

The NPS[®] Industry Benchmark Series



NPS[®]
Benchmarks

Powered by **CustomerGauge**

Introduction

As customer expectations are rapidly increasing, business leaders are realizing that to stay ahead of the competition, they need to become better at reacting to customers' feedback and needs. A recent study by [Forrester](#) revealed that companies are already rethinking their business strategies in order to become more customer-centric, with 72% saying that improving customer experience (CX) is a top priority.

The implications are clear: companies can no longer afford to be CX laggards according to a study from [NewVoiceMedia](#), which states that companies lose more than \$62 billion due to poor customer service. So, how can companies around the world ensure they adopt best practices when addressing customer feedback, retention and growth strategies to stay competitive?

First and foremost, pay close attention to what's working for business leaders in your industry. Top business performing companies aren't leaving their CX up to chance, they're using a proven metric and system: the Net Promoter System® (NPS).

Using data gathered from [CustomerGauge.com/Benchmarks](#) and [CustomerGauge](#), in this eBook we'll discuss how some of the top Fortune 500 companies use the Net Promoter System to learn from customer feedback, retain customers better and grow their business. The information in these pages includes:

- ➔ **NPS industry overview of five key sectors**
- ➔ **Opportunities for growth for each industry sector**
- ➔ **10 years of collected NPS scores from CustomerGauge and NPSBenchmarks.com**
- ➔ **Insights from employees and business leaders, including top Fortune 500 companies**
- ➔ **NPS and CX best practices, focused on linking NPS to revenue and retention**

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Net Promoter, NPS, and Net Promoter Score are trademarks of Satmetrix Systems, Inc., Bain & Company, and Fred Reichheld.

Technology Industry Overview

Cutting-edge technology companies are always on the look for unconventional and innovative ways to meet the CX demands of their tech-savvy consumers. Tech leaders who are continuously meeting and exceeding customer expectations are not only enjoying higher profits, but also a strong customer base of promoters. Here's what you need to know about the technology industry's NPS performance and upcoming trends.

NPS Industry Highlights

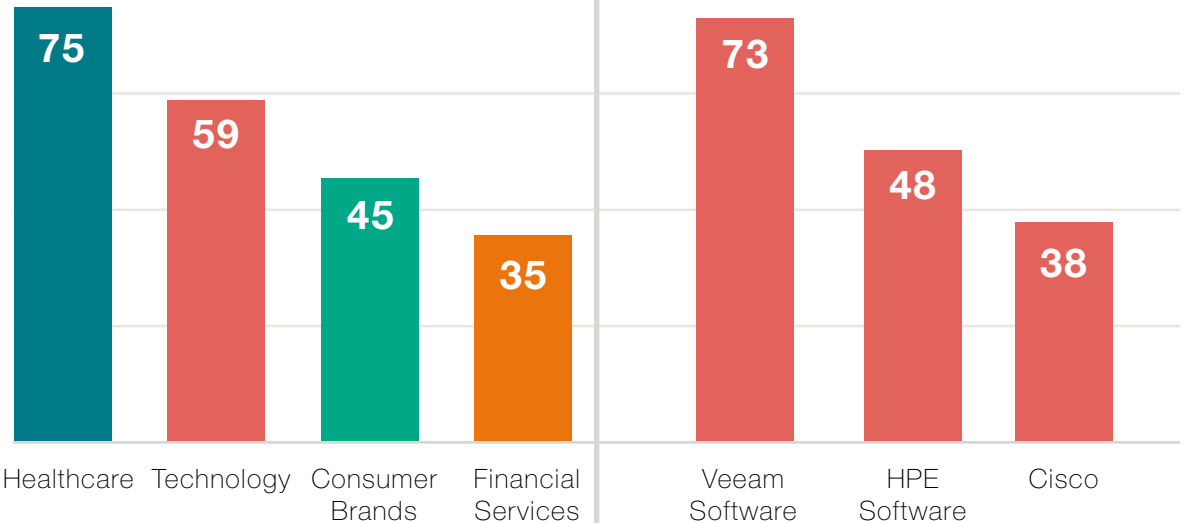


out of 20 industries based on NPS



average Net Promoter Score

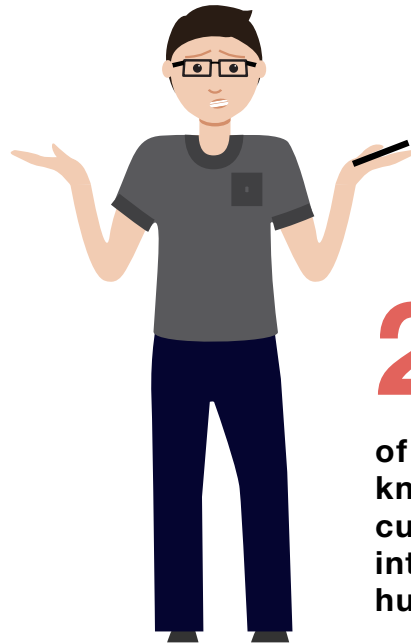
Net Promoter Scores



Upcoming Opportunities for Growth

According to [Deloitte's Technology Industry Outlook 2017](#), there are numerous upcoming opportunities for growth for companies that will be both customer and innovation-focused. The Internet of Things, artificial intelligence (AI), 3-D printing, blockchain and cybersecurity products and services are among the top opportunities for growth to be on the lookout for. PwC research further [confirms](#) that AI is having a massive impact on CX, especially in the technology industry. Here are some statistics to keep in mind:

