

For rapid assessment and real-time adjustment, many companies utilize the Net Promoter Score. Created by long-time Bain & Company consultant Fred Reichheld this system is now utilized by a majority of Fortune 1000 companies

Net Promoter Score

How likely would you recommend product or service X to a friend or colleague?



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The Net Promoter Score is based on a simple and intuitive score –utilizing one question. The Net Promoter Score, or NPS, provides a bottom line metric-- like Net Profit or Net Worth—that can become a focal point for organizational learning and improvement

Net Promoter Score (NPS)

Our Goal:

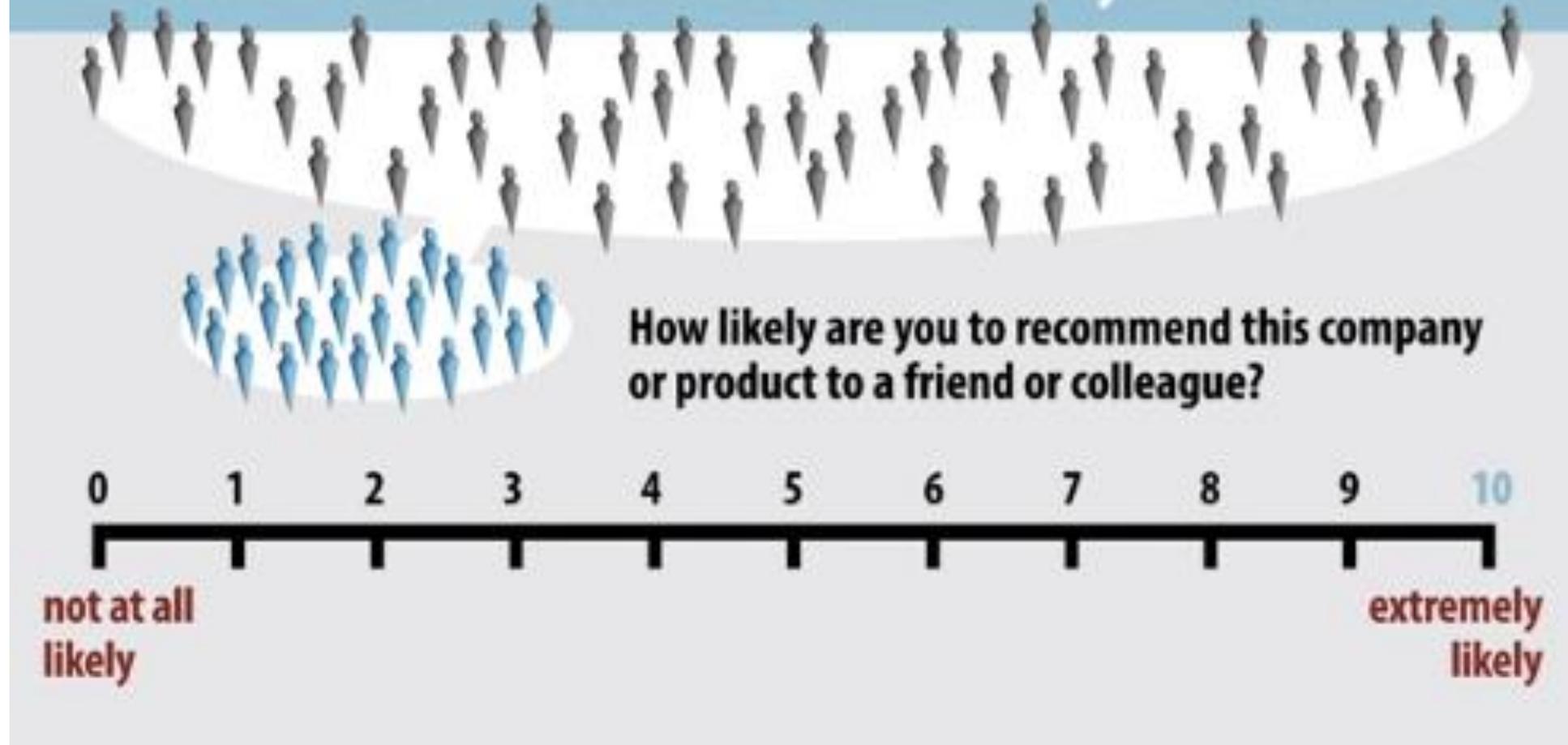
Understand what a NPS is

Learn how to calculate a NPS

Learn how to interpret a NPS analysis

Use NPS to accelerate profitable growth

What is a Net Promoter Score? How do you calculate it?

