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Functional Areas	Industries	KPI record
Marketing & Communications, Marketing	Any	sK1303
Sub-categories	**Sub-categories**	**Tags**
Marketing	Any	portfolio, customers

Name
% Net promoter score

Description

Definition	Measures the net difference between promoters and detractors, of all customers that express an attitude. Note: Net Promoter, Net Promoter Score and NPS are registered trademarks of Fred Reichheld, Bain & Company and Satmetrix.
Variations	% Promoter score % NPS
Related KPIs	% Customer satisfaction with new products and services

Calculation

Subordinate metrics	A = # Promoters
	B = # Detractors
	C = # Customers
		Calculation formula	$(A/C)*100-(B/C)*100$

		Trend is good when	Increasing

Focus

Purpose	To monitor the level of customer satisfaction by evaluating the extent at which customers act as brand ambassadors.
BSC perspective	Customer
Objective measured	Increase customer advocacy

Data Profile

Data capture period	Spot	Standard reporting frequency	Monthly
Data collection method	Customer satisfaction surveys		
Limitations	Being based on customer surveys, results can be altered by the respondents' subjectivity or incentives given by the company to stimulate responses.		

Targets

Threshold examples	🔴 Red: <50%	🟡 Yellow: 50-70%	🟢 Green: >70%

Target setting notes	Benchmarking is promoted by Satmetrix, a co-developer of net promoter, benchmark figures being available on their online community: http://www.netpromoter.com/netpromoter_community/community/npsbenchmarks?view=tags&tags=benchmark
	Some argue that benchmarking might not be suitable, as companies may use different-point scales (the standard is 11, but some use 10, some 5 and so forth). Also, some companies may resort to incentives so as to increase the rate of responses.

Analysis and Resources

Overall notes	NPS is used nowadays by many large companies as a customer feedback tool. It gives an unambiguous number that is easy to understand for all employees and useful as input for managers to steer the company. NPS also gives a good indication of growth potential and customer loyalty for a company or product. To understand the motives of Promoters and Detractors, it is recommended to accompany the NPS question by one or more open questions that probe the underlying reasons behind the given score. This allows managers to make the appropriate adjustments to increase the future NPS, either by boosting the percentage of Promoters, either by reducing the proportion of Detractors (or better yet, a combination of both).
Additional resources	http://www.callcentrehelper.com/top-tips-for-improving-netpromoter-scores-nps-42754.htm
	http://blogs.hbr.org/2011/05/how-philips-uses-net-promoter/

References	1. Bain & Company (2012), Creating a reliable metric, available at: http://www.bain.com/publications/articles/creating-a-reliable-metric-loyalty-insights.aspx
	2. Department of Agricultural Leadership, Education and Communications (n.d.), Net Promoter Score, available at: http://agrilife.org/od/evaluation/results-2/net-promoter-score/
	3. Qualtrics Labs (2012), Net Promoter Score (NPS) explained, available at: https://www.qualtrics.com/net-promoter-score-nps-explained