcher concerns about the rigor associated with the methodology.

Concerns about NPS

NPS critics contend that relying on a single-scaled NPS question is problematic in capturing buyer loyalty (Zaki et al., 2016) since it lacks insight into the reasons underlying the assigned rating (Grisaffe, 2007, Keiningham et al., 2007). Dual metric evaluations outperform single metrics (Lewis and Mehmet, 2020, Keiningham et al., 2007), highlighting the deficiency of NPS in understanding the criteria buyers value and their satisfaction or dissatisfaction drivers. Further skepticism centers on NPS’s unreliability in B2B settings because lower-level employees, who are order-placers rather than decision-makers, complete the ratings (Fisher and Kordupleski, 2019, Zolkiewski et al., 2017). These researchers propose that genuine buyer sentiments are undisclosed, suggesting that the actual executive buyer’s decision-making attitudes remain unknown (Fisher and Kordupleski, 2019). Critics also

challenge NPS’s predictive power and its comparative efficacy against existing buyer loyalty research tools (Grisaffe, 2007, Keiningham et al., 2007, Morgan and Rego, 2006). Given that “Passives” are excluded from the NPS calculation, there is limited understanding about this enigmatic group.

However, despite being a critic, one source acknowledges that NPS is: “one reasonable customer loyalty metric,” recognizing its alignment with theoretical constructs like promoters and detractors (Fisher and Kordupleski, 2019).

Promoters versus Detractors

In considering the impact on repurchase intentions, we first turn our attention to the two groups that drive the calculation of the NPS rating. Recall that promoters are customers who rate their likelihood of recommending the supplier to a friend or colleague as a 9 or 10. According to Reichheld (2003), promoters are individuals who display loyalty and a willingness to invest or make sacrifices to strengthen relationships. A significant, robust correlation exists between a company’s promoters and its growth rate (Reichheld, 2003). With loyalty and positive advocacy, promoters can function as unpaid brand ambassadors, bolstering the firm’s reputation (Fisher and Kordupleski, 2019).

As discussed above, prior research has shown strong relationships between attitudinal and behavioral loyalty (Olaru et al., 2008, Hellier et al., 2003). Word-of-mouth referral is seen as a type of attitudinal loyalty (Hellier et al., 2003). In addition, there is a strong desire to avoid the cognitive dissonance of having our behaviors not align with our attitudes (Festinger, 1957). Similarly, committing to something even at a basic level, creates a strong psychological pull to remain consistent by behaving according to that commitment (Cialdini and Trost, 1998). Assigning a promoter-level rating (9 or 10) to a company in response to an NPS question offers a robust attitudinal measure of the likelihood of making referrals. If buyers feel this strongly about recommending a company and have “committed” to this via a survey response, we expect their behavior to be consistent with their attitude and commitment. Therefore, it is inconsistent to state that you are extremely likely to recommend this company to

a friend or colleague, but then not be willing to renew your own contract with the company.

Conversely, detractors are customers who rate their likelihood of recommending the supplier to a friend or colleague at a 6 or below. Researchers argue that detractor buyers express discontent and adversely affect the business, leading to higher costs and diminished revenue (Reichheld, 2003, Hansen, 1997). Decisions not to repurchase from the supplier would obviously directly diminish revenues. Arguments expressed above regarding promoters hold here as well—but in reverse: detractors are the least likely to recommend the company to a friend or colleague. Given the negative attitude of detractors to the supplier, it would be behaviorally inconsistent to renew a contract with a firm that they would not recommend.

Drawing upon this rationale regarding the differences between promoters and detractors, we propose Hypothesis 1a(b):

H1a(b): Customers who are promoters (detractors) will be the most (least) likely to renew their contract without requesting additional bids.

