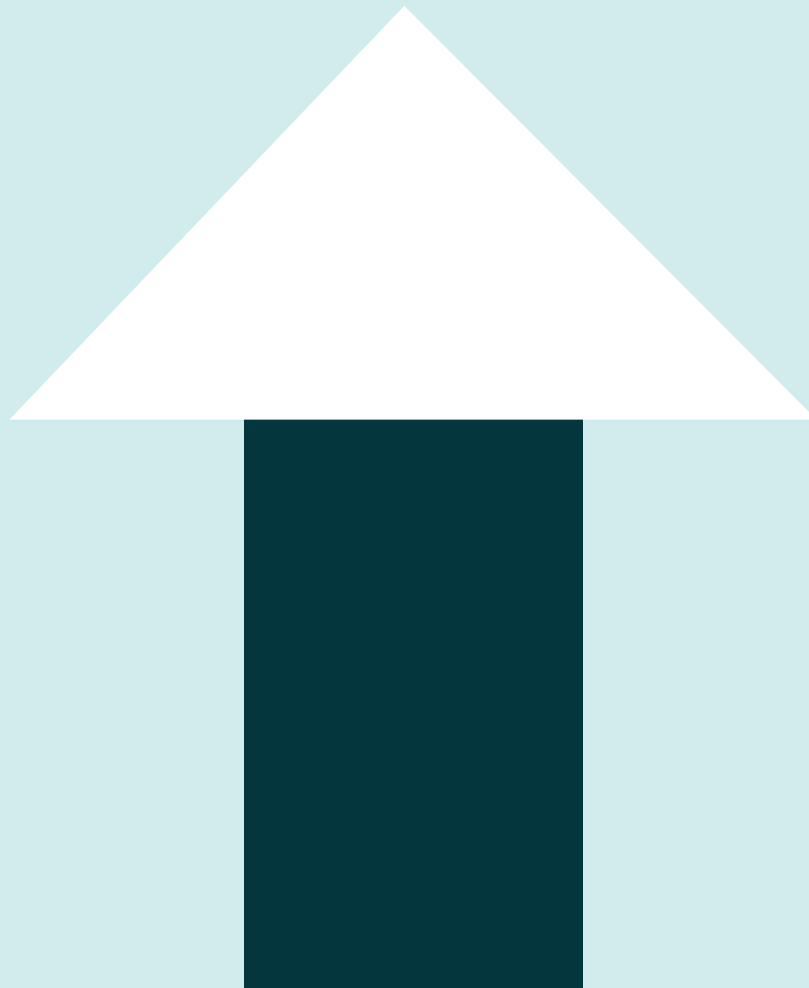


Zendesk Research

Net Promoter ScoreSM



Abstract

Net Promoter Score®

This report explores a metric available in Zendesk: Net Promoter Score® (NPS), which helps companies measure customer loyalty. Based on 103,000 NPS responses, our initial NPS data analysis reveals what a good NPS number looks like and the type of customer feedback a company can draw from sending an NPS survey.

Early findings reveal a global NPS of 33. Looking beyond the score itself, we found that 53% of survey respondents left open-ended feedback. Analyzing that qualitative feedback gave insight into how a great customer service experience can impact long-term customer loyalty.

Net Promoter Score®

Measuring customer loyalty

Zendesk introduced a Net Promoter Score® (NPS) survey tool to help companies gauge and predict their customers' long-term satisfaction. NPS is essentially a metric that measures customer loyalty. Tracking metrics like NPS over time can help a company quantify customer sentiment and gather valuable feedback that's critical for an organization's long-term success. Through a one-question survey (Fig. 1) that asks "How likely are you to recommend my company to someone you know?," a business can quickly identify which customers are their biggest evangelists and which ones are churn risks.

FIGURE 1: NPS survey from Zendesk



zendesk

How likely are you to recommend
Zendesk to someone you know?