By 2020, the market for AI is **projected** to reach **\$70 Billion**



27%

of consumers didn't know if their last customer service interaction was with a human or a chatbot



43%

of millennials would pay a premium for a hybrid human-bot customer service channel



Veeam Software



Veeam Software is an innovative provider of solutions that deliver Availability for the Always-On Enterprise™. The tech company develops backup, disaster recovery and virtualization management software for VMware and Hyper-V virtual environments. Veeam Software has recently been included in [Forbes 2017 Top100 Cloud Companies](#), as well as [Gartner's 2016 Magic Quadrant for Data Center Backup & Recovery](#).

Veeam Software has been investing in NPS for years, and the results show the company's score is increasing on a yearly basis. Here's what you need to know:



In 2015, Veeam Software introduced gamification to their customer support team in order to increase customer satisfaction. The gamification system [showed](#) a weekly leaderboard, individual achievements, and a closed-case progress bar. The system then tracked each team member's activities and assigned reward points for completed tasks. For Veeam, the use of gamification has helped managers improve performance by pinpointing problematic issues or bottlenecks in the work process, in turn creating an experience that creates loyal, happy customers. The result? Their NPS improved by **32** points to **62** for 2015.

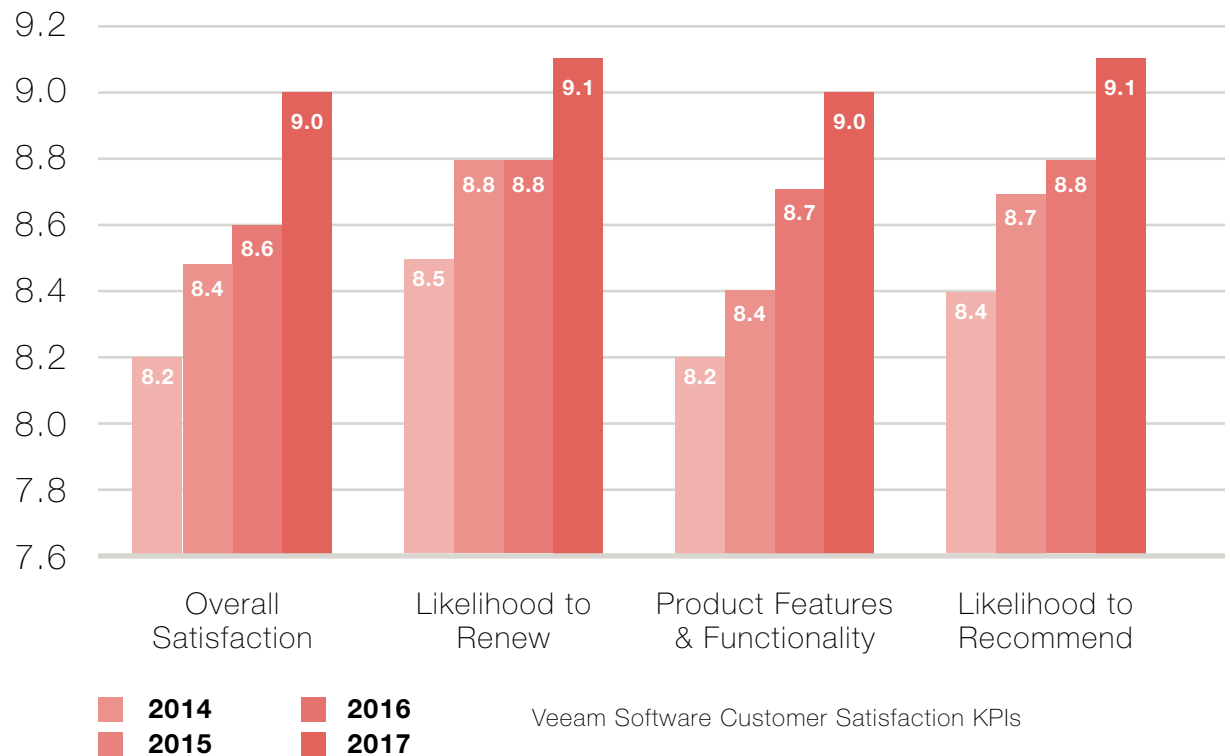


Veeam Software has been investing in NPS for years, and the results show the company's score is increasing on a yearly basis.

Veeam Software

Veeam Software's NPS improvements have also been accompanied by phenomenal financial gains. Not only did Veeam see NPS improve by 11 points in 2017, but it also achieved a 27% year-over-year increase in revenue growth. The company is also very proactive in drilling down the reasons why customers are satisfied and willing to recommend the company. Based on their analysis, Veeam have discovered that customers highlight the quality of products and the professional work of the customer support department as top reasons why they recommend the brand. As a result, the company has become better equipped to make strategic business decisions that make a difference to the bottom line.

