

The ROI of NPS

How a Focus on Customer Loyalty Delivers Financial Gains

The research that created Net Promoter Score® clearly demonstrated a link between NPS® and growth, and over the years, many organizations have proven this financial linkage with their own internal data. Learn the facts about the ROI of NPS.

Companies that have embraced Net Promoter have demonstrated its benefits time and again, including:

50%

A 50% increase in customers over six months

98%

A retention rate of 98%

30%

A growth rate that outperformed the market by 30% over two years

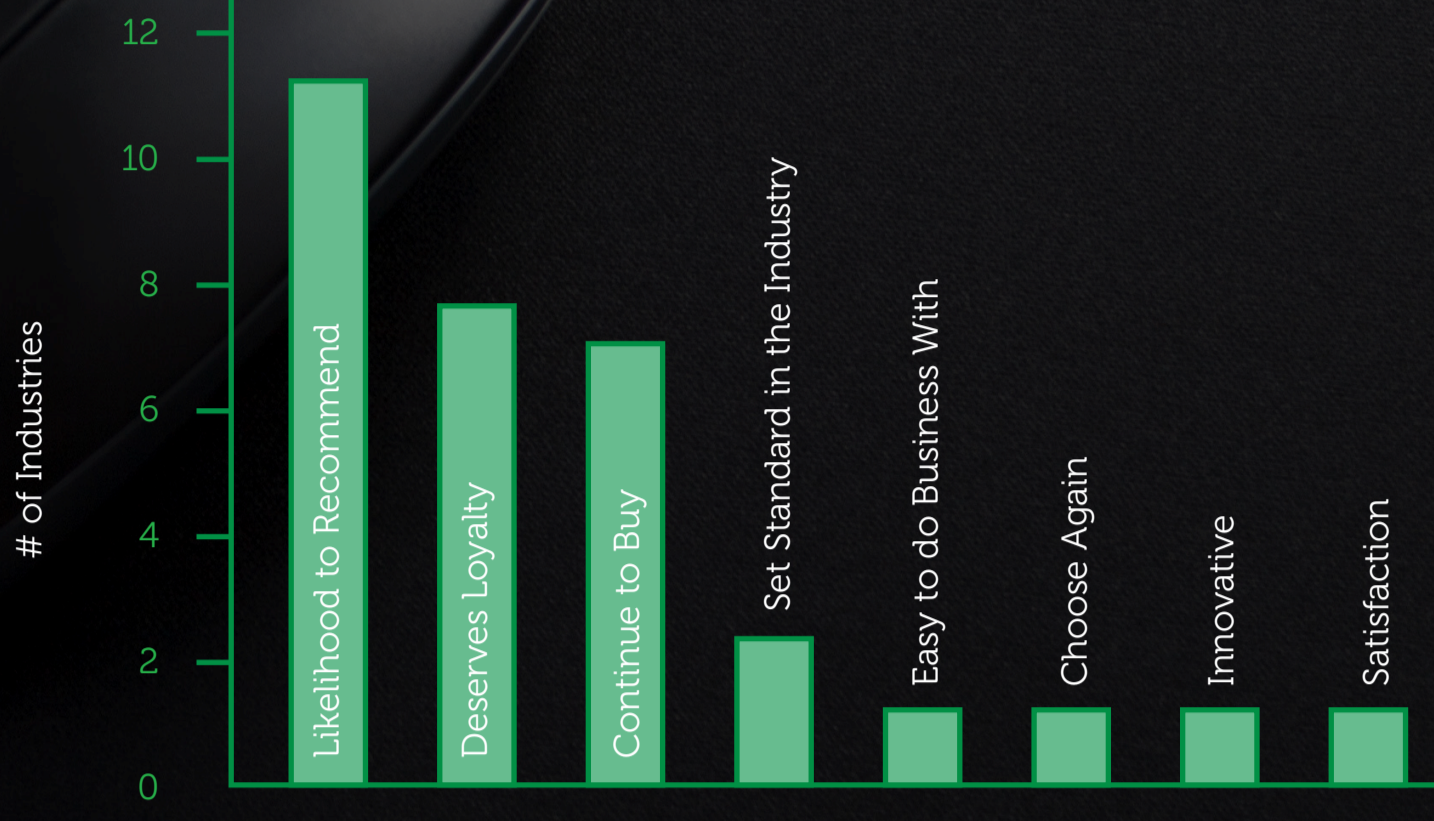
\$183M

A \$183M increase in revenue in two years

NPS: The Best Predictor of Growth

In the original NPS research, the recommend question (also called the Net Promoter Score question) had the highest correlation to future profits and growth when compared to other questions designed to measure some aspect of customer loyalty.

