MetricNet®

Metric of the Month: Net Promoter Score

By Jeff Rumburg

Every month, in the Industry Insider, I highlight one key performance indicator (KPI) for the service desk or desktop support. I define the KPI, provide recent benchmarking data for the metric, and discuss key correlations and cause/effect relationships for the metric. The purpose of the column is to familiarize you with the KPIs that really matter to your support organization, and to provide actionable insight on how to leverage these KPIs to improve your performance.
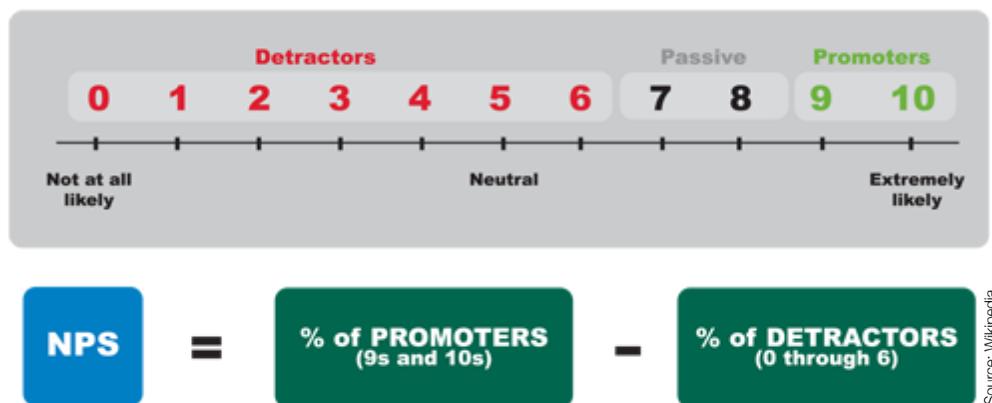
Net Promoter Score

The net promoter score (NPS) is based on the idea that every organization's customers can be divided into three categories: promoters, passives, and detractors. By asking one question—"How likely is it that you would recommend our service to a friend or colleague?"—you can track these groups and get a clear measure of your support organization's performance from the customer's perspective. Based on their responses (on a scale of 0–10), customers are categorized as follows:

- **Promoters** (score of 9–10) are loyal enthusiasts who will refer others to your support organization.
- **Passives** (score of 7–8) are satisfied but unenthusiastic customers who may choose another source of support if given the chance.
- **Detractors** (score of 0–6) are unhappy customers who can damage your reputation through negative word-of-mouth.

To calculate your support group's NPS, simply take the percentage of promoters and subtract the percentage of detractors. Your NPS can be as low as -100% (everybody is a detractor) or as high as +100% (everybody is a promoter). A positive NPS (i.e., higher than zero) is thought to be good, and an NPS of +50% or greater is excellent.

IT support groups that track NPS will typically follow the initial question with an open-ended request for elaboration, soliciting the reasons for a customer's rating. These reasons can then be provided to frontline employees and management teams for follow-up action and improvement initiatives.

Benchmarking Data for Net Promoter Score

NPS is a relatively new metric, and is currently tracked by approximately 20 percent of all service desks and desktop support groups. However, the vast majority of organizations that track NPS are providing support to external businesses or consumers, where NPS is considered to be a leading indicator of customer loyalty and follow-on business.

MetricNet's benchmarking data for sixty-eight technical service and support organizations that track both customer satisfaction and NPS is shown in Figure 1. As you can see, customer satisfaction for this particular data set is always higher than the NPS. This is generally the case, as it's extremely rare for an organization to have a higher NPS than customer satisfaction score. Put another way, it's easier to create a satisfied customer than it is to create customers who are willing to put their credibility on the line by recommending your service.

Since NPS is both a quality metric and a loyalty metric, one would expect there to be a correlation between NPS and customer satisfaction. There is, in fact, a correlation between these two metrics, but it's not as strong as one might expect. Figure 2 shows the strength of this correlation for the same support organizations represented by Figure 1. This reinforces the notion that NPS measures something different than customer satisfaction (i.e., customer loyalty), and that customer loyalty and satisfaction are two very distinct metrics.

The key question with any technical service and support metric is whether it helps the organization operate more effectively and efficiently. Does it provide useful feedback that helps agents and technicians deliver exceptional customer service? Does it provide a tracking mechanism that enables week-over-week and month-over-month comparisons? Those who track this metric believe it does. But it's worth noting, once again, that NPS is used primarily by technical service and support organizations that support an external customer base.