Customer Satisfaction KPIs



Financial Services Overview

Improving CX in the banking and financial services industry has never been more important. With customers becoming increasingly tech-savvy and expecting a more personalized banking experiences, banks simply cannot afford to operate in the traditional inside-out CX approach. The good news is that a recent FSI Adobe Summit **uncovered** that the financial services industry is rapidly catching up in terms of customer focus. **63 percent** of 840 FSI executives have marked customer experience as their top priority for 2017 — a 17 percent increase over 2016. Still, compared to other industries like consumer brands and technology, the financial services average NPS still has room for improvement. Here's what you need to know about the financial services industry's Net Promoter Score performance and upcoming trends.

NPS Industry Highlights

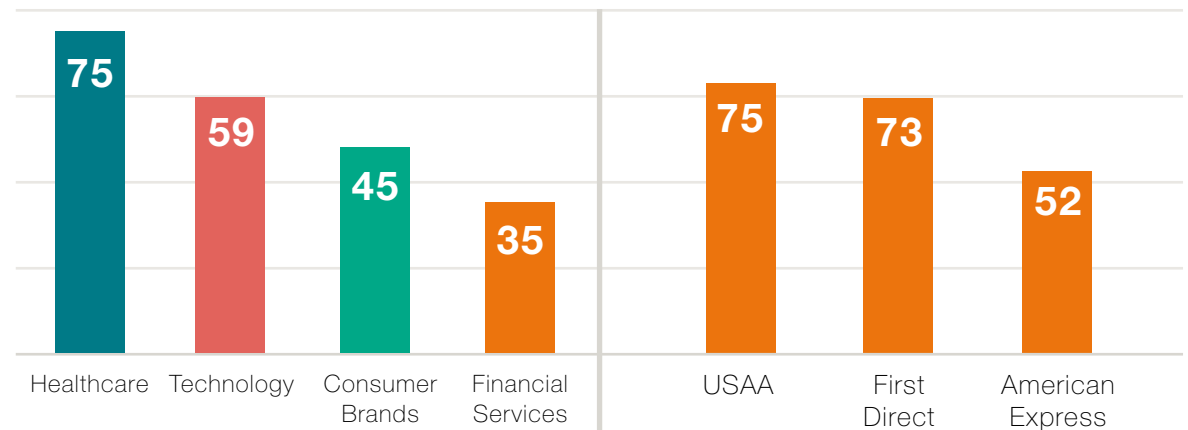
#12

out of 20 industries based on NPS

NPS 35

average Net Promoter Score

Net Promoter Scores



Upcoming Opportunities for Growth

According to a PwC survey, in order to be successful, banks need to sell to buyers where they are, offer products that customers find personally relevant, and reach customers when and where they're receptive. In addition, 46% of consumers now interact via digital form only, skipping physical channels altogether, a huge jump from the 27% share seen in 2012. In-person branches should not become obsolete though—people prefer omni-digital.

You can read more about some of the key upcoming CX & NPS trends in the financial services industry [here](#).



46% of consumers now interact via digital form only

A HUGE JUMP FROM THE

27% seen in 2012

Lifetime value of a Promoter is **2.5x higher** than that of a Detractor

2.3x Likelihood of Detractors to switch to another financial organization

26% Level of growth for financial institutions with NPS score >60



USAA



The United Services Automobile Association (USAA) is a Texas-based Fortune 500 diversified financial services group of companies and subsidiaries offering banking, investing, and insurance. USAA has a substantial track record of CX & NPS top rankings. The company was recently placed as a CX winner in KPMG Nunwood's 2017 Customer Experience Excellence Analysis for the financial services sector. USAA has also been ranked the highest among US financial services firms, according to Forrester's 2016 Customer Experience Index (CX Index™). To top it off the Fortune 500 giant has been named Top-Ranked Company in Net Promoter Index of Customer Loyalty from 2009 to 2016.

USAA's NPS score for Banking is 75. When we compare this score to the industry's average of 34, we can see that the company excels in customer loyalty and satisfaction. So how does USAA do so well? The answer is simple: they put client needs before profits, invest in client engagement technologies and create effortless client experiences.



Put client needs before profits, invest in client engagement technologies and create effortless client experiences.

USAA

➔ Customers Before Profits

USAA is committed to putting customers' needs before profits. In doing so, the company is carefully monitoring customer feedback to better understand drivers of satisfaction and dissatisfaction. USAA has found that some of their key drivers for customer loyalty and satisfaction include the ease of doing business with the company and the feeling that customers are treated fairly. As a result, the company has invested its business initiatives in building high customer trust and effortless customer experiences.



“Your experiences and feedback drive our innovation” - USAA, **Source**

In order to build robust customer trust, USAA customers are regularly brought into the company's offices to speak with employees at all levels about their challenges. In the end, USAA measures success by how well their customers are doing financially, not the company itself.

In 2016, the company's more than 29,000 employees helped USAA achieve a whopping customer retention rate of 98%, proving that building an effortless customer experience correlates with business growth.

➔ Client engagement technologies and effortless experience

USAA's product and service innovation are driven by customers' needs and with the purpose of making their lives easier. The company was the first bank to allow customers to check their bank balances via text messages and email. Today this might be a common practice, but back in 2009 it helped USAA establish itself as truly customer-centric company. USAA has even managed to provide a truly free checking account by finding a way to profitably reimburse up to \$15 a month in ATM fees charged by other banks.