Data from the question "On a scale of 0-10, how likely would you be to recommend [company] to a friend or colleague?" was the number 1 or 2 correlation to profit and growth in the highest number of industries.



Net Promoter Score Defined

The Net Promoter question:

On a scale of 0-10, how likely would you be to recommend [company] to a friend or colleague?



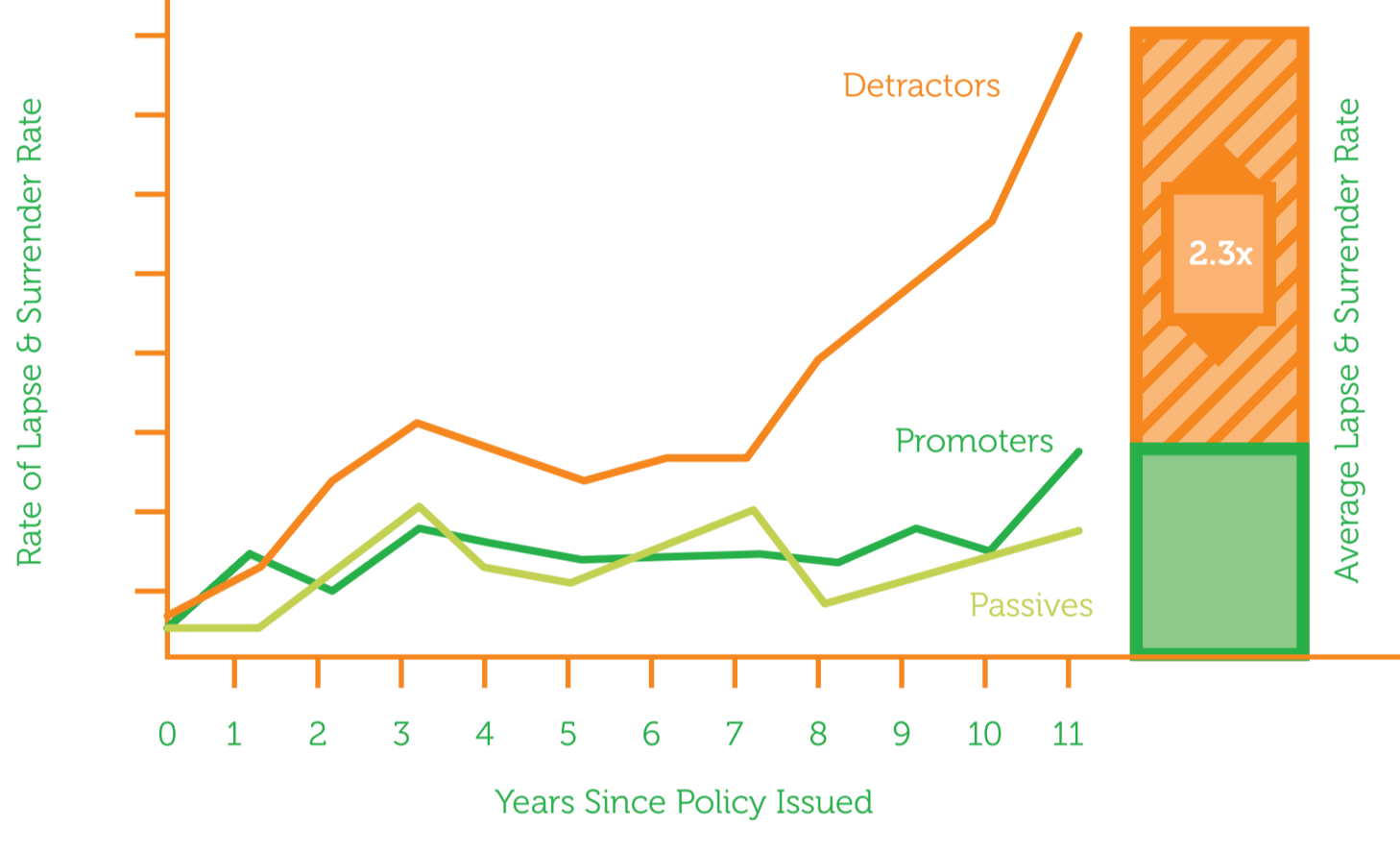
% PROMOTERS - % DETRACTORS = NPS (NET PROMOTER SCORE)

