



OMNICONVERT

The smart marketer's guide to

Net Promoter Score





Intro

Before you can successfully create an optimization plan for your online business it is crucial to understand that customers are human beings, not simply users. They experience a collection of emotions that influence their purchasing behavior, including everything from frustration and distrust to satisfaction, happiness and excitement.

Depending on their own experience with your services, people will recommend you to their friends or, in the worst case scenario, give you a bad review that will influence other's future choices. This is why, it is essential to check your customer's opinion from time to time. It will help you keep the business updated to their needs and offer a tailored on-site journey.

This guide will teach you everything you need to know about Net Promoter Score - NPS- vital key performance indicator for any online business interested in developing a fruitful relationship with their customers.

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Table of contents

What Is Net Promoter Score?	4
Net Promoter Score Calculation	5
The Net Promoter Score Formula	8
Net Promoter Score Interpretation	8
Customer Satisfaction Surveys VS NPS	11
Real World Examples Of The Power Of NPS	14
How NPS Can Be Used To Drive More Growth	16
How to implement the NPS Survey with Omnicomvert	20
Conclusion	21

Loyal customers...

They're the holy grail of any marketing effort, and can radically impact the growth of any business. No amount of advertising can ever do more for your business than their heartfelt recommendations of your product or service.

But how do you acquire loyal customers?

Smart marketers know that the acquisition of loyal customers isn't a hit-and-miss incident. It's a deliberate, intentional process. Loyal customers who sing your praises aren't going to drop into your lap.

You have to earn them.

And to do this you need two things. First you have to know where your customers stand with you right now. Second, you need to know how to engineer experiences that will convert them into promoters of your product or service.

This is where Net Promoter Score (NPS) comes in. NPS is a key metric for your e-commerce business that has a direct impact on earning loyal customers by predicting customers' behaviour.

What Is Net Promoter Score?

This score reveals how many customers are willing to recommend a website to others. Show your customers personalized interactions based on powerful insights that will make them fall in love with your products and services. Make the best of the customer experience, and you will build your way to a profitable growth.



[Image source](#)

When Andy Taylor, CEO of [Enterprise Rent-A-Car](#), wanted to enhance customer loyalty efforts, he ditched the typical bulky customer satisfaction surveys. Instead, he used an approach that was aligned with the concept of the NPS.

The Enterprise team blasted out monthly polls that asked two simple questions; one about the quality of a customer's rental car experience; and the other if they were likely to rent from the company again. Also, the only responses counted and accepted were those from the most enthusiastic customers.

Because of its simplicity, this produced valuable data, fast. The company had ranked results for 5,000 U.S. branches within a week, which gave them rapid, real-time feedback on their performance and areas of improvement.

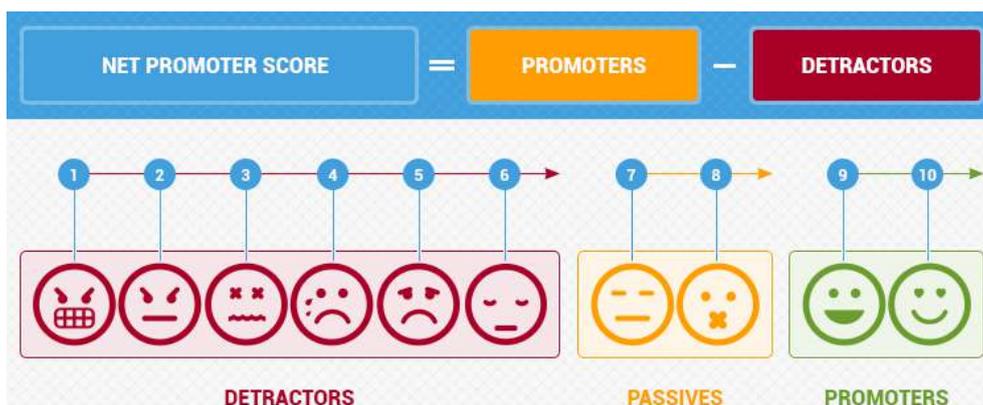
Inspired by this, Fred Reichland dived deeper into this style of loyalty assessment, and after years of research and testing, the Net Promoter Score system was birthed.

The Net Promoter Score is a simple metric that is deeply concerned with one thing: gauging customer loyalty. It was introduced by Fred Reichland's Harvard Business Review article ["One Number you Need to Grow"](#).

Net Promoter Score Calculation

The most suitable instrument to measure this score is the survey. You can use Omnicconvert to create your own NPS survey. With Omnicconvert, you can design two types of surveys: pop-up surveys (you can customize the appearance, use multiple templates and collect leads) and widget surveys (it can be positioned either on the right side or on the left side of the screen).