0 1 2 3 4 5 6 7 8 9 10

Not at all likely Extremely likely

Powered by [Zendesk](#) [Unsubscribe](#)

The value the survey provides is both in the quantitative and qualitative data it supplies. The ratings aggregate to form a company's NPS, which can be tracked and improved over time. Additionally, the open-ended feedback a customer can leave behind becomes a wealth of insights into how your customers really feel about your company and its products.

> [Learn more](#) about the origins of NPS.

The beginning of an NPS benchmark

Our initial findings are based off of 103,000 responses to NPS surveys sent by 230 companies during our NPS pilot. A company must have received a minimum of 20 ratings back from their customers in order for them to be included in this report, which provides a sneak peak into our early results but is not meant to serve as official benchmark numbers. When we've obtained a statistically significant sample of responses, we will make our official NPS benchmark metrics available.

Aggregating this early data set yields an NPS of 33 across companies in 22 countries and 16 industries. If you're unfamiliar with the calculation of NPS, a company's NPS is aggregated by first categorizing customers into three groups based on the rating they select on the 0–10 scale:

- Customers who gave the rating 0–6 are detractors, indicating a dissatisfaction with your company. They are more likely to discourage friends or colleagues from using your product and services.
- Customers who gave the rating 7–8 are passives, indicating that they are not likely to actively recommend your company to others.
- Customers who gave the rating 9–10 are promoters, indicating that they are likely to actively recommend your company to others.

The score is then calculated by subtracting the percentage of detractors from the percentage of promoters¹ (Fig. 2). When we look at the NPS distribution, we see that ratings tend

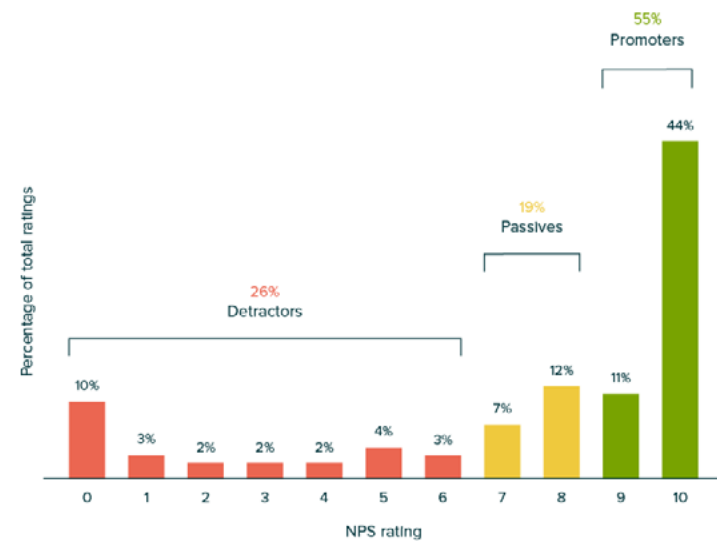
FIGURE 2: NPS calculation



to skew to either end of the 11-point scale with a total of 58.2% of responses rating either 0 or 10 (Fig. 3). When we group the ratings by the proportion of respondents that fall into each NPS category (promoters, passives, detractors), we find that 55% of respondents are promoters.

While a global NPS measurement is certainly an interesting statistic, customer sentiment and loyalty can vary depending on the type of customer and style of interactions. Zendesk customers use our product in a variety of ways. The majority of use cases are more traditional customer service scenarios—a company providing support to other businesses or individual consumers. But some of the organizations using Zendesk are internal teams, like IT and HR groups, providing support to other departments.