Passives versus Promoters

The NPS framework predominantly focuses on “Promoters” and “Detractors” while ignoring the “Passives” buyer group. This is driven by the formula of subtracting detractors from promoters to arrive at a plus/minus NPS calculation (Reichheld, 2003). More recent researchers have investigated the role played by passives. Passives are not fervent brand endorsers, yet they are not entirely uncommitted (Zaman et al., 2022). This nuanced perspective suggests that passives, rather than acting as neutral buyers, subtly support brand reputation. Fisher and Kordupleski (2019) advocate for the inclusion of passives in NPS calculations, faulting the current methodology for overlooking a critical customer segment that can evolve into promoters. Other researchers contend that there is no such thing as a passive buyer. For example, one of the originators of the NPS framework states: “They make few referrals—and when they do make one, it’s likely to be qualified and unenthusiastic (Reichheld, 2011). Hamilton et al. (2014) found passives to be “broadly happy” therefore,

they should not be dismissed. These perspectives challenge the binary lens through which NPS categories are traditionally viewed and guide this study.

Passives may be less inclined to refer new customers than promoters. Unlike detractors, passives are typically not disgruntled critics. Passives don’t feel the level of dissatisfaction as detractors, and in turn are far less likely to engage in negative word-of-mouth behavior that can so harm sellers. Based upon these differences between promoters and passives, we state Hypothesis 2a(b):

H2a(b): Customers who are passives (promoters) will be less (more) likely to renew their contract without requesting additional bids than customers who are promoters (passives).

Passives versus Detractors

Unlike detractors, passives are typically not aggrieved critics. Passives may rarely refer new customers, but they do not exhibit the same level of dissatisfaction as detractors, and in turn are far less likely to engage in the negative word-of-mouth behavior that can harm sellers. While a more competitive offer may make passives susceptible to leaving the relationship, detractors will usually depart the first chance they get. Given these disparities between passives and detractors, we offer Hypothesis 3a(b):

H3a(b): Customers who are passives (detractors) will be more (less) likely to renew their contract without requesting additional bids than customers who are detractors (passives).

METHODS

The design of the research was crafted to ensure rigor and validity in data analysis. We detail the sample profile and data collection process used to gather relevant information. The data analysis section explains the statistical techniques applied to interpret the relationships among the variables under investigation.

Sample Profile

This study utilized a secondary data set comprising B2B sales relationships from thirty-one different states in the United States. The data set included first-year deal values of \$882 million, with an average individual deal

value of \$5.217 million. Over the lifetime of the deals, the aggregate sales amounted to \$3.020 billion, with an average individual deal value of \$17.871 million, lasting four years. The research involved initial phone interviews between 2004 and 2017 with 169 managers and executives representing large B2B buying firms. The research firm AskForensics conducted these interviews, and the initial investigators held advanced degrees in their fields and were skilled and trained in conducting executive interviews.

Interview Objectives

In-depth interviews sought to gain insight into large buyers' perceptions regarding the supplier's account team's ability to meet the needs and expectations of their firms. The researchers used intensive probing techniques to extract detailed customer responses and feedback on various attributes, characteristics, and contextual factors influencing buyer-firm interactions with their suppliers. In addition, quantitative embedded questions such as Likert-type and categorical scales were also employed in the interviews.

Interviews

All interviews were recorded and transcribed by a professional data transcription firm. The in-depth

discussions with the 169 managers/executives lasted at least 30 minutes each, providing at least 84.5 hours of recorded, verbatim responses. The research was commissioned by the suppliers associated with the deals, and no incentives or inducements were provided to the interviewees.

Data Preparation, Deal Coding, and Elimination

A meticulous seven-step process was followed to prepare and cleanse the data for analysis. This involved anonymizing sensitive information such as buyer names, supplier identities, product names, and personal details. Themes were developed through a visual scan of the data and memoing, and content analysis was performed to facilitate data interpretation. A grounded theory approach was employed to develop assumptions and research questions based on the data, literature, and informant statements. Subsequently, the data set was further refined, and 169 valid cases were selected based on specific elimination criteria such as lack of availability of NPS ratings, confidentiality concerns, and nonresponse to the buyer repurchase intention question. Lastly, the data were entered into SPSS for quantitative analysis. Figure 1 provides details on the 7-step process used for data preparation.