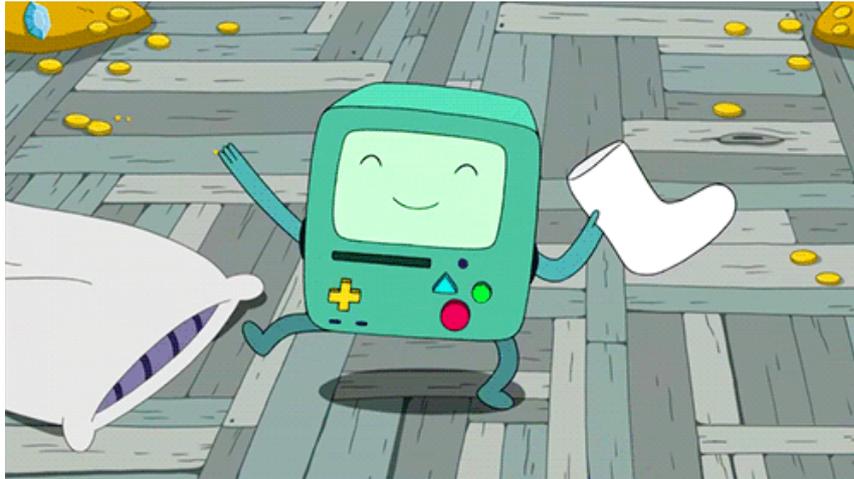
There is one main question regarding the NPS: **"How likely is it that you recommend [the company/website] to a friend?"**



In addition, for a more detailed analysis you can ask **“How likely are you to buy again from [the company/website]?”**.

After analyzing the answers from your surveys, you will identify three types of groups: **Promoters, Passives, Detractors**. Use a 0 to 10 points rating scale to measure the NPS. (0-not at all likely and 10- extremely likely).

Promoters



Score: 9-10

Promoters are very satisfied and loyal customers that will definitely recommend your website/company to others. It's a known fact there are less costs involved in managing a long term relationship with loyal customers than in the process of acquiring new customers. You can improve the relationship with promoters by constantly sending offers (vouchers, free ebooks, guides, etc.), post-order emails and a great delivery experience.

Passives



Score: 7-8

Passives are satisfied customers, but not very enthusiastic about their experience. Transform passives into promoters for a better NPS. Passives can also become detractors if not treated properly. Make sure this does not happen and do your best to deliver an experience that will make them promote your website.

Detractors



Score: 0-6

Detractors are unhappy customers, that will definitely not recommend your website/company to others. The negative Word of Mouth coming from detractors has a huge impact on profits, because whenever a customer feels mistreated, sales goes down. You might be meeting their needs at the moment, but they are prone to jumping ship if not treated properly.

The best way to go with detractors is to investigate why they had an unpleasant experience and why they will not recommend you. Knowing the answer, you can solve and improve that certain aspect and, in this way, transforming a detractor into a passive customer or even a promoter. Make them an offer they can't refuse!

"NPS is one of my favorite growth tactics. I use it two ways. First to fix detractors & passive (unhappy customers) problems by reaching out and offering help immediately after someone gives us 1-8 score. I found that 10-15% of people who answered 1-8 have small issues or user error that can be instantly fixed. It's a very easy & a quick win. The second way I use NPS is to turn my promoters into advocates. After all these customers are ready to promote you they just need to be told how or a small nudge. I offer these customers swag (free t-shirts, mugs, etc) and ask for help they can do quickly such as share on Facebook or Twitter, write an app store review, email a friend."

Sujan Patel VP of Marketing @WhenIWork

The Net Promoter Score Formula:

$$\text{NPS} = \% \text{Promoters} - \% \text{Detractors}$$

The NPS can have results between -100 (lowest NPS) and +100 (highest NPS). Having a negative NPS means the detractors outnumber the promoters of your company. A poor score might be a reason why firms cannot deliver high revenues and sustainable growth over years.

Net Promoter Score Interpretation

[SPG Consulting](#) provides a [rating scale](#) in order to help people interpret the Net Promoter Score:

The maximum attainable NPS is 100 and the lowest NPS is -100. Within SPG's database the average NPS is currently at 34.3. To help our clients' interpret their scores, SPG has created the accompanying rating scale.

Perfect: 100
Spectacular: 85 to 99
Excellent: 70 to 84
Very Good: 55 to 69
Good: 40 to 54
Average: 25 to 39
Mediocre: 0 to 24
Poor: -25 to -1
Terrible: -50 to -26
Abysmal: -100 to -51

According to them, the average NPS is 34.3.