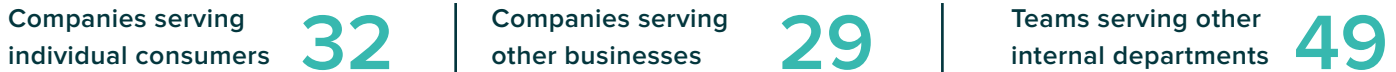
FIGURE 3: Distribution of NPS ratings



Although NPS surveys are more commonly used to measure relationships between businesses and their external customers, internal teams especially in larger organizations have also found value in using NPS surveys as a method of gathering insightful user feedback. When we break down NPS results of companies based on the type of customers they serve, we see that the NPS of businesses serving individual consumers is higher than those serving other businesses (Fig. 4). But the highest NPS comes from teams serving other internal departments. It seems to make sense that NPS respondents are more inclined to give their colleagues higher NPS ratings than to companies they do business with.

¹ The reason the NPS benchmark does not equal the total % promoters minus the total % detractors is because for the benchmark we perform the calculation for every customer, then take the median NPS across all customers.

FIGURE 4: NPS segmented by type of customers served



One of the world’s largest hotel price comparison sites, trivago, wanted to uncover how their customers felt about their company as a whole—not just how satisfied they were with their user support. This led Julia Sadowski, head of User Support at trivago, to send the company’s first NPS survey. With the vast volume of their customer comments coming in, Julia said they were able to capture so much more feedback about the website that could be shared with the product team to make changes. Now that the team has an NPS for the company, they plan to use it as a benchmark for future improvement.

NPS: -1
 Response Rate: 15%
 Industry: Travel, Hospitality, & Tourism

So, are these NPS results good or bad? That depends. Your first NPS does not tell the whole story. Our philosophy on NPS is that the first score serves as a baseline. The most important part of NPS results is the customer feedback you receive. And if you’re able to address your customers’ feedback and needs, how will this impact your NPS over time?

Response rates for NPS surveys

At trivago, one of the world’s largest hotel price comparison sites, the head of customer relations sent an NPS survey to their customers to see where they could improve. They received “so much feedback about their website” that they shared it with their product team to make changes in the customer’s buying experience. Just how much customer feedback should a company expect from an NPS survey campaign?

In looking at response and comment rates, let’s compare NPS surveys with the other popular customer feedback survey: customer satisfaction (Fig. 5). Both these surveys are delivered to the customer via email, as opposed to being embedded in-product or on a website.

FIGURE 5: Sample customer satisfaction survey from Zendesk

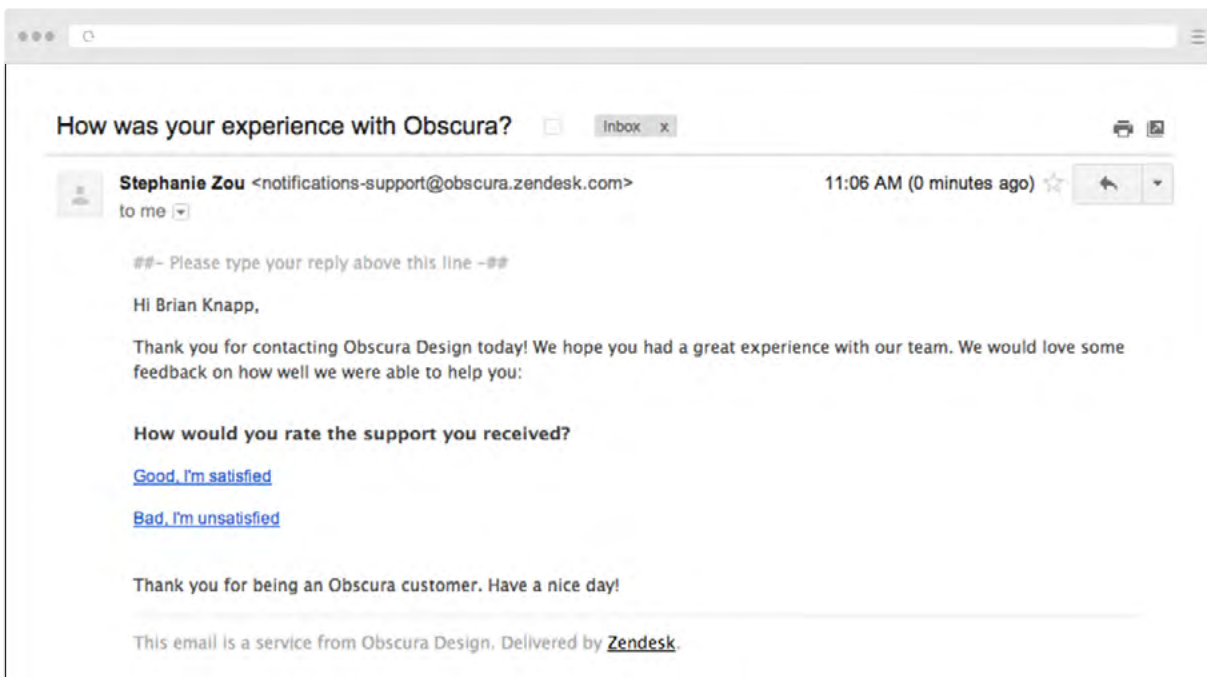
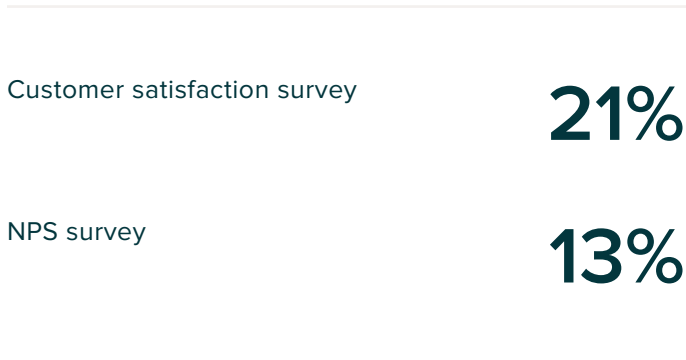