Detractors Hurt Your Bottom Line

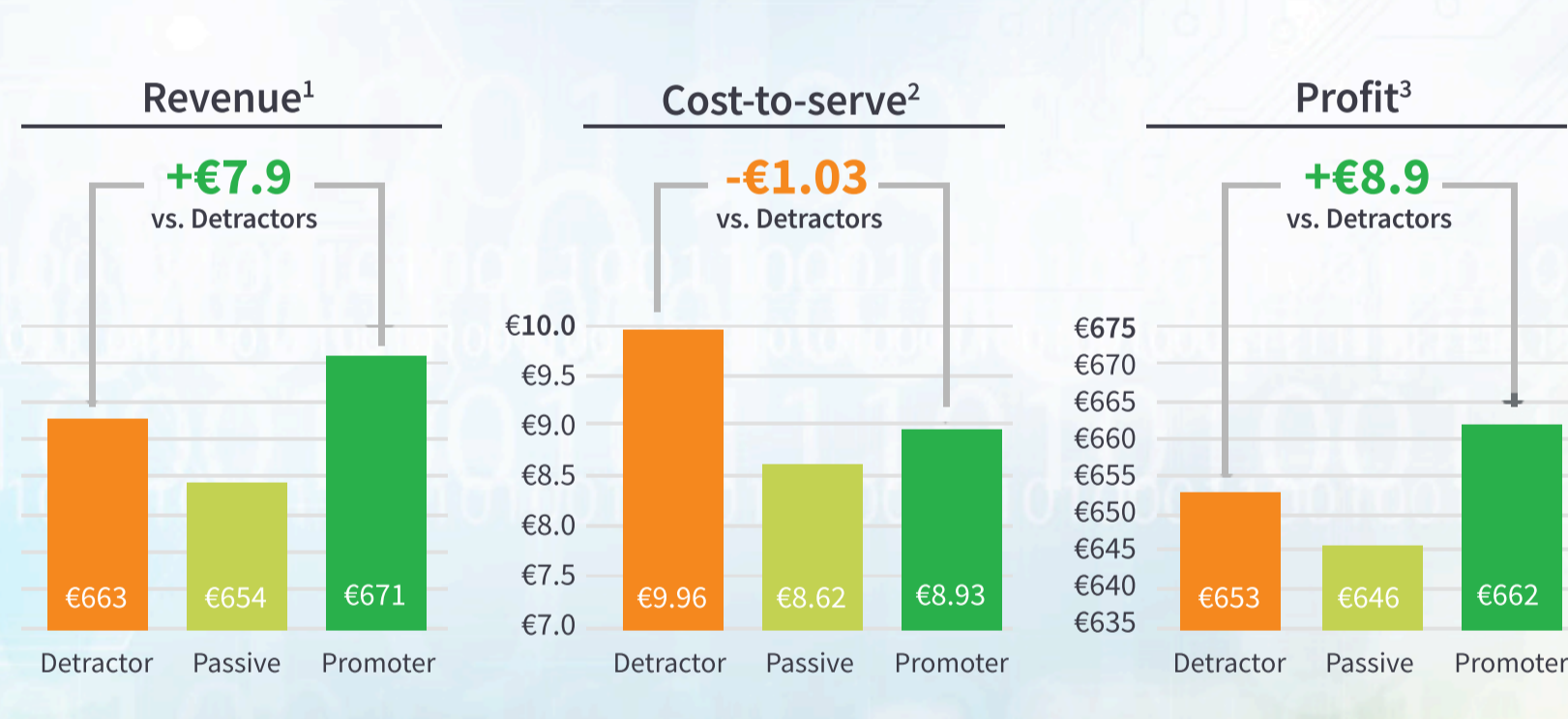
More than a decade of research and real-world experience demonstrate that Detractors and Promoters have different effects on your bottom line.

Detractors have a higher propensity for leaving your company, as seen in this example from the insurance industry.