In 2011, the average Net Promoter Score was 21, with a range of -26 to +51. But keep in mind that to accurately measure your company's position on the market, you'll have to use an [industry benchmark](#), as NPS scores vary depending on the industry. How else could you know if you have a good or a bad score? A 35 score can be a great NPS in the food industry, while in the fashion industry it can be terrible.

[Research from Bain and Satmetrix](#) shows that Net Promoter overachievers are among the most successful companies in the world. Companies with the highest Net Promoter Scores include USAA (82%), Homebanc (82%), Harley-Davidson (81%), Costco Wholesale (79%), Amazon (73%), eBay (71%), and SAS (66%).



(Graph depicting correlation between Net Promoter Score and revenue)

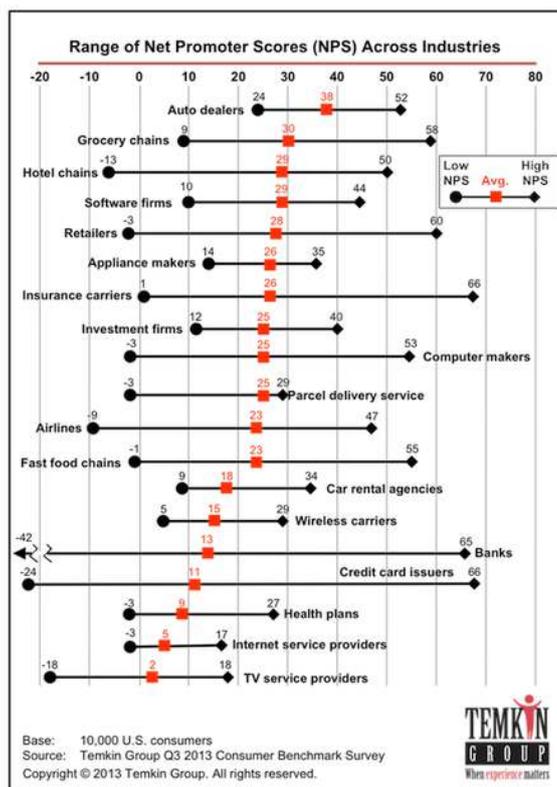
A [Satmetrix Net Promoter industry benchmark report](#) provides information about the NPS leaders in 2012 and 2011 from United Kingdom, United States of America, Germany and France. For example, **Amazon.com scores 76 in 2012**, in USA.

It's interesting to see the variations of the NPS for the same company in different countries. For instance, while in USA and Germany, Apple has a 71 and 70 score, in UK it scores 67. In France, **Apple has a 57 score**, with 14 points less than in USA.

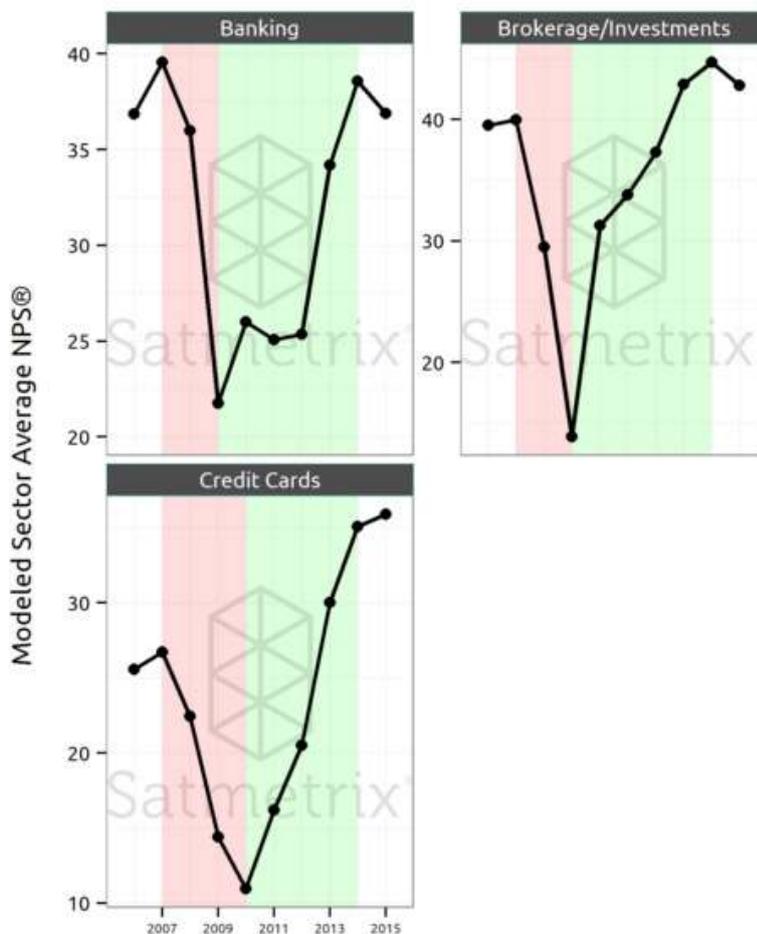
NPS Leaders – U.S. 2012		NPS Leaders – UK 2011	
Company	NPS	Company	NPS
USAA – Banking	83	Apple – Computer Hardware	67
Amazon.com – Online Shopping	76	First Direct – Banking	61
USAA – Auto Insurance	74	LG – Television	39
Trader Joe's – Grocery	73	Samsung – Television	35
Costco – Department Stores / Apple – Computer Hardware / USAA – Homeowners Insurance	71	Sony – Computer Hardware	30