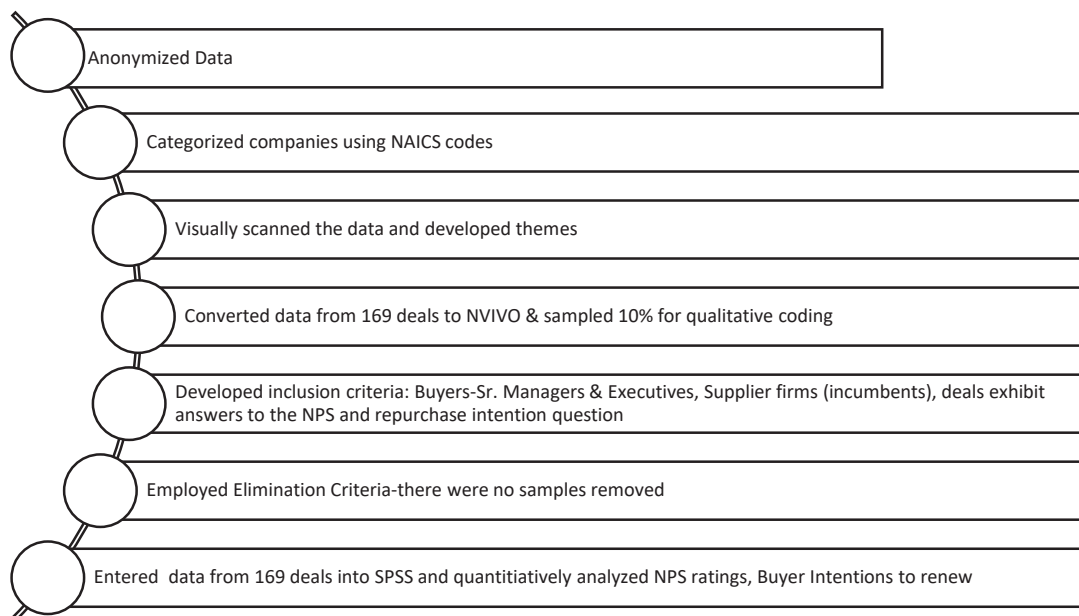


Figure 1: 7-Step Process for Data Preparation & Analysis: A Grounded Theory Approach

Overview

The study places particular emphasis on understanding the effects of the independent variable - NPS groups (promoters, passives, and detractors) on the dependent variable - the likelihood of buyers renewing contracts without resorting to competitive bidding, provided they have the authority to do so (repurchase intentions). Through an analysis of a sample comprising 169 actual sales deals, we evaluate the differences between NPS groups and buyer repurchase intentions, contributing valuable insight into the role of NPS ratings in shaping repurchase decisions.

To gather relevant data, managers and executives were asked to rate their likelihood of recommending the selling firm to a senior executive peer on a scale of 1 (Not at all likely) to 10 (Extremely likely). Employing Reichheld (2003) taxonomy, these ratings were subsequently categorized into three distinct groups: detractors (ratings 1-6), passives (ratings 7-8), and promoters (ratings 9-10). Once the initial rating was given, the participating buyer respondents were asked to rate their likelihood of renewing contracts with their existing suppliers without initiating a Request for Proposal (RFP) bid to other potential suppliers. These ratings were collected on a scale of 1 to 10.

Addressing NPS Concerns in this Study

This study addresses several NPS concerns. First, we address the limitation of a single Likert-type rating

by incorporating an additional question: “What is the likelihood of you renewing your contract with the incumbent supplier without sending it out for an RFP bid to other suppliers—if you had the authority to do so?” The augmentation of an additional question (or questions) is integral to an updated NPS methodology (Reichheld, 2011), that enhances the rigor of the single rating scale. Second, the participation of managers and executives in this study improves the overall validity of the data collected. Third, we sought to understand the relationship that passives—a previously overlooked NPS group—had on the dependent variable.

RESULTS

Descriptive Statistics

A descriptive statistical analysis was conducted across the three NPS Categories: Promoters, Passives, and Detractors to assess the mean likelihood of customers renewing, as illustrated in Table 1. The results show that the promoter group had the highest mean score of 9.12 (SD=0.967, N=78) and a confidence interval suggesting the true mean falls between 8.90 and 9.33. The passive group had a moderate mean score of 7.47 (SD=1.226, N=49) and a confidence interval, suggesting the true mean falls between 7.12 and 7.82. Last, the detractor group had the lowest mean score of 5.21 (SD=2.247, N=42) and a confidence interval suggesting the true mean falls between 4.51 and 5.91. These statistical insights suggest that the NPS category strongly predicts the likelihood of renewing.