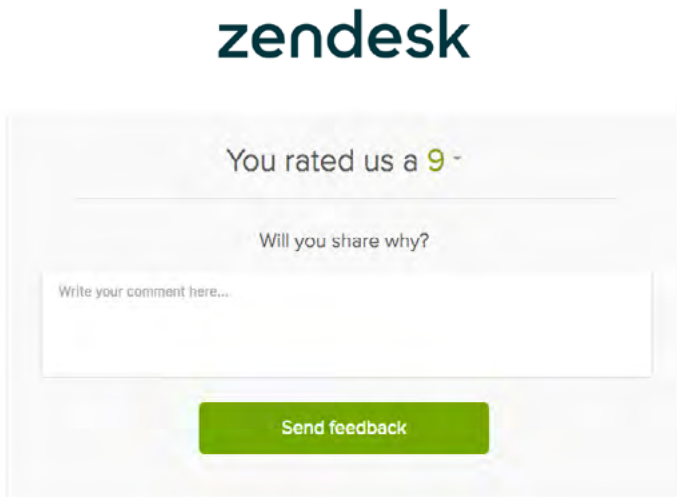
FIGURE 6:
Median response rate, by survey type



Response rate is the percentage of customers who submitted a survey rating compared to the total number of customers you invited to take the survey. The response rate for customer satisfaction surveys is more than 1.6x higher than that of NPS surveys (Fig. 6). The reason for this is that customer satisfaction surveys are typically only sent to customers who have recently contacted a company with an inquiry.

On the other hand, NPS surveys are sent to a broader, more representative sample of your customer base, whether or not they've recently interacted with your company. [NPS surveying best practices](#) suggest that surveying a random sample of your customers at a regular cadence is the best way to avoid response bias and gather the most accurate feedback.

FIGURE 7: Comment field in an NPS survey



In addition to being able to rate a company, NPS and satisfaction surveys also provide customers with an opportunity to provide open commentary on why they gave the rating they did (Figs. 7 and 8).