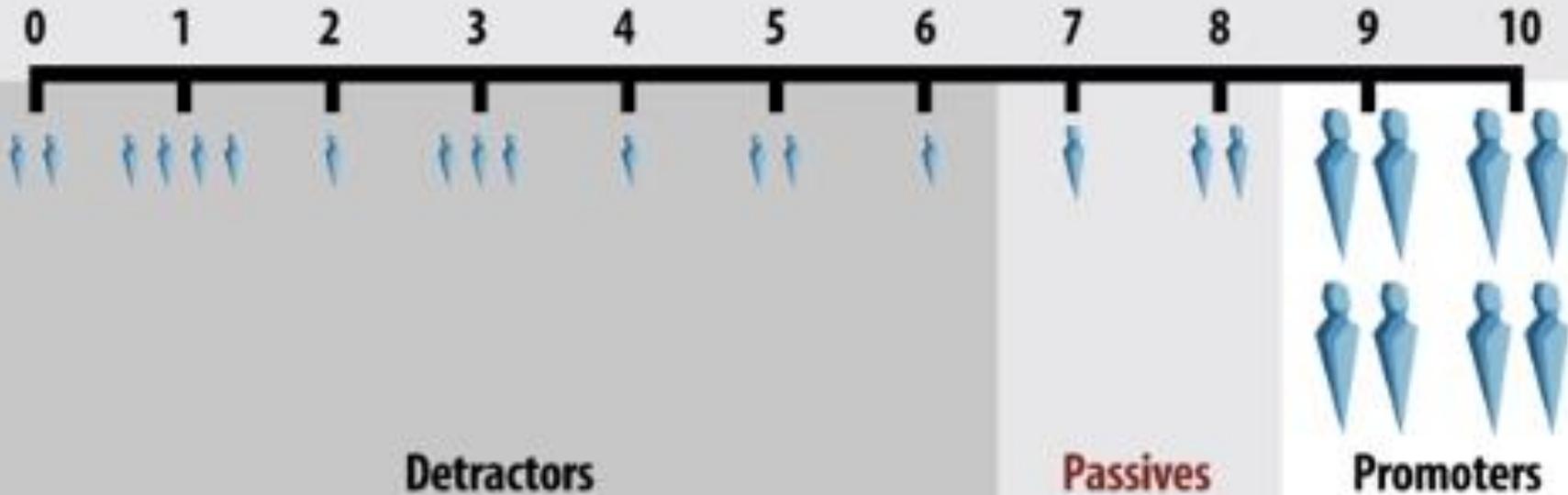


NPS is calculated based upon a sample of customers' responses to the following question: How likely are you to recommend [company X; or product Y] to a friend or colleague? Respondents answer on a scale of 0-10, with 0 meaning "not at all likely," and 10 "extremely likely"

What is a Net Promoter Score? How do you calculate it?



How likely are you to recommend this company or product to a friend or colleague?