Travel, Leisure & Hospitality Overview

For executives in the travel, leisure and hospitality industries, the creation of truly customer-centric strategies will become crucial to their success in the upcoming years. While developing their innovative and CX offerings, the travel, leisure and hospitality industry needs to also pay close attention to economic trends. Deloitte **highlights** that hotels, airlines, and other travel segments are particularly vulnerable to the ebbs and flows of economic conditions as they directly affect consumers. Here's what companies from the sector need to know about the state of NPS in the industry and upcoming trends.

NPS Industry Highlights

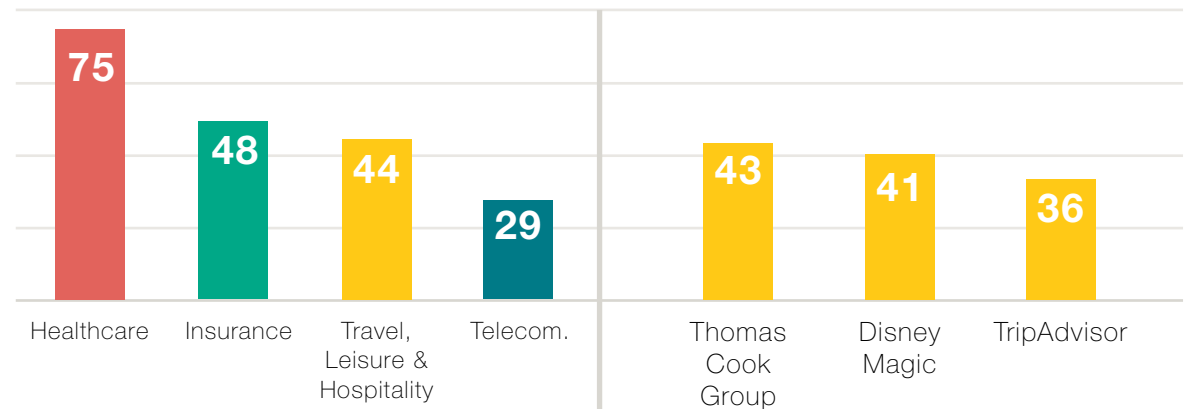


out of 20 industries based on NPS



average Net Promoter Score

Net Promoter Scores



Upcoming Opportunities for Growth

Travel, leisure and hospitality companies alike have to meet the challenges of consumer trends, technology and competition. [Deloitte's 2017 Travel and Hospitality Outlook highlights](#) some interesting opportunities for growth for companies in the sector. Here's what to keep in mind:

- ➔ **Travel and hospitality companies will remain vulnerable to the risk of external events, such as cyber-attacks and food safety.**
- ➔ **Technologies including AI and the Internet of Things (IoT) will serve to enhance the customer's experience and remove pain points from travel.**
- ➔ **IoT sensors will allow travel and hospitality companies to integrate advanced analytics and machine learning to adapt to customer behavior in real time.**

By 2030

1.8 Billion

people will be travelling internationally each year



36%

of millennials will book travel in 2020 using a smart-phone



Thomas Cook



Thomas Cook Group plc is one of the world's leading leisure travel groups with sales of £7.8 billion. The company is famous for its leisure travel services including hotels, flights, deals and cruise. The company has **reported** a "good performance" in its 2017 third quarter, with revenue rising 14% to £2.27bn. The FTSE 250 travel giant has **shared** customer satisfaction was also higher, with its NPS up seven points year-on-year in the three months to June 30th.



Because of the company's high satisfaction, loyalty and growth levels, it stands out as a particularly successful business, begging the question: how do they do it?



"NPS is our main customer satisfaction KPI." - Thomas Cook, **Source**

➔ Customer care as an engine of growth

Thomas Cook has developed a holistic view of customer care and customer contact. The company has a bold **24 hour** satisfaction promise that ensures detractors can go back to promoters within a day. For example, if on arrival a customer's hotel isn't as described, the company sorts the issue out within 24 hours. If the issue cannot be resolved, Thomas Cook offers a **25%** discount voucher for customers' next holiday (or a full refund and early flight home). The company is fully aware happy customers are more likely to return and recommend to friends and colleagues.