NPS Leaders – Germany 2011		NPS Leaders – France 2011	
Company	NPS	Company	NPS
Apple / iPhone	70	Apple / iPhone	57
ING-DiBa – Banking	48	MAIF – Car Insurance	38
Sony – Television	37	Panasonic – Television	32
Panasonic – Television	36	Sony – Television	28
Samsung – Television	29	Samsung – Television	26

In a more recent report, published by [Temkin Group](#), you can see the variations of NPS for 269 companies across 19 industries. [Here](#) are the overall results for the 19 industries:



Another [study](#) shows that the average NPS fluctuated in the context of the global financial crisis. These three financial services presented below are now back on track and have recovered from the NPS depth:



Customer Satisfaction Surveys VS NPS



Customer loyalty and satisfaction are skeletal essentials for business growth. And in order for you to assess growth, you need to measure both. This is where tools like the NPS and [Customer Satisfaction Surveys \(CSS\)](#) come in.

A high Net Promoter Score is associated with a high [Customer Satisfaction Index](#). This happens because, most of the time, a happy and satisfied customer will tell others about their experience. Remember that Word of Mouth is a free, fast and trustworthy tool to promote your services and products.

NPS and CSI indicators

Because NPS and CSI are related, although they are totally different key performance indicators, many marketers tend to confuse them.

They both use customer feedback to develop and improve a loyalty system, but they solve different problems. Customer Satisfaction Index provides information about customer experience, while Net Promoter Score keeps track of how willing people are to recommend a website to friends and family.

Customer satisfaction surveys are common tools used to gain feedback from customers. They are usually sent to a customer after completing an interaction with a company – like after using a product, or contacting customer service. Unlike NPS surveys, CSS usually feature a group of questions that ask customers to rate how satisfied they are.

Contrary to customer satisfaction surveys, NPS surveys just ask how likely – on a scale of 1-10, a customer would be to recommend a product/service. Then, depending on the answer, customers are divided into promoters, passives, and detractors, to give an overall NPS score to reflect general customer loyalty.

So which one is more accurate/better for driving growth?

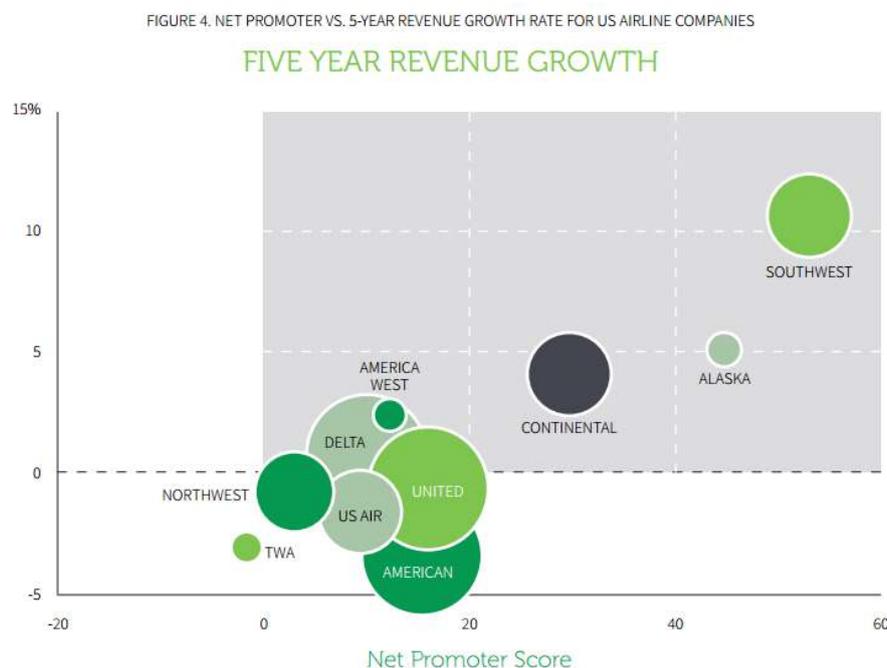
According to research from Fred Reichheld, conventional customer satisfaction measures are a “less reliable” means of gauging loyalty...“satisfaction lacks a consistently demonstrable connection to actual customer behavior and growth.”