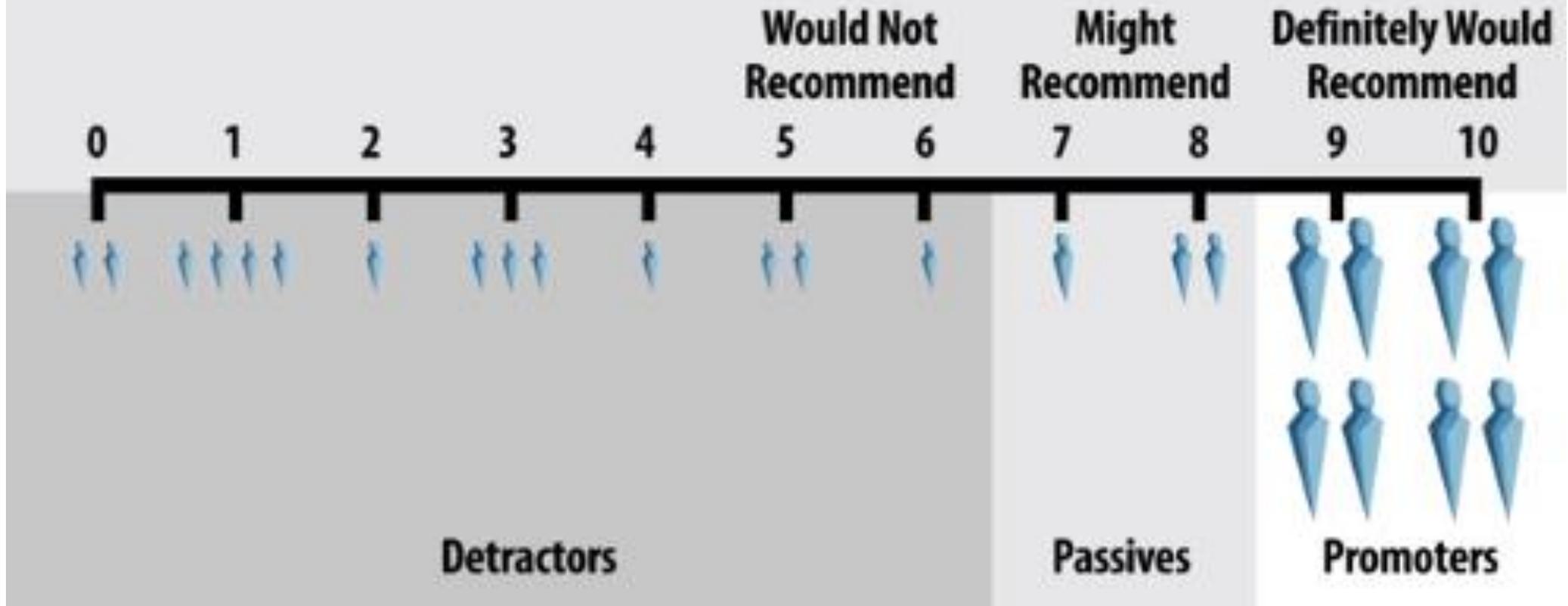


Promoters: promote company's success

Passives: not assets or liabilities to the firm

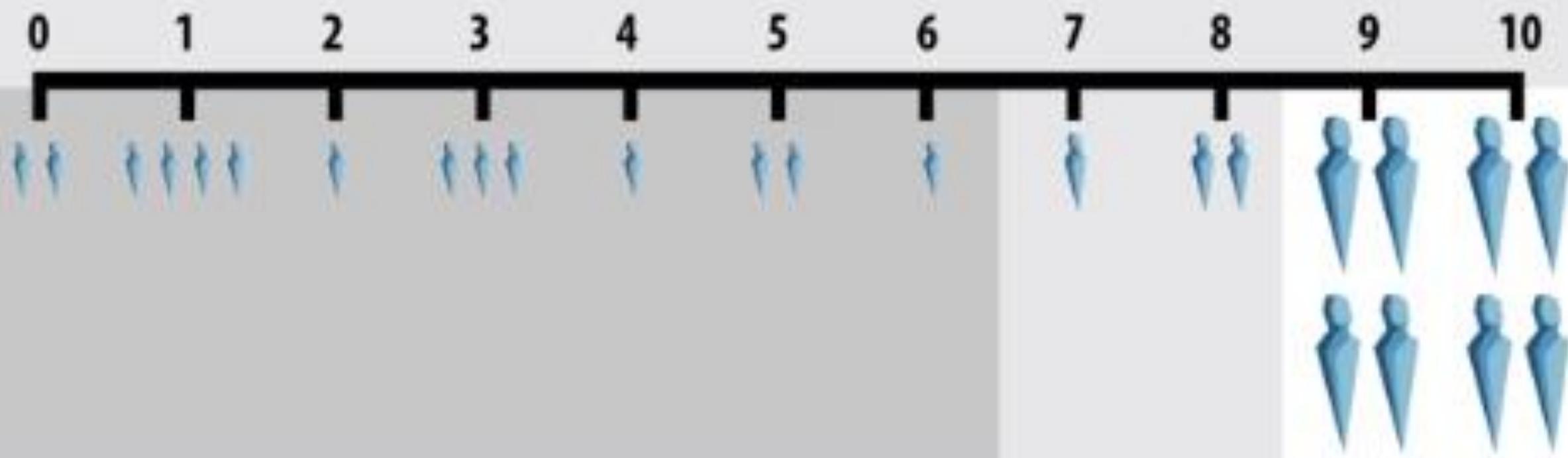
Detractors: likely to steer friends and colleagues away from your company or product