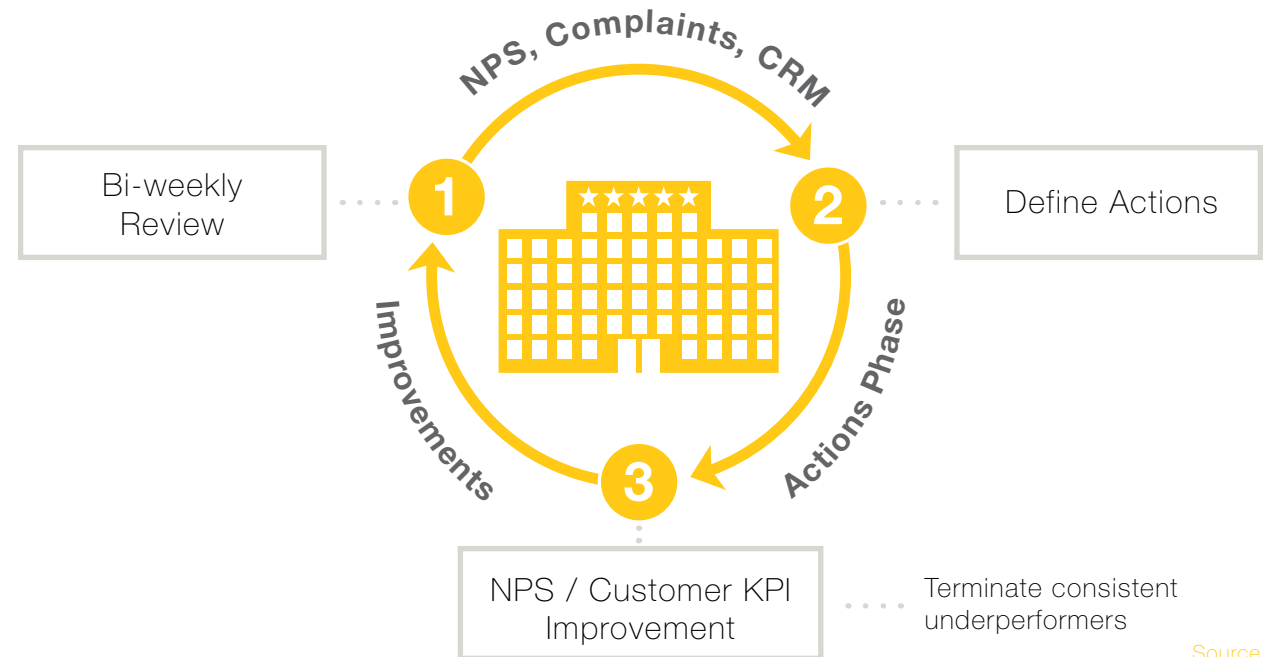
Thomas Cook Group

➔ NPS to manage quality

The importance of NPS as a cornerstone of strategy for performance growth at Thomas Cook cannot be overstated. The company uses NPS as their main customer satisfaction KPI and has found NPS results help Thomas Cook improve CX in a more structured way.

For example, the group has a very diligent and robust method of reviewing which hotels are performing well. The company analyzes the NPS performance of its hotels on a bi-weekly basis, defines action based on complaints received and terminates hotels that are consistent underperformers. As a result of this rigorous monitoring and quality management via NPS, Thomas Cook removed 100 UK hotels over the Winter 16/17. In this way, Thomas Cook ensures customers receive a seamless customer experience in whichever hotel they decide to spend their holiday in.

Hotel Review Cycle



Source

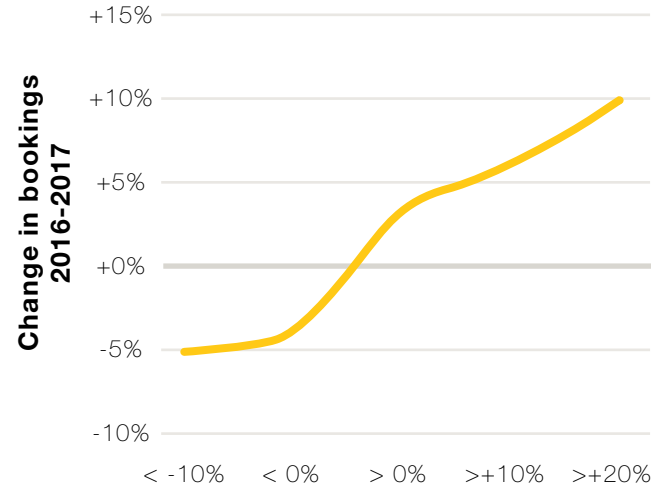
Thomas Cook Group

➔ NPS linked to growth in bookings and higher margins

Thomas Cook understands that CX, NPS and revenue go hand in hand. Offering great CX leads to higher NPS and that, in turn, to higher revenue growth. As a result, Thomas Cook has made improving CX a group-wide initiative. Since introducing NPS to the business, Thomas Cook has linked it to management bonuses to insure CX is at the heart of the business operations. The company even uses NPS performance to showcase business health during investor presentations.

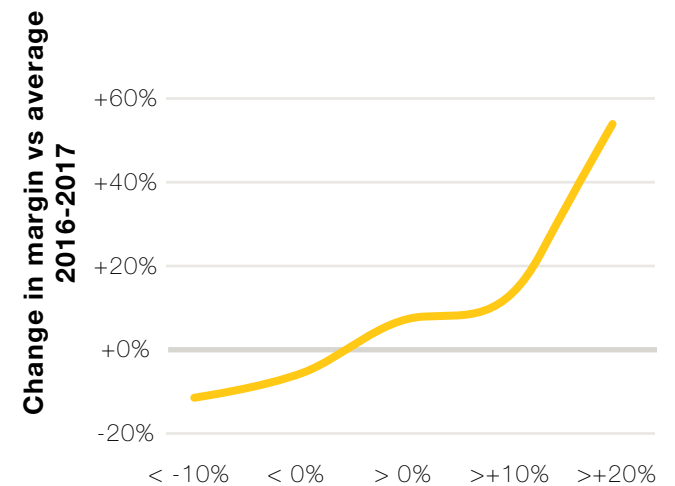
Higher NPS leads to growth in bookings and improved margins

NPS growth linked to bookings growth



Change in hotel NPS 2015-2016

NPS growth linked to margins improvement



Change in hotel NPS 2015-2016

Note: Based on Summer performance of >700 hotels sold by our UK business between 2015 and 2017. [Source](#).