In his [article in the Harvard Business Review](#), he cites a story where a car dealer spent millions on customer satisfaction surveys. After sending out the surveys, there was no strong correlation between the satisfaction rating of individual dealers, and dealer profits or growth.

Measuring loyalty with NPS surveys on the other hand, has proven to be more consistent with a company’s growth. Various case studies, whitepapers, and research point to the same conclusion:

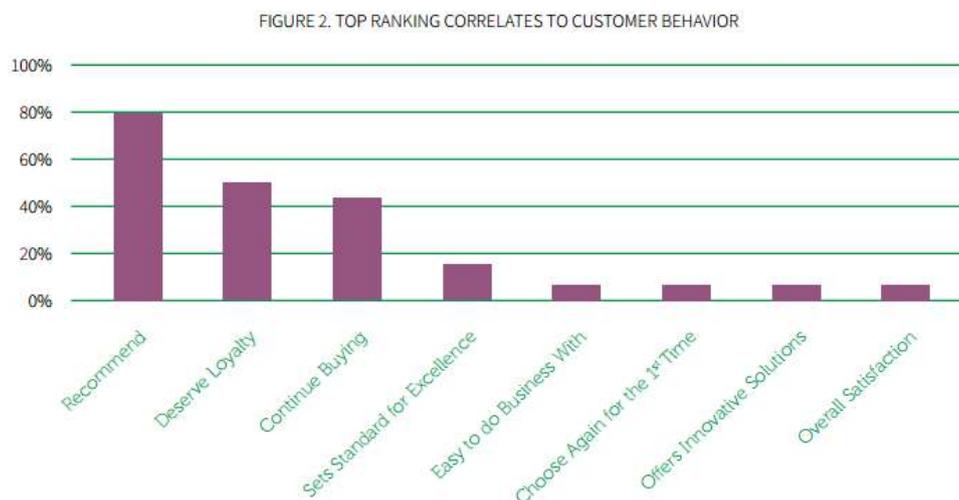
Companies with higher Net Promoter Scores show higher growth rates, and companies with lower Net Promoter Scores display lower growth rates.

Take for example in this figure below, which [depicts the NPS score](#) of various airline companies and their long-term growth rates:



Fred also [analyzed customer survey responses](#), and how they linked to a customer's referral and repurchase behaviour at 14 companies in six different industries.

Figure 2 illustrates the frequency with which each of the different loyalty questions emerged as the top correlate to actual customer behavior when testing these links across six different industries.



As shown above, he discovered that:

- Contrary to his previous hypothesis, a single loyalty question was enough to gauge customer purchase and referral patterns across different industries
- The “likelihood to recommend” question proved to be the first or second correlate to actual customer behavior 80% of the time
- Customers who said they were likely to recommend a company to a friend or colleague generated word-of-mouth sales. And they were more likely to repurchase. Customers who said they were not likely to recommend the company, didn’t generate referral sales and were less likely to repurchase.

To clarify, there’s nothing wrong with satisfaction as a measurement. Satisfaction surveys offer customers a way to give you a quick thumbs-up or thumbs-down on their experiences. But for measuring profitable, long-term customer loyalty and growth, they’re not as effective and reliable as NPS surveys.

“We have two top level goals: revenue and student happiness. [...] The metrics we look at on the revenue side are pretty straight-forward – actual purchases. [...] On the happiness side we look at NPS: the NPS of Udemy and the NPS of a course. We found that NPS was one of the strongest indicators for us of student happiness and ultimately found out that folks who enroll into better courses, higher NPS courses have higher LTVs(Lifetime Value) on Udemy.”

Dinesh Thiru VP of Marketing

Real World Examples Of The Power Of NPS

- Charles Schwab Entrusted with \$113 Billion in Net New Assets (While Other Firms Starved)

Financial services firm Charles Schwab, was struggling to stay afloat in 2004. Their costs were spiraling out of control, and stock price nosedived from \$40 to \$6. Things were looking bleak...

To combat this, Charles Schwab came out of retirement to take back the steering wheel. “We had lost our connection with our clients—and that had to change,” said Schwab.

Four years later [the tables turned](#). They reclaimed their authority as industry leaders and tripled their stock price. Revenue was lifted by 11%, the number of new brokerage accounts increased by 10%, and their NPS scores made a 25% leap. Schwab clients even entrusted \$113 billion in net new assets to the firm. And the most surprising thing?