Table 1: Promoters, Passives, Detractors Impact on Likelihood to Renew

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min.	Max.
					Lower Bound	Upper Bound		
Promoter	78	9.12	.967	.109	8.90	9.33	5	10
Passive	49	7.47	1.226	.175	7.12	7.82	4	10
Detractor	42	5.21	2.247	.347	4.51	5.91	1	10
Total	169	7.67	2.140	.165	7.34	7.99	1	10

A bar chart was constructed to visually assess the mean likelihood of buyers renewing for the three NPS categories. The statistical insight is graphically depicted in Figure 2 and demonstrates that the NPS category strongly predicts the likelihood of renewing.

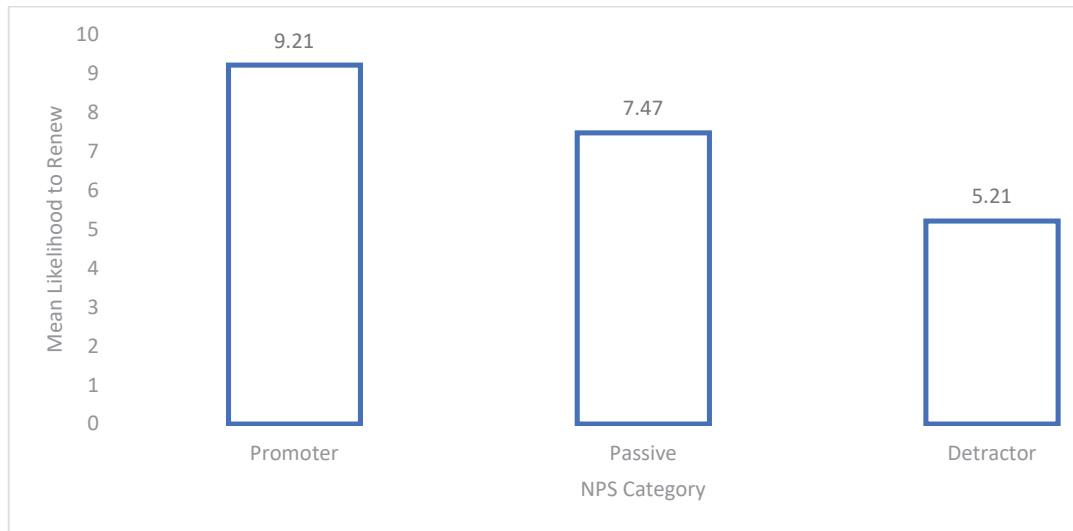


Figure 2: Comparative Analysis of Repurchase Likelihood by NPS Category

To assess the homogeneity of variances, the Levene's Test (Table 2) revealed significant variances exist in homogeneity across the NPS categories ($P < .001$), suggesting that the assumption of homogeneity of variances was violated (Levene Statistic = 13.885, $df1 = 2$, $df2 = 166$, $p < .001$).

Table 2: Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
Likelihood to Renew	Based on Mean	13.885	2	166	<.001
	Based on Median	11.618	2	166	<.001
	Based on Median and with adjusted df	11.618	2	112.783	<.001
	Based on trimmed mean	13.520	2	166	<.001

In analyzing the likelihood of customers renewing contracts, two variations of ANOVA were employed due to the unequal homogeneity of variances assumption confirmed by Levene's Test. The first was Welch's ANOVA (Table 3) to assess the means' robustness. This test is more robust than the one-way ANOVA when unequal variances are assumed. The results show that the likelihood to renew varies significantly across the NPS Categories, Welch's ($F(2, 78.455) = 76.973, p < .001$). Similarly, the Brown-Forsythe test, that adjusts for variance heterogeneity, also indicated significant differences between groups: Brown-Forsythe ($F(2, 76.115) = 77.926, p < .001$). Both tests, asymptotically F-distributed, point to a significant variation in the likelihood of contract renewal without requesting multiple bids among the NPS Categories.

