

NPS Level of Research-based Products of State Universities and Colleges in the Philippines

Lyka D. Lamoste*, Exedy C. Lampara, John Eric O. Estrellado, John Peter G. de Leon, Julius L. Meneses, Nilmar I. Moreno, and Jonathan C. Prado

Rizal Technological University, Mandaluyong City, Philippines

*ldlamoste@rtu.edu.ph

ABSTRACT

One of the trending business developments nowadays is the offshoot of innovative research products. Research-based products locally produced from state universities and colleges in different regions are very commendable in terms of products' quality, use of local materials, and even packaging. The products that are produced from these institutions are innovative from various ranges of categories (food snacks, candies, condiments, beverages, handicrafts, etc.) such as those products that one would be intrigued to try for its appealing labels and unusual use of ingredients. An example of these is tilapia ice cream, crispy okra, *tahong* (mussel) crinkles and many more. State Universities and Colleges (SUCs) should conduct regular market research on their products' marketability and consumers' preference to sustain its production. What is commonly being focused by most institutions is the process of developing and manufacturing products but not so much in the product's viability for commercialization. This study aims to assess the Net Promoter Score (NPS) level of researched-based products developed by different state universities and colleges in the Philippines. A survey research was conducted to random consumers and shoppers going around the SUC Fair event inside a mall. NPS was used to measure customer's level of satisfaction on the products they bought. Positive results were obtained from the consumers and they are more likely to be promoters of the products than just passive and detractor buyers.

Keywords

commercialization, consumers, innovation, NPS level, research-based products, SUCs

Introduction

Products that are innovative and creative are not just the only ingredient to be essentially feasible in the realm of business. Creativity contains thinking new thoughts, whereas innovation is the capability to apply creative thinking to the problems and opportunities. For universities, this course of innovation comes from the confinement of new business endeavors. In the Philippines, the Commission on Higher Education emphasized the relevance and advancement in research and innovation in the Philippine higher education institutions (HEIs) as an imperative tool for social and economic development of the country. The formation and viability of research products to turn them into commercialized intellectual property (IP) are being facilitated by different academic and research institutions [1]. Thus, it is being perceived that these institutions and their research activities and outputs are engines for community development and economic growth especially when their discoveries and output are

commercialized [2]. As mentioned by Phan and Siegel [3], universities can channel science and technology into commercially viable research products. However, in so many cases, creative and innovative product concepts and designs created by academic researchers do not translate into market viable products or services. In most circumstances, new products or services fail to generate adequate market demand. Thus, it is important to identify if the market can accept newly developed products before considering a complete launch. Market testing is considered to identify the market viability of a product [4]. For universities to gain ideas to succeed in bringing their research-based products in the market, there is a need to test the market and plan a launch accordingly and accurately. While some would rely on consultants or marketing strategists, some choose to study the market on their own by gathering feedback from friends or relatives, and by conducting small scale testing as well as in testing the market online [5].

Literature Review

The level of interest and demand from customers is ultimately what determines the success or failure of a product and the businesses responsible for it. For new products (businesses), with their small initial offerings, it's even more crucial; some businesses failed because they failed to gather feedback from the market (as an important stakeholder) and failed to hear the voice of customers. This results in a poor understanding of what customers need that leads to dissatisfaction [6]. Market acceptance as part of consumers' attitudes as an unobservable concept are affective that summarizes their willingness towards an object (commonly a product), situation, or a person and commonly being measured on a scale of like-dislike or favorable-unfavorable. Preferences and intention of consumers to purchase are commonly identified by asking this before fully commercializing a new product [6].

The creation and commercialization of new products are very multifaceted, and there are plenty of related factors that can affect consumers' acceptance, such as the consumers themselves like their personalities and attitudes, the products and services, and the factors concerning them - the environment. Sensory and market analysis were being used to study and describe consumer preferences for new products [7]. Consumers who are accepting new products in the market are commonly addressed as those who are in the phase of switching behavior. And in the market, consumers have many choices of products to choose the desired brand. Marketers and new

product developers are fighting for seizing consumers' preferences by meeting consumers' expectations related to the product such as quality, packaging, and other benefits of the product. Consumers have different requirements concerning their desired needs, perceived quality, perceived value, expectation, and image [8]. Also, a greater form of consumers' acceptance is the consumers' willingness to recommend the products to others. Studies show the implications of consumers' satisfaction are mostly comprehended at the extremes, and those who rate their preference and satisfaction to products high are prospective to be returning or loyal customers and might even promote the products, services or even the business to their companions. Further, they may benefit the brand by making optimistic feedback and commendations about the products to other prospective buyers. This indicates that consumers' will to recommend is another key system of measurement relating to consumers' satisfaction [9].