Average Lapse and Surrender Rate Year Over Year



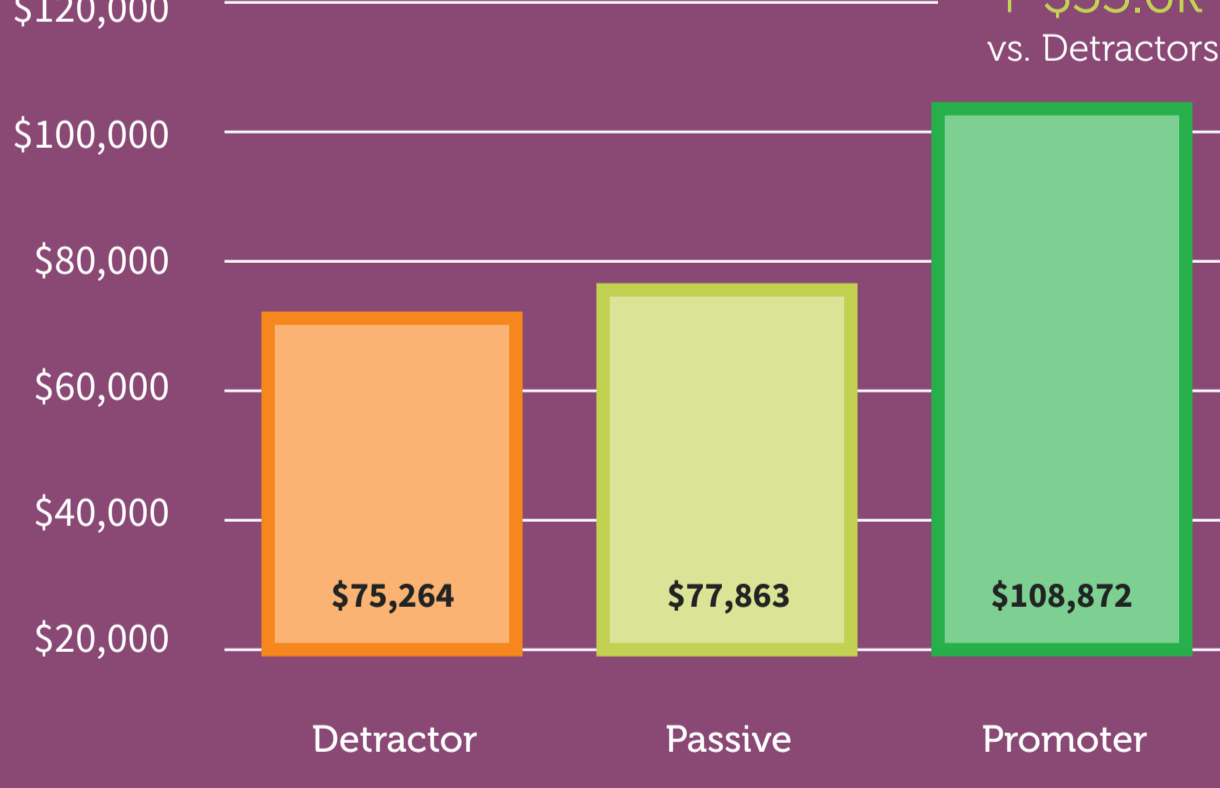
Promoters Deliver Higher Profits



Project the Impact of Change

To build an ROI model for your business, start by calculating the relative value of Promoters, Passives, and Detractors.

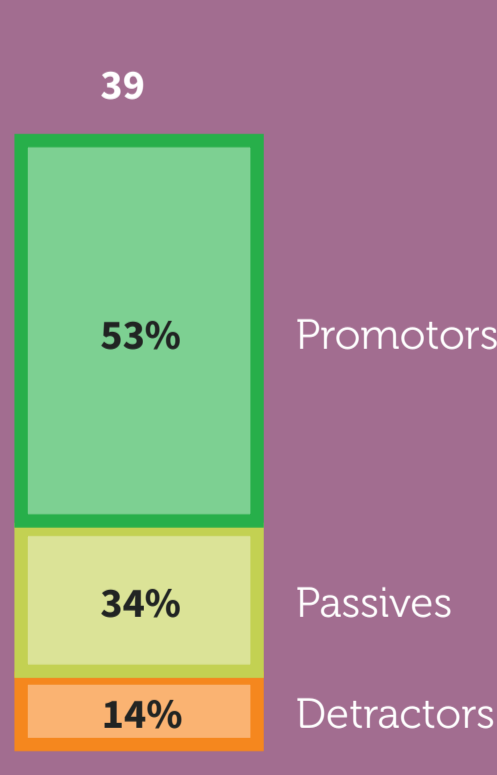
Average Account Value



NPS

Total 12-monthly Revenue: **\$99,636,089**

Recovered Revenue via Detractor Conversion: **\$1,782,912**



Simulate converting Detractors to Promoters

5%

Remember, you could see results like these:

50% A 50% increase in customers over six months

98% A retention rate of 98%

30% A growth rate that outperformed the market by 30% over two years

\$183M A \$183M increase in revenue in two years

Take the Next Step Toward Higher Profits

Learn more about the economics of effective customer experience management from our free eBook, "The ROI of NPS."

Download Today!



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SOURCES

Based on the Satmetrix ebook by Deb Eastman and Ranjit Mohapatra