All this occurred while the financial services industry was facing choppy waters.

“The beauty of Net Promoter is that it helps to simplify complex issues and helps people to make the right decisions. [It] makes people ask themselves: Is this the right thing to do for our customer, and is it economically appropriate for the firm?”

The NPS system played a key role in Charles Schwab’s revival, according to CEO Walt Bettinger

In 2012, after losing 64,000 subscribers, telecom company Optus needed to change their direction of growth. The telco lost 134,000 mobile customers in the last 12 months, with average revenue per user dropping 4.4%.

In response, the company launched customer-focused initiatives and worked on [improving NPS](#).

The results?

New complaint numbers dropped by 50%, postal return went down 1.4% and their Net Promoter Score jumped up by six points. Optus said “This has put Optus’ benchmarks for customer experience into positive territory for the first time in a number of years”.

Rackspace Continually Reaping Benefits From The Net Promoter System

Rackspace is a company in the wildly competitive cloud computing and hosting business. In 2011, their revenue exceeded \$1 billion and annual growth went up over 30 percent. The key point of difference that separates Rackspace from competitors, says CEO Lanham Napier, is the “fanatical support” it offers customers. And guess what?

The process used to measure and manage “fanatical support” is the Net Promoter system. “The goal of fanatical support is to create customers who are promoters. The creation of loyal promoters not only reduces customer acquisition costs, it improves retention rates and inspires our Rackers [employees]. We have witnessed these results firsthand.”

“At Mention we use NPS data gathered both by email and within the app for a few purposes. Firstly, if a high score is awarded, we ask the user if they would like to review our application. This allows us to encourage our happiest users to share their thoughts on Mention. If a low score is given, we ask the user for a reason. This allows us to pin-point specific issues for customers, which helps us lower churn on an account specific basis. Additionally this data is associated to the user ID in our tracking systems, so we can see trends in our data for long term improvements. This allows us to answer questions such as: “Are X type of users happy with the application?” (X being any unique factor of a subset of our customers), “Are unhappy users utilizing or not utilizing a specific feature? Which?”, “What are the most common pain-points for churning users?”

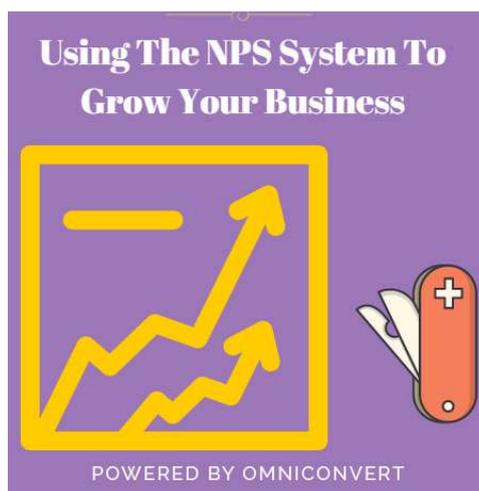
Benjamin Kimo Twichell – Marketing Manager for Mention

How NPS Can Be Used To Drive More Growth

Regularly assessing the NPS of your company will help you consistently improve. You'll glean valuable insights from every single question, and because the process is simple, you'll get actionable insights faster than satisfaction surveys.

Using NPS, you can drive more growth by:

- **Segmented Marketing**



Historically, “divide and conquer” has been a great way to gain political power. It’s also a great way to boost marketing power.

A testament to the power of segmentation comes from online retailer, Totes Isotoner.

They noticed most online shoppers came to their site and repeatedly visited one category more than others. So they reached out to those shoppers with segmented email marketing pitches about their favorite category. Their results were astonishing to say the least...

They received a [7000% increase in email marketing revenue](#).

Also, when Mailchimp analyzed the open rates of 9 million emails, they found that segmented campaigns have a 14.4% better open rate than non-segmented campaigns.

By breaking down your customer loyalty levels into 3 different groups, NPS surveys leave you primed to better identify the pains and desires of your customers. This way you are able to maximize ROI when sending marketing messages.

- **Field Testing Ideas**



[Grohe](#), a European manufacturer of premium kitchen and bathroom fixtures, wanted to measure whether new approaches its sales reps were testing worked. Once these new approaches were proven to yield results, they would either be eliminated or rolled out systemwide.

In one example, the company recorded how often sales reps visited their customers, and what effect the number of visits had on NPS.

It found that three visits were optimal, and scores began to drop with more frequent contact. Using this information, Grohe cut back on unproductive calls and freed up nearly 25% of its selling capacity. Not bad, right?

Fixing The Most Painful Problems

It's hard to find something that details the step by step example of how NPS improved a company. Fortunately, [Groove has published one](#).

