

What Is a Good Net Promoter Score?



Is your NPS score good or bad? How does it compare to your competition? This guide will tell.



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MARKET YOUR WAY UP

Know Your NPS

Your customers can do your best, free marketing by spreading love and brand awareness through word-of-mouth.

So, it makes sense that you should be tracking how many of them are so happy with their experiences that they want to selflessly promote them.

Net Promoter Score (NPS) is a method to measuring customer satisfaction. But what is a good score? How does your company rank compared to your competitors?

This guide provides those insights. We hope you find this information helpful. If you have any questions, feel free to reach me at 800-834-4910 or at inbound281.com.

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What Is a Good Net Promoter Score?

Source credit: HubSpot.com. Swetha Amaresan @swethamaresan. <https://blog.hubspot.com/service/what-is-a-good-net-promoter-score>

No matter how stellar you believe your customer service and support is, it all boils down to how your customers view it.

After all, they're the ones with the power to make or break their relationship with your company. Even more so, a single experience can determine how they speak of your company to their friends, family, and colleagues.

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How to Calculate NPS

NPS is calculated based on one, simple question: "On a scale of 1-10, how likely is it that you would recommend us to a friend or colleague?" Based on the number a customer selects, they are placed into the following categories:

- Promoters: Those who give a score between 9-10. They are loyal customers with a high lifetime value who will also refer prospects to help the company grow.
- Passives: Those who give a score between 7-8. They are relatively satisfied customers who may stay or move on to a competitor if the offer is right. They wouldn't go out of their way to refer prospects.
- Detractors: Those who give a score between 0-6. They are dissatisfied customers who may damage your brand reputation by writing negative reviews or spreading negativity through word-of-mouth.

Ultimately, the NPS is the difference between the percentage of promoters and percentage of detractors. The lowest possible score is -100 -- if every customer is a detractor -- and the highest possible score is 100 -- if every customer is a promoter -- but both of these scores are unrealistic and rare.

No business can fully satisfy every customer to the point of making them all promoters. While that would be the dream, it's not a reality. No matter what practices, beliefs, or objectives you follow, someone in the world will disapprove. As Taylor Swift once sang, "And the haters gonna hate, hate, hate, hate, hate, baby." The point of NPS is to focus on doing the best you can do for your customers and hoping that most will come out as promoters or, at least, passives.

It would waste time and energy to try to change the minds of every detractor. You can typically determine which detractors are stuck in their mindset and can never be swayed. However, there are also some who might have had just one bad experience and are still on the fence or who could be passives or promoters but haven't gained enough value yet. Those are the detractors on which you can focus your energies.

NPS Scores by Industry

In order to calculate what is a good NPS, it makes sense to first look at what is the average NPS in each industry. Theoretically, any score that is higher than the average competitive set is considered good. By prioritizing customer experience more than your competitors, you are growing faster and, probably, having more success with customer relationships. While it's not a direct correlation, it can be assumed that customers who are having better experiences will stick around longer and tell their friends about it, too.



Based on the competitive sets outlined in the above chart, you can get a sense for what the average NPS is in each of these popular industries. We've listed them out below for your convenience.

- Department/Speciality Stores: 58
- Tablet Computers: 47
- Brokerage/Investments: 45
- Auto Insurance: 44
- Home/Contents Insurance: 42
- Grocery/Supermarkets: 39
- Hotels: 39
- Online Entertainment: 39
- Online Shopping: 39
- Smartphones: 38
- Credit Cards: 37
- Laptop Computers: 37
- Shipping Services: 35
- Banking: 35
- Airlines: 35
- Life Insurance: 31
- Cellular Phone Service: 30
- Drug Stores/Pharmacies: 28
- Software & Apps: 28
- Health Insurance: 18
- Travel Websites: 16
- Cable/Satellite TV Services: 7
- Internet Service: 2

I know what you're thinking -- that seems scarily low. Well, according to a [study](#) done by [Colloquy](#), 75% of the general population claimed they would share a negative customer experience with friends and family, but only 42% would recommend a product or service with which they had a positive experience.

Perhaps detractors are just more likely to score a company than promoters and passives. Whatever the case may be, most of these industries definitely have some room to grow. The light at the end of the tunnel for you is that there's a growth opportunity. If your business restructures itself to be completely obsessed with improving customer experience and measuring Net Promoter Score, you can rise above the competitive set.

What is a good Net Promoter Score?

Technically, any score above zero can be considered a "good" score, since that implies that you have more promoters than detractors. 50 and above is excellent, and 70 and above is the best of the best, although achieving either of these is both outstanding and rare.

Since there isn't a universal standard for NPS, most companies compare their scores to other businesses in their industry. This gives them an idea of how good their customer experience is compared to their competitors. If they see that their score is falling short, they can analyze the top performers in their industry and adapt their customer service approach.

To paint a better picture of good NPS, let's take a look at the companies with the [best Net Promoter Scores](#) in their industry this year.