Table 3: Robust Tests of Equality of Means

Likelihood to Renew

	Statistic ^a	df1	df2	Sig.
Welch	76.973	2	78.455	<.001
Brown-Forsythe	77.926	2	76.115	<.001

a. Asymptotically F distributed.

Next, the Games-Howell post-hoc test was employed to further explore differences, as shown in Table 4, and concluded that each group's mean significantly differs. That is, promoters significantly outperformed passives (mean difference = 1.646, $p < .001$), and passives significantly outperformed detractors (mean difference = 2.255, $p < .001$). The effect size is large, meaning that the NPS Categories strongly affect the likelihood of renewing.

Table 4: Games-Howell Post-hoc

Dependent Variable: Likelihood to Renew

						95% Confidence Interval	
	(I) NPS	(J) NPS	Mean Difference	Std.		Lower	Upper
	Category	Category	(I-J)	Error	Sig.	Bound	Bound
Games- Howell	Promoter	Passive	1.646*	.207	<.001	1.15	2.14
		Detractor	3.901*	.364	<.001	3.02	4.78
	Passive	Promoter	-1.646*	.207	<.001	-2.14	-1.15
		Detractor	2.255*	.389	<.001	1.32	3.19
	Detractor	Promoter	-3.901*	.364	<.001	-4.78	-3.02
		Passive	-2.255*	.389	<.001	-3.19	-1.32

*The mean difference is significant at the 0.05 level.

To quantify the effect size (Table 5), the eta-squared (η^2) of .544, 95% CI [.440, .617] suggests that approximately 54.4% of the variance in the renewal likelihood can be attributed to the large differences between the NPS categories (Cohen, 1988). The substantial effect size indicates that the NPS category strongly predicts the renewal likelihood behavior among buyers.

Table 5: ANOVA Effect Sizes

		Point	95% Confidence Interval	
		Estimate	Lower	Upper
Likelihood to Renew	Eta-squared	.544	.440	.617

^aEta-squared and Epsilon-squared are estimated based on the fixed-effect model.

FINDINGS

The findings offer new insight into the significant differences associated with NPS promoter, passives, and detractor buyers in relation to their repurchase intentions. The insights derived from this research study offer a more nuanced understanding of how NPS ratings affect repurchase decisions and subsequently impact B2B sales strategies. The statistical tests provide clear evidence that NPS categories significantly affect the likelihood of B2B buyers renewing their contracts without entering a competitive bidding process. The magnitude of differences and the consistency of significance across multiple tests underscore the practical implications of NPS on B2B customer retention strategies:

H1a: Promoters are the most likely to renew: The SPSS data supports this hypothesis, confirming that among the three categories (promoters, passives, and detractors), promoters had the highest average likelihood to renew without requesting multiple bids (mean = 9.12) with the mean for promoters being significantly higher ($p < .001$) than for both passives (mean = 7.47) and detractors (mean = 5.21). Therefore, H1a is supported, confirming that Promoter NPS scores led to the highest buyer repurchase decisions.

H1b: Detractors are the least likely to renew: The SPSS data supports this hypothesis, showing that among the three categories (promoters, passives, and detractors),

detractors had the lowest average likelihood to renew without requesting multiple bids (mean = 5.21) with the mean for detractors being significantly lower ($p < .001$) than for both promoters (mean = 9.12) and Passives (mean = 7.47). Therefore, H1b is supported, confirming that detractors NPS scores led to the lowest buyer repurchase decisions.

H2a(b): Passives (promoters) are less (more) likely to renew than promoters (passives). The results support this hypothesis. Statistical analysis confirmed that Passives (mean = 7.47) were significantly less likely ($p < .001$) to renew their contracts without requesting multiple bids than promoters (mean = 9.12), indicating a lower degree of loyalty among passives compared to promoters and vice-versa.

H3a(b): Passives (detractors) are more (less) likely to renew than detractors (passives). The results also support this hypothesis. Statistical analysis confirmed that Passives (mean = 7.47) were significantly more likely ($p < .001$) to renew their contracts without requesting multiple bids than detractors (mean = 5.21), indicating a higher degree of loyalty among passives compared to detractors and vice-versa.