What is a Net Promoter Score? How do you calculate it?



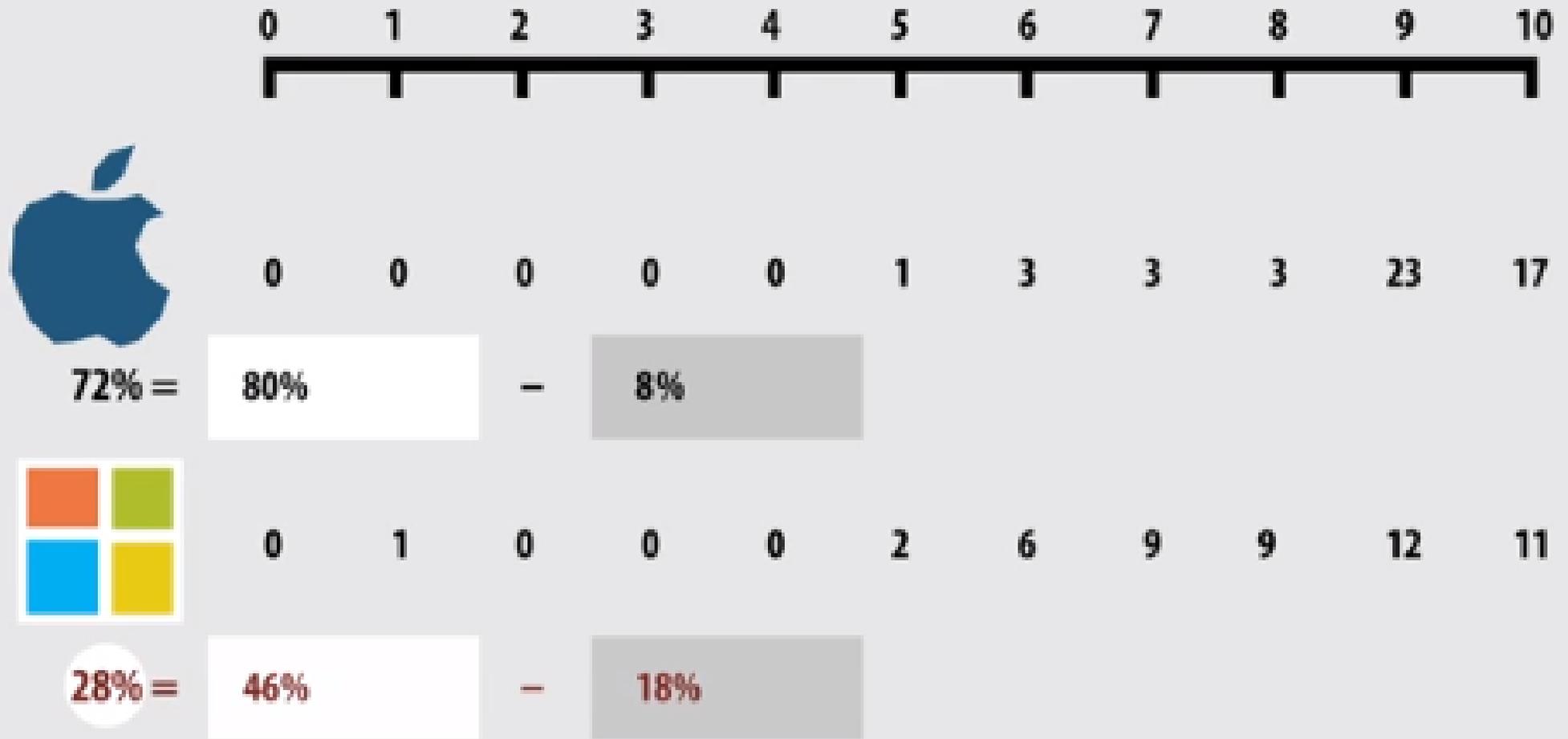
This labeling might help more clearly segment customers into promoters, passives, and detractors and clear any confusion on what each number means