Multi-Channel Retail Overview

Having a single channel is no longer enough for meeting the expectations of the “always on” consumers. That is why traditional retailers are on the lookout for establishing an online presence and e-tailers are exploring ways to establish a physical presence. Deloitte [shows](#) that a challenge still exists to find a seamless solution for both the customer experience and internal processes. Furthermore, according to SAP, retail companies lose **\$65 billion** in possible revenue through inconsistent customer experience across channels. This requires e-tailers and bricks-and-mortars to rethink their strategies and to redefine their business models. Multi-channel retail leaders such as Amazon, who has recently launched Amazon GO, pose a threat to many retailers with what seems to be one of the most frictionless shopping experiences. Let’s walk through what you need to know about NPS in the multi-channel retail industry.

NPS Industry Highlights

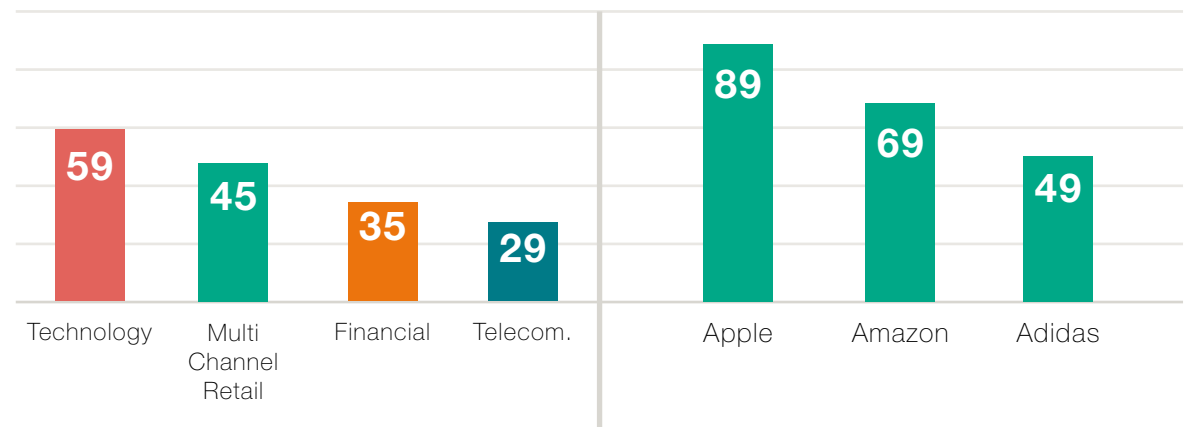


out of 20 industries
based on NPS



average Net
Promoter Score

Net Promoter Scores



Upcoming Opportunities for Growth

According to PwC, depending on the channel customer expectations and motivations will be different. However, low price wins across all channels. When asked “thinking of your favorite retailer, why do you shop there?”, 64% said good prices. In comparison, when asked “What has been your main motivation for buying online”, 45% said that it was more convenient. Here are more trends that will shape the future of the multi-channel industry:



46%

of customers prefer same day/next day for in-store pick-up



24%

prefer same day/next day ship from store

Increased Delivery Speed



Knowledge of Product

Shoppers prefer knowledgeable sales associates over ambience



Social Media

39%

of customers say that social networks provide their main inspiration for their purchases



Top Performer

56%

of consumers shop at Amazon



Apple

NPS
89

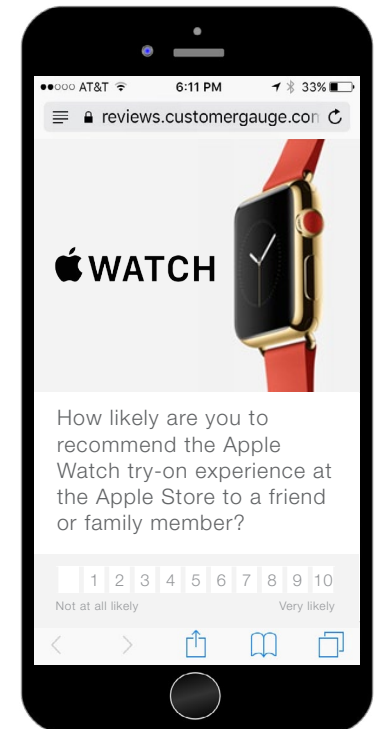
In 2017, Morgan Stanley conducted a research on the smartphone industry in the USA. The AlphaWise survey has **revealed** that Apple is far ahead of the competition in terms of customer loyalty. Apple's iPhone was reported to have 92% retention rate, with the percentage being up from 86% during the same time last year. The multi-channel retail giant is not only enjoying one of the highest retention rates possible, but also a very high Net Promoter Score. Apple tops NPS rankings in a number of important categories, including smartphones, tablets, and laptop computers.

Let's discover how Apple has increased growth and retention through customer engagement and NPS:

➔ NPS to gauge health of the customer relationship

Apple is one of the biggest advocates of NPS. The company introduced the NPS system back in 2007 and since then has been systematically listening to customers and managing its business in response to their needs. Apple's feedback surveys include the NPS question, along with an open-ended follow-up question: "Anything else on your mind?". NPS results help Apple better understand the health of their customer relationship and pinpoint key customer touch points along the customer journey.