The findings support our hypotheses, delineating a clear hierarchy in renewal likelihood across the NPS categories, with promoters being the most likely to renew, followed by passives, and then detractors. The implications for customer relationship management are

significant, suggesting that while strategies to convert detractors to passives can yield improved renewal rates, efforts to transform passives into promoters may yield the greatest return on investment in customer retention.

DISCUSSION

The study findings underscore the significant role of NPS elements in shaping buyer repurchase decisions. A critical discovery is the nuanced role of passives in this dynamic. Contrary to common perceptions of passivity, the study found that Passives are far from being neutral bystanders. With an average score of 7.5 out of 10 in their likelihood to renew, they demonstrate a distinctly positive inclination. This finding challenges the traditional view of passives as disengaged customers and underscores their potential as a unique customer segment. Such insights suggest that passives warrant a dedicated marketing approach, tailored to their specific needs and preferences.

The analysis also reveals a significant difference between promoters and their increased likelihood of repurchase. Promoters emerge as potential loyal customers and valuable advocates for the selling firm, making them pivotal in strategic customer relationship management. This insight guides the allocation of resources towards nurturing these influential promoters to cultivate long-term partnerships. On the other hand, the contrast between detractors and their reduced likelihood to repurchase highlights the urgency of addressing their concerns, when possible, to prevent erosion of buyer loyalty and potential revenue loss.

THEORETICAL CONTRIBUTIONS

This study confirms a pivotal finding: promoters (detractors) demonstrate the highest (lowest) propensity to renew when they have the autonomy to do so without initiating Request for Proposal (RFP) bids from other suppliers. Also, passive buyers are not neutral, but rather they are an important group that sellers should try to better understand and work to move into the promoter category. These findings improve our understanding of the Net Promoter Scores' contribution to B2B research.

In response to the call by Friend et al. (2014) for sales-oriented research to be rooted in buyer-centric data, our study contributes to the ongoing discourse regarding

the efficacy of NPS in research. It serves as evidence of the effectiveness of certain NPS components in assessing buyer repurchase intentions. In response to recommendations by numerous researchers to enhance response validity (Friend et al. 2014, Hansen, 1997, Talbert et al., 2023), we engaged decision-making buyers as informants, rather than lower-level order placers, to provide a more valid reflection of buyer sentiments.

This study employed a new approach to conducting the NPS survey. We decoupled the rating from specific short-term events or interactions and focused on the span of the buyer-seller relationship to minimize single-event dependence bias. We also incorporated a follow-up question to delve into the rationale behind the NPS rating, as suggested by Reichheld (2011) in his updated Net Promoter System. This approach allows for more comprehensive buyer responses and a deeper understanding of their overall perceptions.

MANAGERIAL IMPLICATIONS

The insights drawn from this study hold significant implications for large B2B sales management decision-makers in context of loyalty and repurchase intentions. These include:

Leveraging Promoters

Sales managers can rely on promoters to be a driving force behind repurchase intentions and overall sales growth. The positive relationship between buyer promoter ratings and repurchase intention underscores the potential for promoters to serve as influential advocates who actively bolster the supplier's reputation. To capitalize on this, managers are advised to understand the motivations behind high ratings of 9 or 10 from promoters. Understanding the factors leading to these favorable ratings can guide targeted efforts to enhance customer satisfaction and loyalty. Managers should use one or more follow-on questions to gain an improved understanding of respondents' ratings (Reichheld, 2011).

Improving Passives

Customers identified as passive buyers with Net Promoter Scores (NPS) between 7 and 8 demonstrate a positive stance towards their purchasing experiences. With an average NPS rating of 7.5 on a 10-point scale for

their likelihood to renew their contracts, passives are not actively promoting their suppliers, but, importantly, they are not detracting from it by sharing negative feedback with peers in other companies. To effectively engage with this group, sales managers should initiate conversations by asking, “What influenced your rating of 7 or 8?” Understanding buyer rationale provides an opportunity to implement tailored strategies targeted toward elevating their future NPS ratings to the 9-10 range. A fundamental approach to enhancing their satisfaction could involve customizing communication strategies to align more closely with their expectations. Additionally, applying insight gleaned from the feedback from enthusiastic promoters could be instrumental in uncovering the goods and services satisfied customers value most. Solving this problem could help sales managers transition passive buyers to promoters, thereby improving overall customer advocacy. Bottom line: Managers should recognize the value of passive customers, as they represent a significant opportunity for nurturing a loyal customer base with less risk than detractors.