Founder Alex Turnbull documents the insights and lessons learned from measuring Groove's NPS for the second time. He learned a ton about how users perceive Groove, how they compare it to competing services, and what irritated them the most.

After fixing problems that detractors mentioned in a previous NPS survey, he bumped his NPS score up by 46%.

Win: NPS Up by 46%



Going from a Net Promoter Score of 11 to 16 is a big, big win. While there are many companies with far higher scores, we made a big jump in an important customer loyalty benchmark.

- **Motivating Your Team To Perform Better**

The NPS system is all about customer loyalty, which is paramount in any business. Customer loyalty can be described as the skeleton, the scaffold, the superstructure, for growth. But creating a company that maintains loyalty isn't an overnight thing...

Every pore of your company must be receptive to your customers and improving their experiences. And that includes employees in every department.

During Enterprise's period of tweaking and improving, CEO Andy Taylor wasn't satisfied. He felt branch scores were not improving quickly enough. There was also a large gap between the best – and worst – performing regions.

To overcome this, Andy and the team used a system where field managers would not be eligible for promotion unless their branch matched or exceeded the company's average scores.

Sounds extreme doesn't it? Giving customers veto power over managerial promotions and pay rises?

Well, this step closed that costly gap and significantly boosted the company's growth. In his article, Fred Reichland reports that "Taylor cites the linking of customer feedback to employee rewards as one of the most important reasons that Enterprise has continued to grow, even as the business became bigger and, arguably, more mature."

Enterprise didn't just look at the NPS system of emphasising loyalty as something separate to the company. They infused the ethos into their company; and let it saturate important interactions, causing their growth rate to soar.

You must do the same.

To gain the maximum benefit out of the NPS system, make your employees embrace the NPS spirit by tying their actions and performances to it.

The international fashion retailer, [Bfashion](#), used the net promoter score to improve their business plan and develop a personalized approach for loyal customers.

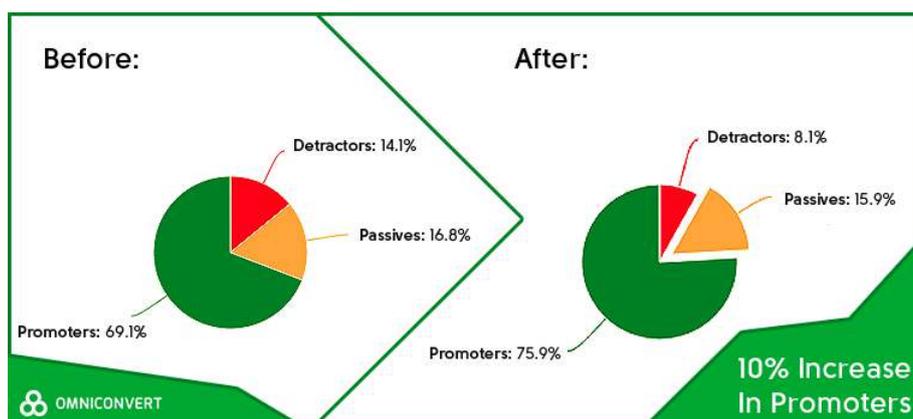
They used Omnicomvert to drive this optimization plan. First, we measured the Net Promoter Score with a survey. Then, we analyzed the results and realized that we needed to focus on the most loyal customers.

Therefore, we helped BFashion create a loyalty program based on the RFM Model, including 12 benefits such as:

- personal virtual assistant;
- priority support for specific customers;
- review on the new collections;
- printed thank-you letters;
- courtesy call post-order.

We were able to personalize the customer experience on site with our advanced segmentation engine and the personalization feature that allowed us to target only specific sub-segments of traffic.

Finally, the Net Promoter Score increased the second time we measured it due to the actions that BFashion took to improve their relationship with their top customers. Here's how it changed:



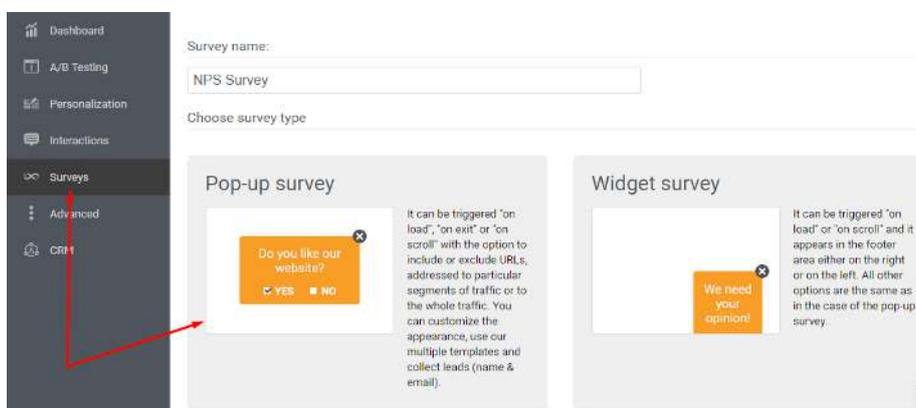
How to implement the NPS Survey with Omnicomvert

If you're reading this, chances are you want to gain conversion-boosting customer feedback and optimize your website. If so, there's no better tool than Omnicomvert (I'll tell you why in a second).