FIGURE 8: Comment field in a customer satisfaction survey

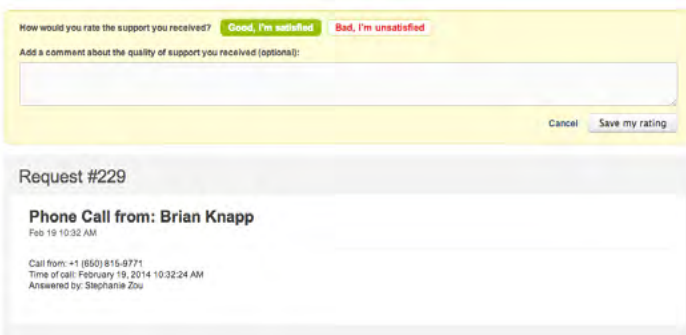


FIGURE 9: Comment rate, by survey type and type of rating

Comment rate, by survey type and type of rating	Customer satisfaction surveys	NPS surveys
Overall median comment rate	28%	53%
Median comment rate for bad ratings	63%	—
Median comment rate for good ratings	25%	—
Median comment rate for detractors (ratings 0–6)	—	50%
Median comment rate for passives (ratings 7–8)	—	37%
Median comment rate for promoters (ratings 9–10)	—	55%

When looking at the percentage of customers who left open-ended feedback, we see that the overall comment rate for NPS surveys is almost twice that of customer satisfaction surveys (Fig. 10). Even though the response rates for the NPS surveys are half of that of the satisfaction surveys, the customers who do respond to NPS surveys are more likely to provide additional commentary, which translates to valuable feedback for companies.



When Operator Director Craig Wheeler at feelunique.com, Europe’s largest online premium beauty retailer, sought to proactively engage their international customer base, he turned to the NPS survey tool in his Zendesk. The simplicity of the survey is a testament to the speed of response from their international customers, where they saw an 8% response rate within 24 hours of clicking send on the survey. With a high NPS of 69, Craig and his team have many plans for NPS, like following up with their detractors and rewarding their promoters to continue to building better customer relationships.

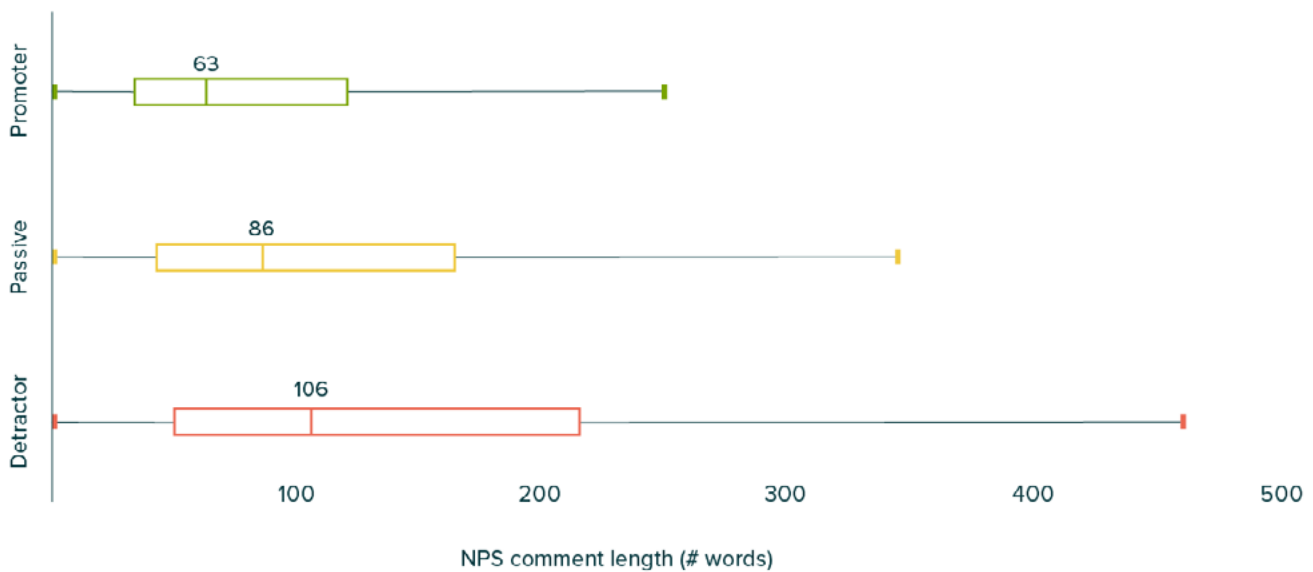
NPS: 69
 Response Rate: 10%
 Industry: Retail