Addressing Detractors

Conversely, detractors pose the most significant challenge to continued buyer engagement and sales success. The negative relationship between buyer detractors and repurchase intentions underscores the need for immediate attention to reverse this trend. Managers should undertake a comprehensive analysis to identify and understand the reasons behind detractor ratings of 6 or below. Pinpointing these factors provides valuable insights for strategic interventions. For instance, recognizing that a significant percentage of detractors may attribute their ratings to the absence of value-added suggestions by the supplier identifies an area for improvement (Talbert et al., 2023). Managers can prioritize initiatives that focus on delivering meaningful value-additions to counter this concern and enhance overall buyer satisfaction.

Tailoring Strategies

Armed with these findings, sales managers can customize strategies to better align with buyer sentiments. Recognizing the potential impact of promoters and passives, as well as the challenges posed by detractors, managers can strategically allocate

their resources and efforts. This approach involves maintaining current promoters and enhancing products and services for passives, with the goal of nudging them towards becoming promoters. Additionally, it includes actively addressing the concerns raised by detractors, to mitigate potential pitfalls. Such an holistic approach influences repurchase intentions and shapes the long-term relationship between buyers and suppliers.

Continuous Monitoring and Improvement

Furthermore, these insights highlight the criticality of ongoing monitoring and consistent analysis of feedback from NPS respondents. This involves not only tracking the NPS scores but also delving deeper through follow-up questions. By routinely evaluating buyer sentiments and understanding the motivations behind their ratings, managers can proactively tailor strategies to meet evolving customer needs. This dynamic, iterative process enables managers to refine their sales tactics continuously, ensuring they stay attuned to buyer perceptions and preferences.

The implications for management of this approach are clear. It underscores the importance of cultivating positive buying experiences, swiftly addressing customer concerns, and building lasting relationships. Such efforts are pivotal in boosting the likelihood of repeat purchases and driving sustainable sales growth. This proactive engagement and adaptation based on customer feedback is essential for remaining competitive and maintaining customer satisfaction.

LIMITATIONS AND FUTURE RESEARCH

While this study provides valuable insights into the dynamics of buyer perceptions, sales interactions, and repurchase intentions, like all research, there are limitations. First, the study focuses on existing customer relationships within the context of large B2B sales deals. As a result, the generalizability of the findings to new customer deals remains a point of caution. To increase generalizability, researchers should sample a broader range of customer types (such as new customers), allowing a more comprehensive understanding of buyer behavior across various sales contexts. Second, while the NPS is a convenient and widely accepted metric, it comprises a complex set of perceptions and behaviors within a triadic classification (promoters/passives/

detractors). Researchers could delve deeper into multi-dimensional measures of loyalty that capture the nuances of buyer attitudes, behaviors, and preferences. Third, the absence of additional control variables or mediating/moderating factors limits our ability to fully account for the complexity of buyer-seller interactions. Exploring additional variables like buyer-seller trust, value of deals, length of deal, relationship length, the impact of industry or market segment or the presence of competitive alternatives would broaden our understanding of the mechanisms driving buyer repurchase intentions. Lastly, the study's cross-sectional design limits the examination of temporal changes and causal relationships. A longitudinal approach could offer deeper insights for researchers into how buyer perceptions evolve and how they influence repurchase decisions. Overall, the limitations identified in this study serve as steppingstones for future research endeavors, guiding the exploration of more intricate aspects of buyer-seller interactions and their influence on loyalty and repurchase behavior.

In summary, this research bridges theoretical perspectives and practical applications, emphasizing the strategic significance of understanding and addressing the needs of promoters, passives, and detractors to increase buyer repurchase intentions. By deepening our understanding of the practical applications of NPS and proposing methodological enhancements, the study enriches the discourse in sales research. It offers nuanced guidance for navigating the complex landscape of B2B sales interactions.

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