Best Net Promoter Scores

1. Costco - 74
2. USAA - 73
3. Southwest Airlines - 71
4. Ritz Carlton - 68
5. Apple - 68
6. Vanguard - 65
7. H-E-B - 64
8. Zappos - 58
9. American Express - 55
10. Cricket - 55

1. Costco - 74

Costco is a membership-only retail grocery store that sells products in bulk. It's known for its knowledgeable staff, affordable prices, and commitment to customer satisfaction. The company achieves its high NPS by investing in its staff, believing that happy employees will lead to more satisfying customer experiences.

2. USAA - 73

In 2019, USAA was listed as the top-performing company for NPS in three different industries: banking, home insurance, and auto insurance. Its best performance was in auto insurance where the company scored an impressive 73. USAA differentiates itself by offering perks and features that other insurance companies can't match. In fact, the company recently received a [perfect score](#) when rated by consumers on overall satisfaction.

3. Southwest Airlines - 71

Southwest Airlines has differentiated itself from the rest of the airline industry through its customer service. Its marketing campaigns routinely leverage its service offers and position the company as a [customer-first](#) organization. This approach has not only made the airline more successful but also has resulted in a better experience for its customers.

4. Ritz Carlton - 68

When it comes to hotels, Ritz Carlton is well known for its stunning accommodations and [above-and-beyond customer service](#). The brand's luxury hotels are immaculate and are staffed by customer-driven employees. With this focus on customer satisfaction and understanding of its target audience, it's no surprise that Ritz Carlton has been a longstanding powerhouse in the luxury hotel industry.

5. Apple - 68

Apple is much more than a tech company providing just hardware and software. Instead, Apple considers the entire user experience and maps out every step in the [customer journey](#). This has helped them create not only ground-breaking products but also innovative customer service experiences. For instance, the "Genius Bar" is an excellent example of how Apple invests in its customers even beyond the point of purchase.

6. Vanguard - 65

Vanguard is a US-based investment advisor that helps customers make smart decisions when it comes to investing. The company advises customers on decisions like retirement plans, financial endeavors, and institutional investments. Even though Vanguard is one of the largest investment agencies in the world, it still creates a personalized feel for its clients. It provides them with multiple [self-service](#) resources as well as a direct line to an advisor in case they immediate help.

7. H-E-B - 64

H-E-B is a Texas-based grocery store chain that puts a significant emphasis on customer service. If you visit its [website](#), the company doesn't say it's in the grocery industry. Rather, it says, "we're in the people business. We just happen to sell groceries." Values like these are at the core of the organization and are the reason why its customers are loyal advocates.

8. Zappos - 58

If you've never heard a story about Zappos customer service, you're in for a treat. There are no shortages of memorable customer experiences at Zappos as the company empowers its service team to meet [customer needs](#) no matter the cost. In the end, that initiative results in happy customers and awesome content like this:

9. American Express - 55

American Express has become one of the most popular credit services for both consumers and companies. The company's service team is available 24/7 and provides personalized features for clients that need more dedicated support. It also has a "Global Assist Hotline" so American Express customers can get help no matter where they are in the world.

10. Cricket - 55

Cricket is a fast-growing cell phone service that's positioned itself as an affordable alternative to larger competitors in its industry. The company has a user-friendly website that provides customers with all the information they need to troubleshoot customer service issues. If customers can't find what they're looking for online, they can work with a [chatbot](#) that will transfer them to a live rep.

Clearly, based on the competitive set above, getting a score that's good -- let alone excellent or more -- is difficult. It's an accomplishment to be in the positives. For example, it's extremely rare for a U.S. presidential candidate -- even one who ends up winning -- to ever break zero since there is so much negativity revolving politics. That doesn't mean they're all bad.

So, even if your company's NPS isn't as high as you expected, it doesn't necessarily mean it's bad. Having an average score can still mean you're creating a positive customer experience.

Average Net Promoter Scores

A completely average Net Promoter Score would be zero. That would imply that the business has as many detractors as they do promoters. However, since NPS can vary from industry to industry, most companies determine average NPS by comparing their score against the scores of their competitors.

NPS should definitely be taken with a grain of salt. There are a lot of factors that are out of your control. Sometimes, it might be that your best, loyal customers simply forget to score your company, while one dissatisfied customer decided to give you a whopping zero.

As long as you're either [in or above](#) the competitive set, you're clearly making the customer experience one of the main concerns in your company. Having a customer-centric mindset can ensure you set clear goals and values for your customer support, service, and success teams, which then can lead to happier customer interactions, and, hopefully, more promoters.

About Inbound 281



A Growth Agency

Inbound 281 is a full-service, growth-focused digital marketing agency. We help businesses grow by improving their marketing to increase sales, revenue and profits.

We help owners, marketers and sales managers who are looking for new ideas to help sales hit their targets. Often times they are frustrated that, after all the time, efforts and money they have invested, they're still not getting the results they were expecting.

Our sights are set on lead acquisition, lead conversion, and conversion rate optimization.

We specialize in multi-channel digital marketing, including content marketing, web design and development, SEO, pay per click, and social media.

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What's your dream result? Let's get the digital marketing conversation started!

Looking for new customer acquisition, lead generation, client engagement or a competitive advantage? We're ready to learn more about your goals so we can help you build a Marketing Road Map to help you achieve your goals.

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