If we drill into comment rates based on rating type, we see that 63% of customers who submit a bad rating on a satisfaction survey will leave additional feedback, while only 25% of customers who submit a good rating will leave additional commentary. Customers who had a bad interaction with your company seem to be very vocal about it, which is not essentially a bad thing. It gives companies the opportunity to follow up and turn that experience around.

For NPS surveys, we see higher comment rates among customers who are detractors and promoters: 50% and 55%, respectively. These customers who skew on the ends of the NPS rating scale perhaps have stronger feelings toward the company and therefore are more likely to leave additional feedback on why they feel the way they do. Passives, on the other hand, are not just passive in their rating, but are also passive in their tendency to provide open feedback—with only 37% leaving an additional comment on their NPS survey responses.

Beyond the survey comment rates, the length of the open-ended feedback also differs based on the NPS rating the customer provides (Fig. 10). Promoters tend to leave short comments, with the 50th percentile of comment length at 63 words. Many of these comments are short phrases like “you’re the best!” Detractors tend to leave longer comments with detailed feedback justifying their negative ratings, with the 50th percentile for detractor comments at 106 words and the 95th percentile at 542 words.

FIGURE 10: NPS open-ended comment length in number of words for promoters, passives, and detractors



Because they’re opening up a dialogue with customers, companies get more value from open-ended feedback than from a survey with pre-defined, multiple choice responses. A free-form comment box lets your most passionate customers (potentially happy, but more likely unhappy) lay it all out there for you. Open-ended feedback can help companies avoid the streetlight effect—the never-ending search for customer insight where they’ll never find it.

Analyzing NPS survey feedback

So what exactly are these promoters and detractors saying in their comments? We wanted to understand the most common reasons customers were promoters or detractors, so we analyzed the content of the open-ended feedback from the NPS comments of those two groups. After all, gathering customer feedback is just the first half of the equation. The second half is turning the feedback into insights that are meaningful and actionable.

In order to analyze this qualitative feedback, we looked at the strongest correlations between phrases in the open-ended feedback and whether a response was from a promoter or detractor. We ordered the list by the conditional probability that a comment is from a promoter or detractor, given the fact that the phrase is contained in the comment.

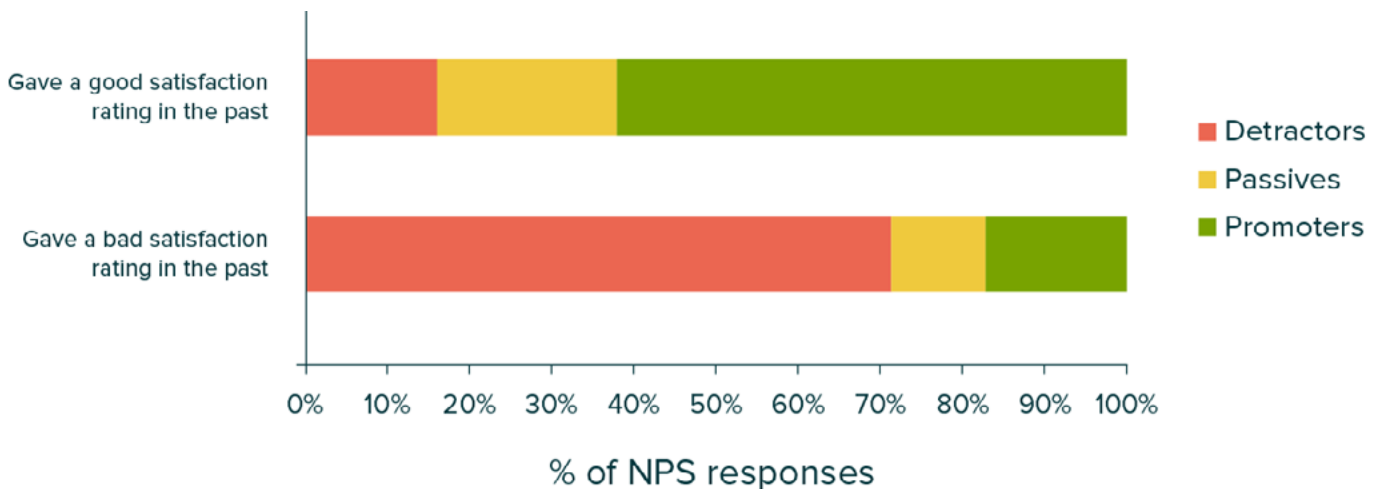
FIGURE 11: NPS phrases by detractors and promoters