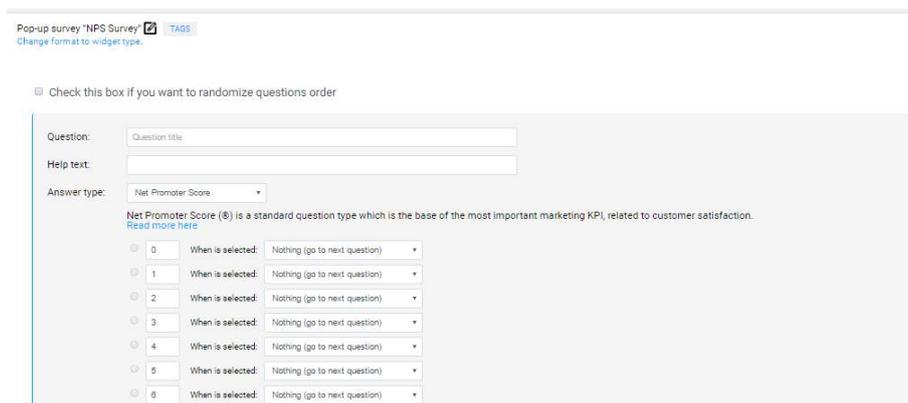
But first, I'd like to show you an example...

Here's how online marketing community [Inbound.org](https://www.inbound.org), can find out their Net Promoter Score In 3 simple steps:

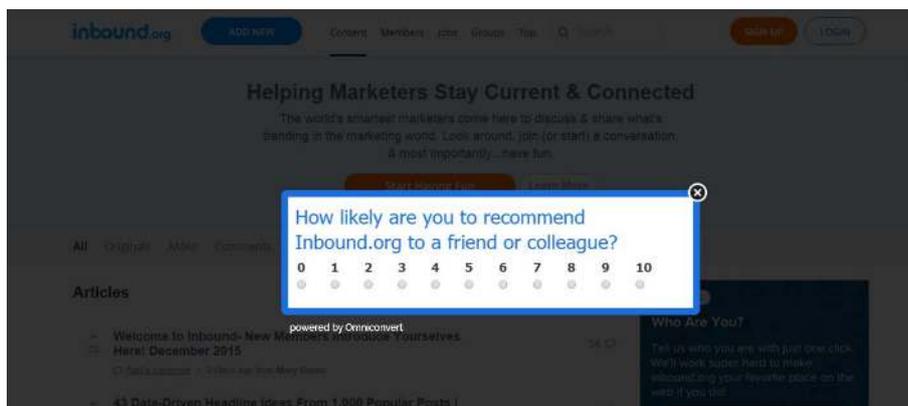
1. Log into Omnicomvert and choose how you want your survey to look like: pop-up or widget:



2. Type in your question and choose NPS type of survey, then customize or hit publish:



3. This is how the NPS pop-up survey will appear on the Inbound.org website:



It's easy as ABC. Lets recap how to check your NPS with Omnicomvert:

What differentiates Omnicomvert from other NPS Tools is that it's actually not just an NPS tool. It's a complete conversion rate optimization tool that lets you run A/B Tests, advanced surveys and personalization experiments.

Which means, not only will you find out your NPS, but – with our all-in-one package – you'll be primed to immediately implement tweaks based on valuable customer feedback. And you won't have to waste time hopping between different testing tools.

Conclusion

The Net Promoter System isn't some magically charged method for boosting loyalty. Its effectiveness comes from uniting employees under the umbrella of doing what's best for the customer, and being responsible for that. It allows companies to not just gather data, insights, and feedback, but to act on it. That's where its power lies.

eCommerce Optimization Grader

Now you know that one way to improve the relationship with customers is through the help of NPS. Yet, if you want to grow your business the first step is to analyze the current status of it and investigate what needs to be changed.

To help you figure that out, we designed an **Ecommerce Website Optimization Grader**.

Discover how well optimized is your Ecommerce website is by completing this 10 minutes grader.

Compare your results against the biggest players in eCommerce such as Amazon and Asos to see if you outscore them.

[Complete the Ecommerce Grader](#)