

Net Promoter Score (NPS) Analysis

How is the Net Promoter Score (NPS) survey executed?

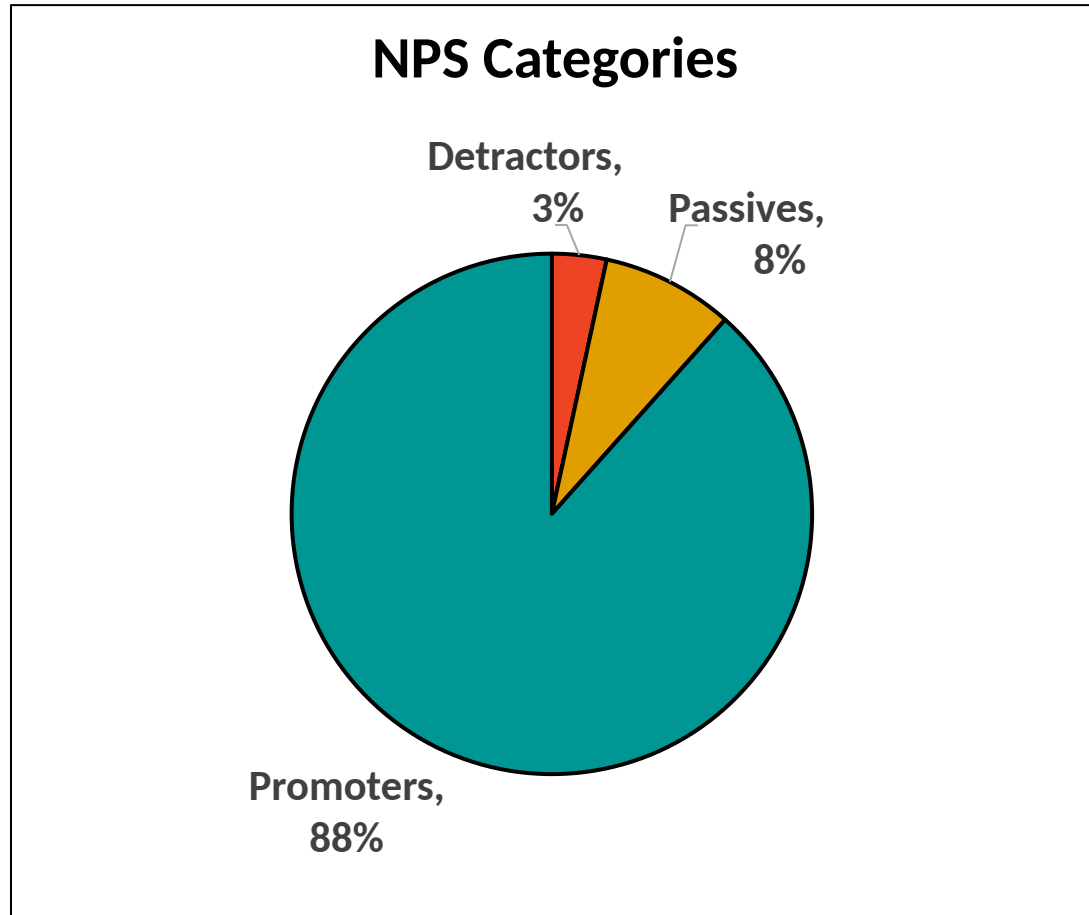
- NPS is calculated using the **outcomes of a one-question survey**: “*How likely would you be to recommend [the Company or the Product / Service] to a friend or colleague? (1 = not likely, 10 = extremely likely)*”
- This question should be asked to the customers **each time a product is purchased or a service is fulfilled**.
 - E.g., send a survey 10 days after a customer purchases a table
 - E.g., send a survey after the first month of weekly landscaping services is completed, and every quarter afterwards
- Once the answers from several customers are received (e.g., 10+ responses), they should be grouped in the following manner:
 - **Promoters**: those who scored 9 or 10
 - **Passives**: those who scored 7 or 8
 - **Detractors**: those who scored between 1 and 6
- Then, the NPS is calculated by **subtracting the share of detractors from the share of promoters** (both in %) in the group of customers being evaluated.
- You should **repeat this process regularly** (e.g., every 3 months) or when you make significant changes to your product / service, and compare results across periods to inform your business decisions.
- You can **consider adding demographic questions** (e.g., age, gender) to your survey to breakdown your NPS score to different sub-groups. However, you should **avoid adding too many questions** to improve response rate, so we recommend using these questions only if there is a certain need (e.g., you suspect a certain demographic is not as satisfied with your service and want to test it).
- You can also consider adding a question to ask for the **customer’s rationale behind the score** (“What is the main reason behind your score?”) or to ask **how to improve your product / service** if the given score is at or below 8. It’s best to **keep these types of questions optional** to improve response rate.

How is the Net Promoter Score (NPS) calculated?

How likely would you be to recommend [the Company] to a friend or colleague? (1 = not likely, 10 = extremely likely)		
1 2 3 4 5 6	7 8	9 10
Detractors	Passives	Promoters
(% Promoters) – (% Detractors) = YOUR NPS		
Score can range from -100% to 100%		



Example NPS results for Catering Co



- Customers would overwhelmingly recommend Catering Co to friends and colleagues looking for catering services
- An NPS of 85% (Promoters - Detractors) is the “gold standard”