In this research, consumers' satisfaction towards research-based products were measured using the Net Promoter Score (NPS). NPS is being used to track scores for everything such as individual products, stores and even services. NPS has been widely implemented across industries as a way to measure impressions as well as the inclination of the market to recommend a product or a service to others [10]. The researchers considered the use of NPS to compare the research-based products to existing commercial products in the market as shown in Figure1.



Figure 1. Net Promoter Score
(Image Source [13])

Methods

A quantitative survey research design was used in this study. Convenience sampling method was also used to obtain feedback from random consumers in the event place. To measure the extent at which customers would be more likely to recommend the products, a Net Promoter Score (NPS) was used.

Methodology

The respondents were asked to rate how likely they would recommend the product to their friend or colleague in a range of 0 to 10 (0 as not at all likely and 10 as extremely likely). To determine how likely, it is that the consumers or respondents recommend the product, they were grouped as promoters, passives, and detractors to get the “Net Promoters Scores”. Promoters (score 9-10) are loyal enthusiasts who will keep buying and refer to others that would eventually boost the growth of the products. Passives (score 7-8) are satisfied but enthusiastic customers, who are vulnerable to competitive offerings. Detractors (score 0-6) are unhappy customers who can damage the brand and impede growth through negative word-of-mouth [12].

Data Analysis

In the three-day event, the researchers are able to gather one thousand five hundred seventy-four (1,574) respondents with different backgrounds. The summary of the responses is presented in Table 1.

Table 1 shows that 0.06% of the respondents (1 respondent) said that s/he will not recommend the new products to a friend or colleague. On the other hand, 32.21% of the respondents (507 respondents) said that they extremely recommend the products to their friends, relatives, and colleagues. This shows that the products produced by the SUCs are highly commendable.

After categorizing the responses, the respondents are grouped as detractors (score 0 – 6), passives (score 7 – 8), and promoters (score 9 – 10) using NPS.

The results revealed that 4.07% of the respondents are detractors as shown in Table 2. They are the unhappy customers who can damage the brand or product and impede the growth through negative word-of-mouth [11]. Compared with the other groups, there are less detractors among the respondents.

Table 1. Summary of the Responses

Score	Frequency	Percent
0	1	0.06
1	0	0.06
2	0	0.06
3	4	0.25
4	1	0.06
5	21	1.33
6	37	2.35
7	102	6.48
8	351	22.30
9	550	34.94
10	507	32.21
TOTAL	1574	100.00

Table 2. Results in Net Promoter Score (NPS)

Score	0 - 6	7 - 8	9 - 10
Frequency	64	453	1,057
Percentage	4.07	28.78	67.15
NPS			63.09

Discussions

The results show that 28.78% of the respondents are subtly satisfied with products, they are named as passive consumers. These passive customers are happy and pleased with the products but they are not loyal and vulnerable to competitive offerings [12]. This means that almost one-third of the customers may change their likeness to buy the product especially if there is a better offering from other competitors.

It is worth noting that more than two-thirds of the customers (67.15%) are promoters. These promoter customers are loyal and will speak favorably about the product, they will keep buying the product [12]. They likely refer the products to others, fueling the growth of the product.

Conclusion

For a successful new product venture and bringing innovations from the lab to the market developed by universities, it is also important to consider the customers' or consumers' pulse toward the product. The SUC Fair serves its purpose to connect universities as academic entrepreneurs with consumers as well as potential investors. The results obtained from the customers' feedback based on the NPS would indicate that the

consumers are more likely to be promoters of the products than just passive and detractor buyers. This would also mean that the products developed by SUCs from different regions are highly recommendable by the urban shop-goers. This positive result is a good indication for SUCs to promote, develop, and strengthen their research-based products directing to technology transfer and commercialization.

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