Since rolling with NPS, Apple has achieved one of the highest scores in any sector, reaching **89** in 2016. However, the retailer's high NPS did not happen by pure luck. It was achieved through carefully listening to customer feedback, quickly closing the loop and engaging all Apple employees with NPS.



Apple

➔ Engage all employees with NPS

Apple's centralized NPS team uses customer feedback to better understand the reasons that turn customers into promoters or detractors. Furthermore, Apple's team does a [daily standup](#), where employees review the NPS feedback received and discuss how to adjust their work accordingly. In this way, the company makes sure its employees understand the importance of paying attention to customer feedback and delighting customers. Finally, Apple makes sure employees know where they stand among their peers in terms of NPS and where their stores stands relative to the rest of the stores in the region. In this way, the company further engages all employees with the NPS program.

➔ Quickly close the loop

Following an NPS survey, Apple store managers call detractors within 24 hours. Research has found that companies that close the loop quickly after receiving customer feedback, experience a [10%](#) increase in retention. This is even more important when it comes to closing the loop with detractors. Apple has found that following up with dissatisfied customers 24 hours after completing an NPS survey results in great return on investment. Reichheld [highlights](#) that detractors that have been contacted have purchased subsequently more Apple products and services than others.

Furthermore...

Every hour spent calling detractors was generating more than

\$1,000

in revenue or additional sales of

\$25M

in the first year



Telecommunications Overview

The telecommunications industry has historically underperformed in terms of CX. However, according to a 2017 KPMG Nunwood [report](#), there is a handful of telecommunication companies that have made advances in the rankings. The bad news is that the industry is very susceptible to the upcoming disruption from competitors. [PwC's 2017 Telecommunications Trends](#) report warns that companies that offer apps and streaming content directly to consumers through the Internet, have increased their dominance and pose a threat to the telecom sector. In order to survive, players in the sector will need to innovate and personalize their offering. Here's all you need to know about the state of NPS in the telecommunications sector, as well as trends to be on the lookout for.