What is a Net Promoter Score? How do you calculate it?



$$\text{Net Promoter Score} = \% \text{ Promoters} - \% \text{ Detractors}$$

Net Promoter Movement



NPS between Mac and PC from a population of customers who are college students

What is a good Net Promoter Score?

NPS 90%

World Class

70%

Very Strong

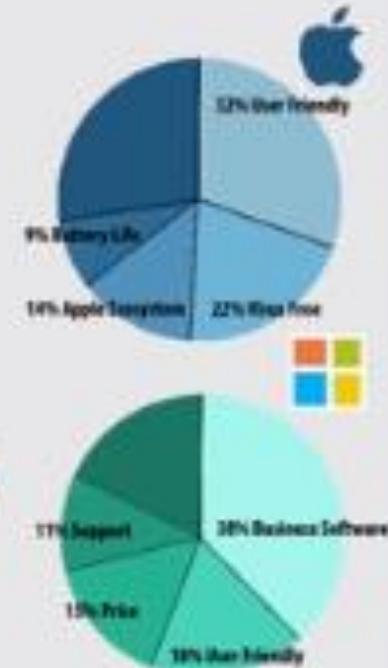
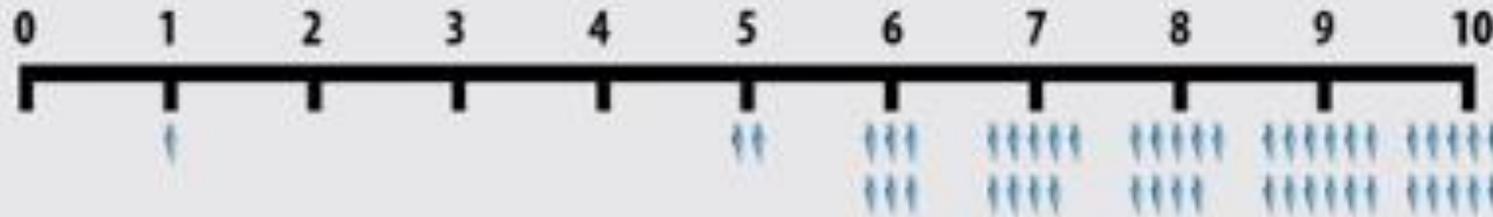
60%

Other metrics are if you're NPS is above your competitor's score and growing, as well as +10% your leading competitor

NPS follow-up question.



What is the single most important reason for your score?

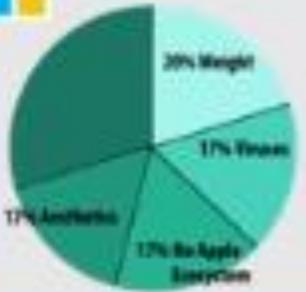
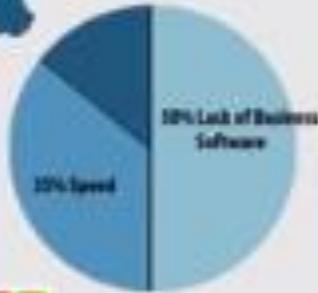


It is important to ask the above follow-up question to gain insight into WHY customers are giving it the ratings that they do

NPS follow-up question.