This analysis (Fig. 11) highlighted the importance of customer service experiences on a customer's overall perception of a business, such as their likelihood to remain a customer or spread the word about your company and products.

In order to better understand this relationship between customer service and NPS feedback, we tapped into the customer satisfaction data that measures a customer's satisfaction after a support interaction. When we break down promoters, passives, and detractors based on whether or not they had previously left good or bad satisfaction ratings after customer service interactions, we find that 62% of customers that previously rated a customer service interaction as good were categorized as promoters after their NPS surveys (Fig 12). In stark juxtaposition, only 17% of customers who previously rated a customer service interaction as bad are promoters.

FIGURE 12: Distribution of NPS promoters, passives, and detractors who previously submitted good or bad satisfaction ratings



Knowing what your customers are thinking gives companies guidance on where and how to improve. It also gives companies an opportunity to proactively follow up with their customers and open up a dialogue—whether that’s to thank them for giving feedback, digging for more details, or resolving an issue that was expressed.



Adam Rudy, head of Customer Experience at The Catch Group—one of the largest ecommerce companies in Australia—wanted to get to know his customers better through an NPS survey. The open feedback provided by customers highlighted opportunities where they could improve the customer experience. With this data now at their fingertips, Rudy can measure the impact of changes they’ve been making to the business to demonstrate how it results in a better customer experience. “We’re very proud of our NPS of 58%,” Rudy said. “But more importantly, we now know where we’re falling short.”

NPS: 58

Response Rate: 21%

Industry: Retail

5 tips for sending effective NPS surveys

Companies have many NPS survey tools at their disposal. Regardless of which your company uses, here are a few tips on how to get the most out of your NPS survey campaigns.

1. Keep the survey simple to get the highest response and comment rates. Every additional question you introduce to the survey flow reduces the response rate of the survey. You can always follow up afterwards with more questions that are better tailored and relevant.

2. Stay true to the NPS methodology. Not only does the NPS survey have best practices built in to reduce the amount of survey bias, but opting for the traditional NPS survey also will enable you to benchmark and compare yourself against others.

3. Survey a random, representative sample of your customer base to ensure you receive an accurate read of customer sentiment. We recommend inviting a [minimum of 2,100 customers](#) to take your NPS survey to garner enough responses for aggregation and analysis.

4. Pay close attention to the qualitative feedback and not just the ratings or score. It’s more important to understand why a customer gave you the rating they did than simply to know the rating alone. From their feedback, you’ll also uncover opportunities to improve the customer experience.

5. Develop a regular survey cadence (e.g., monthly, quarterly), and track your NPS trends over time. How often should you survey? A good rule of thumb is not to survey more frequently than you can analyze, absorb, and take action on the responses from the previous survey.

Zendesk’s NPS survey tool is available for free to customers on our [Plus, Enterprise, and Enterprise Elite plans](#).