NPS Industry Highlights

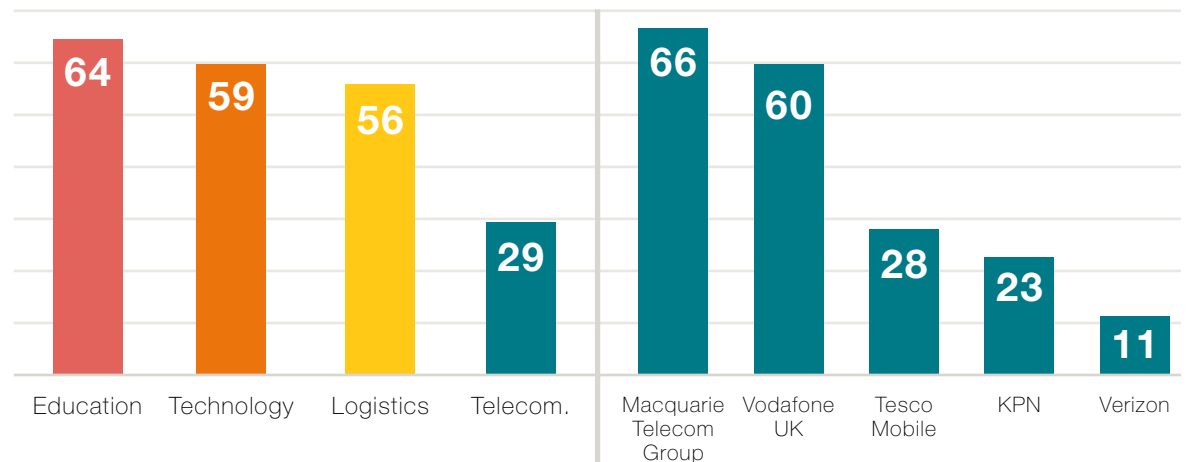


out of 20 industries based on NPS



average Net Promoter Score

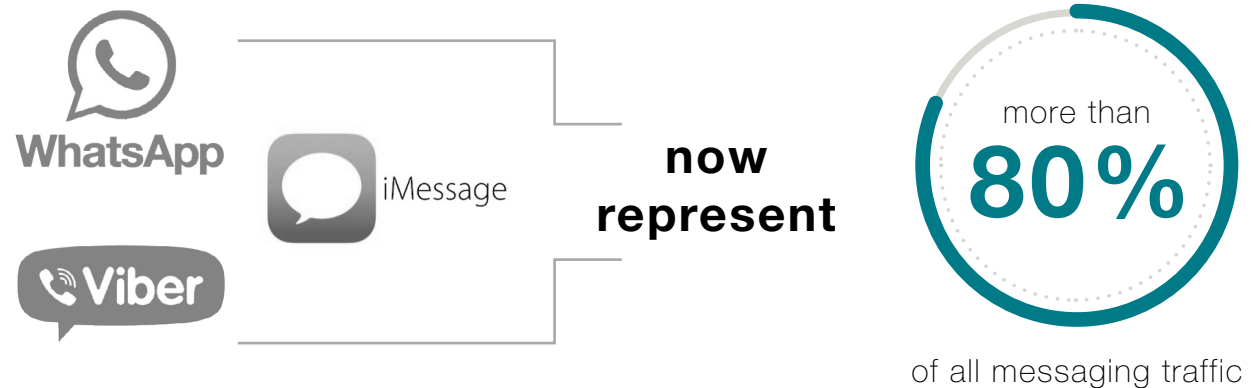
Net Promoter Scores



Upcoming Opportunities for Growth

When it comes to future revenue streams, telecommunication companies need to be able to quickly adapt to the trends that meet the savvy demands of customers. PwC [highlights](#) that Over-the-top (OTT) players pose a serious threat to telecommunication CX laggards. OTT companies like WhatsApp, Viber and Apple's iMessage already represent more than [80%](#) of all messaging traffic, which has led to many telecom carriers seeing significant drops in customer numbers. As a result, some telecommunication leaders have been quick to modernize their operations and reevaluate their strategy. Here's what telecom need to be aware of:

- ➔ **Simplifying data plans instead of cutting costs is a more sustainable path to growth. France's Free Mobile [used](#) this simplification strategy, and boosted its subscriber base by more than 12 million, and now has an 18% share of the French mobile market.**
- ➔ **The [rise](#) of 5G networks promises to spark an enormous wave of change starting in 2017.**
- ➔ **The growth of the [IoT](#) could dramatically change customer experience, as content can be increasingly delivered to any screen. A lot of these "things" are consumer-oriented.**





Macquarie Telecom Group



Macquarie Telecom Group is a managed hosting and telecommunications company based in Australia. The company has become a beacon for customer satisfaction in the Australian market and has recently been [announced](#) as the leading Australian Net Promoter Score performer. Macquarie's [focus](#) on customer service experience has been a major driving force behind the company's continued growth and market leading customer loyalty.



Here are some best practice from Macquarie Telecom tips you can implement to beat the competition and achieve high business growth and retention:

➔ Senior buy-in and shorter, real-time surveys

Lack of senior buy-in is one of the key reasons why NPS programs fail to produce fruitful business results. NPS is often implemented with no real purpose and with no dedicated team to measure, act, grow and monetize NPS. This was not the case for Macquarie Telecom Group. While on a flight to San Francisco, David Tudehope, CEO of Macquarie Telecom, stumbled upon the Harvard Business Review article '[One number you need to grow](#)'. The read was a real eye-opener. David Tudehope [realized](#) that having a long 50 question annual customer survey is not the way forward to better customer experience. Tudehope dumped the traditional customer survey approach in 2012 after discovering that it could be replaced with a simple question for customers: "How likely is it that you would recommend Macquarie Telecom to a friend or colleague?". Since implementing NPS, the telecommunication company has gone through a truly fascinating business transformation.

Macquarie Telecom Group

➔ Transparency of NPS shared internally and externally

David Tudehope has become a real evangelist of NPS and true believer of the need for NPS transparency from companies.



“People will start asking companies for their NPS score,” he predicts. “It is actually a way of empowering customers.”

- David Tudehope, CEO Macquarie Telecom Group, [Source](#)

Tudenhope shares that Macquarie Telecom decided to adopt the whole NPS methodology, “even the parts that were uncomfortable”. After each call, the company collects the NPS data and displays it on screens placed throughout their office in real time. In this way, the company puts an emphasis on the transparency of their NPS - everyone internally and externally can see how well the company is looking after their customers on a real-time basis.

Empowering its employees to go above and beyond for customers is another factor contributing to Macquarie Telecom NPS transformation journey. The company bases all bonuses on the NPS achievements. Celebrating individuals and teams with high NPS and great customer stories has been a key to Macquarie Telecom's NPS success. Macquarie Telecom has further driven the way to transparency by displaying their NPS score in real-time on their website.

The results? Macquarie Telecom achieved an NPS of 66 over the Q2 FY17, which is up almost 50 points from when they started this journey five years ago. The company has also seen a hand-in-hand correlation between NPS and customer retention and cross-sells.

Conclusion

Keeping track on the state of NPS in your particular industry and learning best practices from the best performers is one of the key ways to increase growth and retention using NPS. Being aware of customers' needs, as well as upcoming CX trends, will better equip you to make strategic business decisions that lead to sustainable growth.

Throughout this eBook, we covered NPS industry highlights and provided best practices from Fortune 500 companies. We shared our over 10 years of thought leadership and expert advice on what it takes to increase growth and retention with the Net Promoter System.



About the author

Cvetilena Gocheva is the Digital Community Manager behind NPSBenchmarks.com and the Growth Marketing Manager at CustomerGauge. Her role is to help more businesses become aware of the Net Promoter System (NPS), the means it offers to drive growth forward and the importance of benchmarking. She discovered her passion for community engagement while working at a start-up in the UK.

CustomerGauge

CustomerGauge is a software-as-a-service platform that helps clients improve customer experiences. The system automatically measures and analyzes feedback, reduces churn through close-loop tools, and helps retain customers using the industry-standard metric Net Promoter System. Results are published and analyzed in real-time using a highly customizable reporting tool, making it ideal for global enterprises.



CustomerGauge.com/Benchmarks is the world's first completely free and accessible repository for NPS benchmarks scores, best practices, and thought leadership. The community combines 10 years of collecting NPS scores from world-renowned companies. NPSBenchmarks.com engages with NPS practitioners from all over the world on a daily basis to highlight CX & NPS best practices.

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