What is the single most important reason for your score?

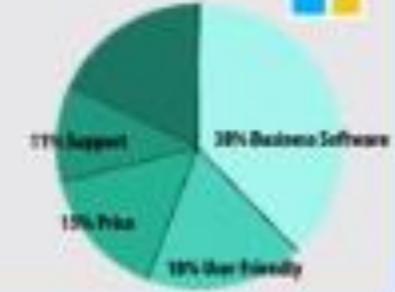
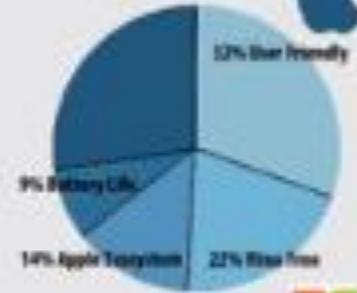


TURN OFF

- 50% Lack of Business Software
- 35% Speed
- 20% Weight
- 17% Viruses
- 17% No Apple Ecosystem
- 17% Aesthetics

WIN

- 32% User Friendly
- 22% Virus Free
- 14% Apple Ecosystem
- 9% Battery Life
- 38% Business Software
- 18% User Friendly
- 15% Price
- 11% Support



With this data, we can see the aspects that 'win' with customers and aspects that turn them off. This type of data can help in providing direction in how to change a product or service to make it more attractive to customers.

Be aware of the population you are surveying



In order to draw proper conclusions from your net promoter score analysis, it is critical to ensure that you have a representative sample of customers. Be sure that you don't make conclusions for customers throughout the United States if your sample only includes individuals from Florida

