

CHEAT SHEET

NPS®

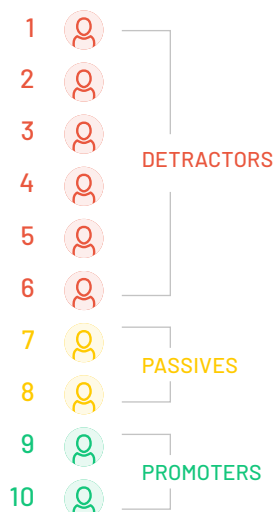
What is NPS®?

NPS® stands for **Net Promoter Score**. It's a customer satisfaction benchmark that measures how likely your customers are to recommend you to a friend or colleague.

What Does NPS® Signal?

- ✓ Are your customers satisfied or are they at risk of churning?
- ✓ How are your customers' opinions trending over time?
- ✓ What changes do you need to make?

NPS® Breakdown



How to Calculate NPS®?

STEP 1

Survey Your Customers

To calculate your NPS®, you must first survey your customers. NPS® is the answer to the question:

On a scale of 0 to 10 how likely are you to recommend [Company] to a friend or colleague?

STEP 2

Categorize the Responses

The responses to this question can be categorized into three groups:



Promoters: Customers who answer the question with 9-10. These are loyal enthusiasts who are likely to keep renewing and to refer your product/services to others.



Passives: Customers who answer the question with 7-8. These are satisfied but unenthusiastic customers who can be particularly vulnerable to competitive offerings.



Detractors: Customers who answer the question with 0-6. These are unhappy customers who are at risk for churning and have the potential to do damage to your brand through negative word of mouth.

STEP 3

Calculate the Score

Determine what percentage of your responders are promoters and what percentage are detractors. Then, subtract the detractors percentage from the promoters percentage to figure out your NPS®.

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

Your NPS® score will fall inside a range of -100 to +100. A positive score is a generally a win, as this means you have more promoters than detractors. But overall, a good score depends on industry, company size, business maturity, etc. For example, consumer products usually score higher on NPS® than B2B products. The most important thing is to benchmark against yourself to make sure you are improving.

NPS® Follow-up Actions

Promoters

- ✓ Investigate the reasons that they are having a positive experience.
- ✓ Ask them to share their experiences on review sites.
- ✓ Have them join a referral or advocacy program.
- ✓ Show your appreciation by sending a small thank you.

Passives

- ✓ Look into which features they are using to see what might be causing friction.
- ✓ Reach out with advice and help resources on those frequently used features. Over-service these customers to demonstrate you're an experience that isn't easily matched.
- ✓ Ask them what can be done to make the product and their experience better. Remember that satisfaction isn't the same as happiness.
- ✓ Be aware of how close their renewal is, intimately know what their competitive options are and what factors might be most likely to sway them. Passive customers are open to alternatives (and are often price sensitive), so you need to approach their renewal with a clear plan.

Detractors

- ✓ Respond as soon as possible acknowledging their feedback on the NPS® survey.
- ✓ Ask a lot of questions about their experience and address their concerns. Over passives, detractors are more likely to be your next promoters; your strongest detractors are not all that dissimilar to your strongest promoters. They are both vocal and passionate something is just missing from the detractors' experience.
- ✓ Follow up to resolve issues and provide updates on feature requests.
- ✓ Re-survey in a few months to see if anything has changed.

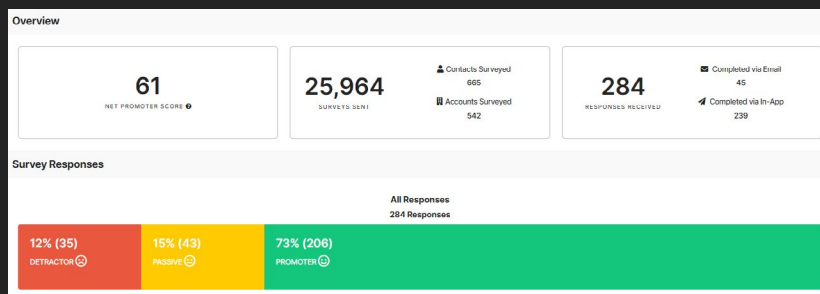
When to Survey Your Customers?

Aside from just routinely surveying your customers here are some moment in time opportunities:

- + **Before/after** a subscription renewal
- + **End** of a free trial
- + **After** customer onboarding or training
- + **After** X interactions with Customer Success
- + **After** a new product launch
- + **After** a closed support ticket

NPS® Best Practices

- + Follow-up with each NPS® response you get, even if it's just with a simple email. Customers will not continue to provide feedback if they don't feel like they are being heard.
- + Measure regularly not just once. Opinions and products both change over time.
- + Determine the timing and frequency of your NPS® surveys. We recommend anywhere from once year up to once a quarter.
- + Don't send the survey too early in the customer lifecycle. Give your customers time to experience your product.
- + Don't just batch and blast NPS® to all customers. Instead send based on lifecycle or behavioral triggers.
- + Ask a follow-up NPS® survey question. For example- "What was the most important reason for your answer?"



NPS® in ChurnZero

ChurnZero has integrated NPS® surveys and we deliver it through email and within your app. Multiple delivery methods result in higher response rates. The integrated NPS® contributes to the health scores, trigger alerts and can launch automated campaigns.