Please join us for next month's Metric of the Month, **the service desk balanced scorecard**, a straightforward approach for measuring overall service desk performance.

Figure 1: Customer Satisfaction and Net Promoter Score

Figure 2: Net Promoter Score vs. Customer Satisfaction
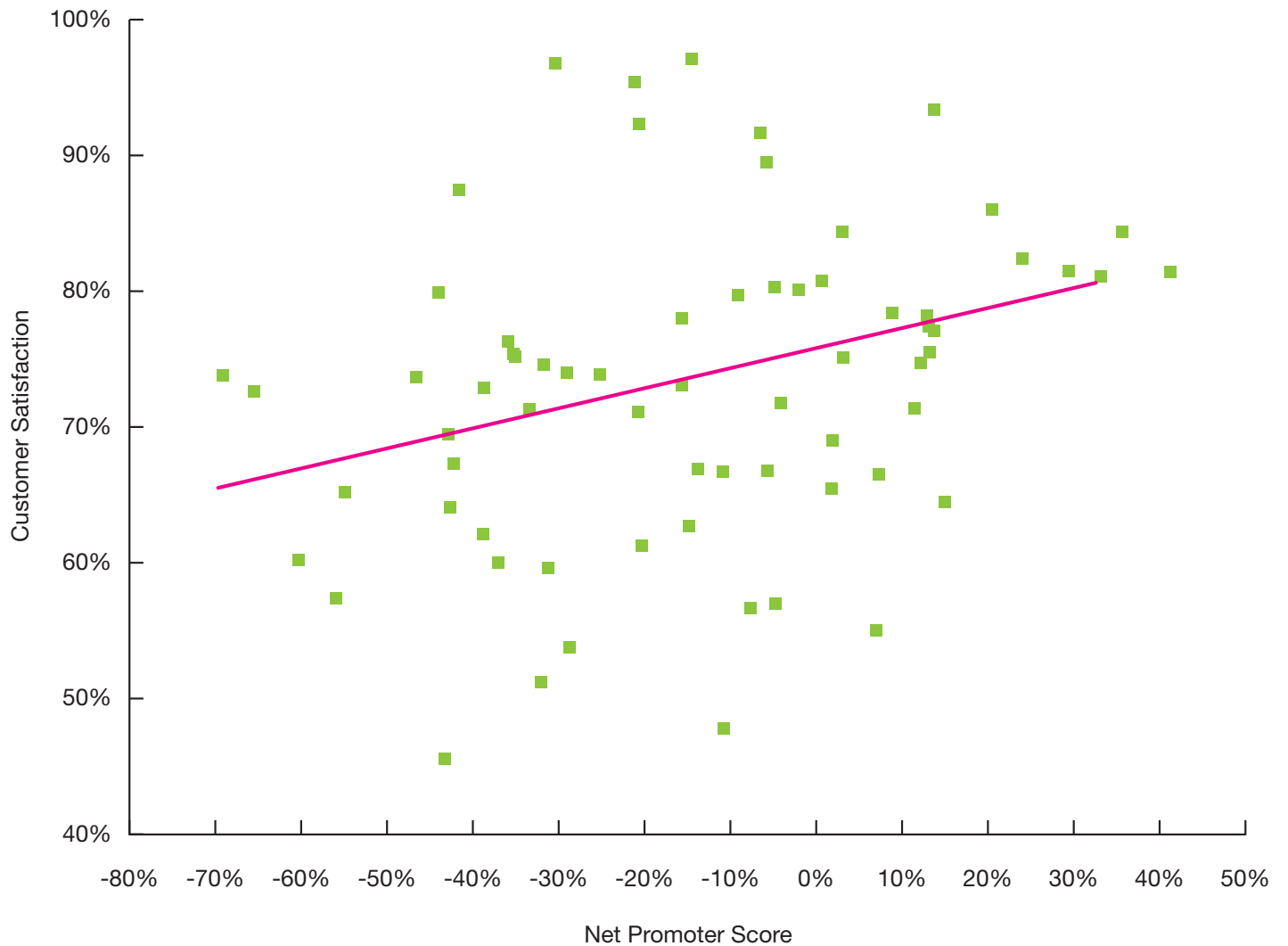
Jeff Rumburg is a managing partner and cofounder of MetricNet, LLC, the leading source of service desk and desktop support benchmarks for IT service professionals worldwide.