Draw Proper Conclusions from your NPS



72%

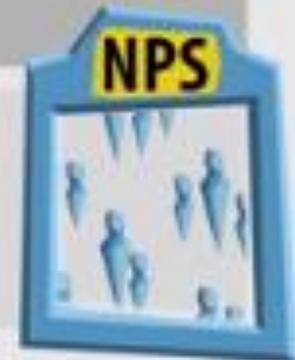
College Students

47%

Business Executives

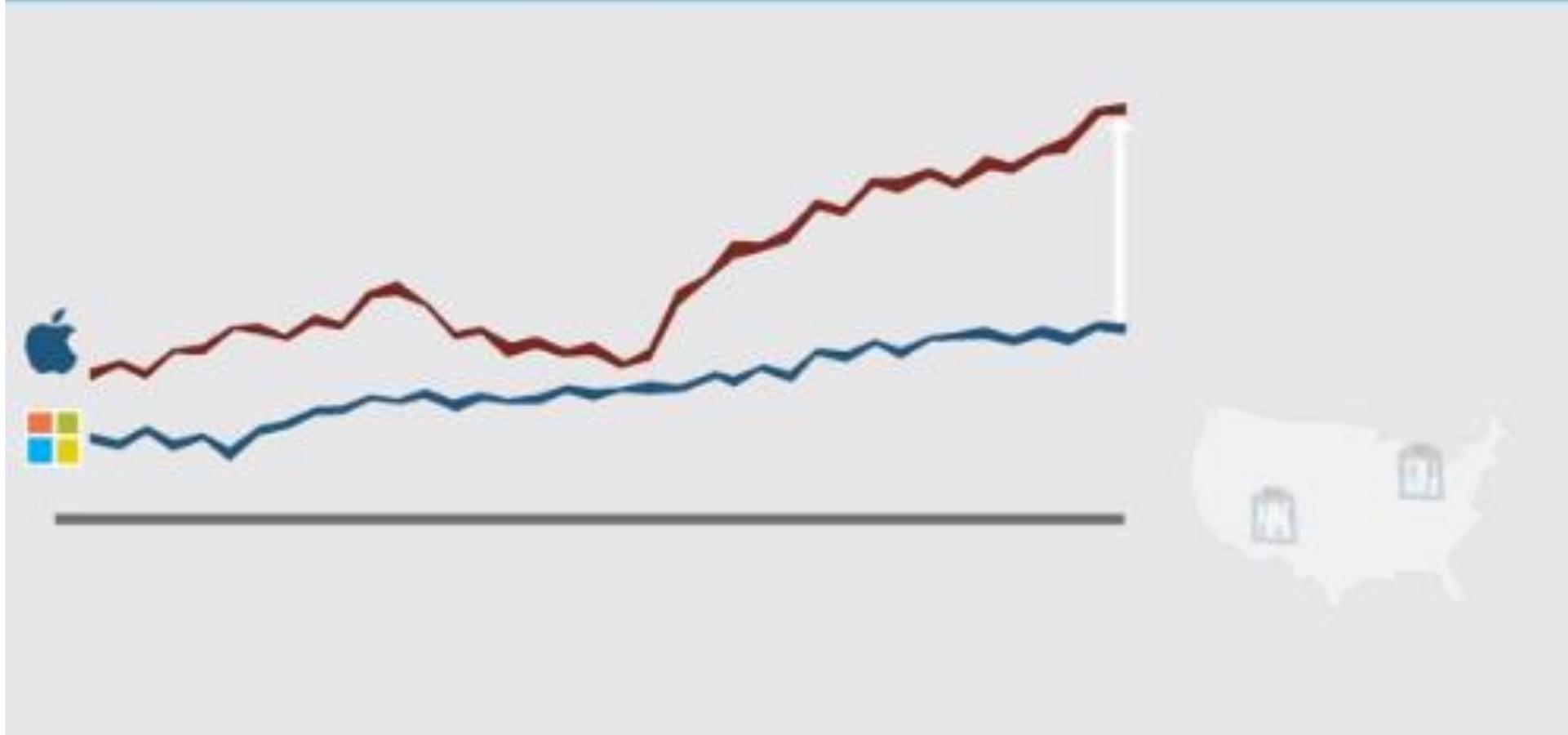
58%

Stay at Home Moms



Sometimes you may want to see how a company's net promoter score differs among different customer segments. Apple may want to know how its NPS differs between college students, business executives, and stay-at-home moms. As a result, Apple would need to compile separate results for each of these different customer segments

Net Promoter Score Over Time



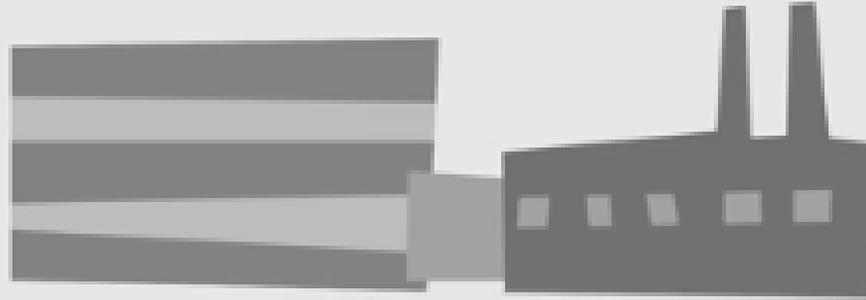
Collecting NPS data over time can provide insight into important trends. We can compare the scores for the Mac versus PC over a period of quarters or years. If Apple sees the gap between themselves and PC diminish over time, they can examine the reasons for the change

Net Promoter Score is a Useful

Strategy



Execution



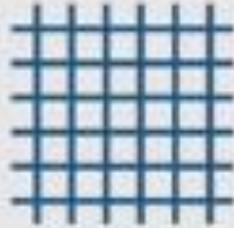
No matter how good your strategy is in theory, the real test is how well it is executed—and it is here that NPS can be a particularly useful tool

Net Promoter Score is a System of Management

Inspire



Metric



Customers



Growth



With a common framework, language and philosophy, all levels of the organization can remain focused on one objective: strive to enrich the lives of customers. This not only inspires team members to give their best, it provides a metric to help the company know if it is meeting its goal to delight customers—which is a formula for profitable growth