

SMOKE

CUSTOMER INTELLIGENCE

**GLOBAL NET PROMOTER
SCORE BENCHMARK
2023**



INTRODUCTION

Smoke CI are delighted to present the findings of our comprehensive study on the 2022 Net Promoter Score (NPS) benchmark across diverse industries and journey touchpoints.

Our analysis involved three main survey methodologies: Interactive Voice Recording (IVR), Short Message Service (SMS), and online surveys. The scope of our study encompassed a wide range of clients, industries, global regions and journey touchpoints, providing a holistic overview of NPS performance. It is important to highlight that, except for 3 sets of results, all data were recorded in 2022, with a total of 2,832,966 results meticulously analysed.

Our study revealed that the average NPS benchmark across the surveyed industries and journey touchpoints in 2022 was 43.03. This benchmark is a crucial reference point for assessing the likelihood of customer recommendations within these sectors. However, we must emphasize that NPS scores can vary significantly across industries and companies. Therefore, when interpreting this score, it is imperative to consider the specific industry context and competitors' performance.

We trust that you will find value in our benchmarking results and use them to further expand and improve on your customer experience programmes within your industry.



“IF YOU DO BUILD A GREAT EXPERIENCE, CUSTOMERS TELL EACH OTHER ABOUT THAT.”

Jeff Bezos



DEFINITIONS

WHAT IS AN NPS SCORE?

NET PROMOTER SCORE

$$\text{NPS} = \% \text{ PROMOTERS} - \% \text{ DETRACTORS}$$



An NPS Score is a metric used to measure a customer's willingness to recommend a business to a friend or acquaintance, typified by the question:

“On a scale of 0 to 10, how likely are you to recommend our company/product/service to a friend or colleague?”





NPS PROS

- Simplicity
- Actionable insights
- Predictive value
- Comparative benchmarking
- Widely known, accepted and understood
- Customer-centric

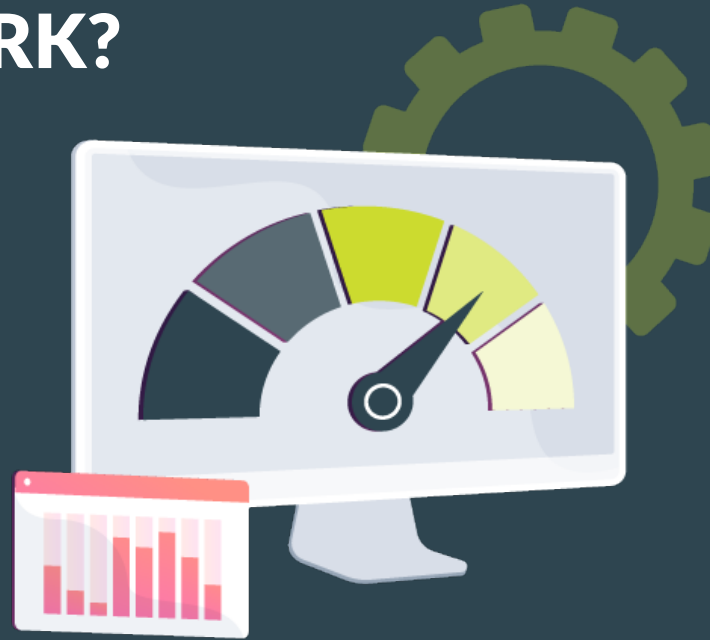


NPS CONS

- Limited scope
- Oversimplification
- Bias
- Lack of context
- Inability to capture non-response

DEFINITIONS

WHAT IS A BENCHMARK?



A reference point used to evaluate the performance of a company or organisation.

A benchmark represents the average NPS score for a specific industry or market segment. By comparing their NPS score to the benchmark, companies can gain insights into how well they perform relative to their competitors or peers.





BENCHMARK PROS

- Comparison
- Goal-setting
- Competitive analysis



BENCHMARK CONS

- Limited context
- Industry differences
- Variations in methodology

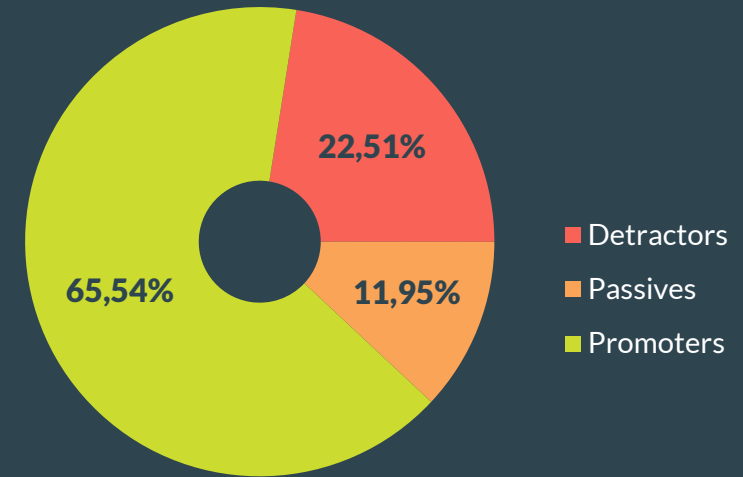
BENCHMARK STUDY

METHODOLOGY

The following benchmark study intends to examine the 2022 NPS across various industries and journey touchpoints using the three main survey methodologies; IVR, SMS and online.

ASSUMPTIONS:

- All* (apart from 3 sets of results) were recorded in 2022 and no analysis was done on samples of less than 100 with **2 832 966** results analysed in total.
- Average NPS benchmark was **43**.



INDUSTRIES:

- Banking
- Financial Services/Insurance
- Healthcare Providers and Subsidiaries
- Business Process Outsourcing
- Housing/Property
- Telecommunications



BENCHMARK STUDY

NOTEWORTHY

As with any kind of analysis, there will be nuances in being able to compare fully and completely “like for like”. Therefore, the following aspects need to be taken into consideration:

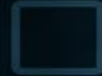
- **Rating Scales:** Although the standard metric for NPS measurement, some clients require bespoke rating scales. Consequently, a very few number questions that were analysed used scales of 1 to 5 and 1 to 10, as well as (by vast majority) the standard NPS 0 to 10. In order to compare these as accurately as possible, the 1 to 5 and 1 and 10 scales were converted to 0 to 10. In addition, the 1 to 5 and 1 to 10 scale results may be inflated due to the absence of an absolute zero.

“The most exciting phrase to hear in science, the one that heralds new discoveries, is not ‘Eureka!’ but ‘That’s funny...’”
Isaac Asimov

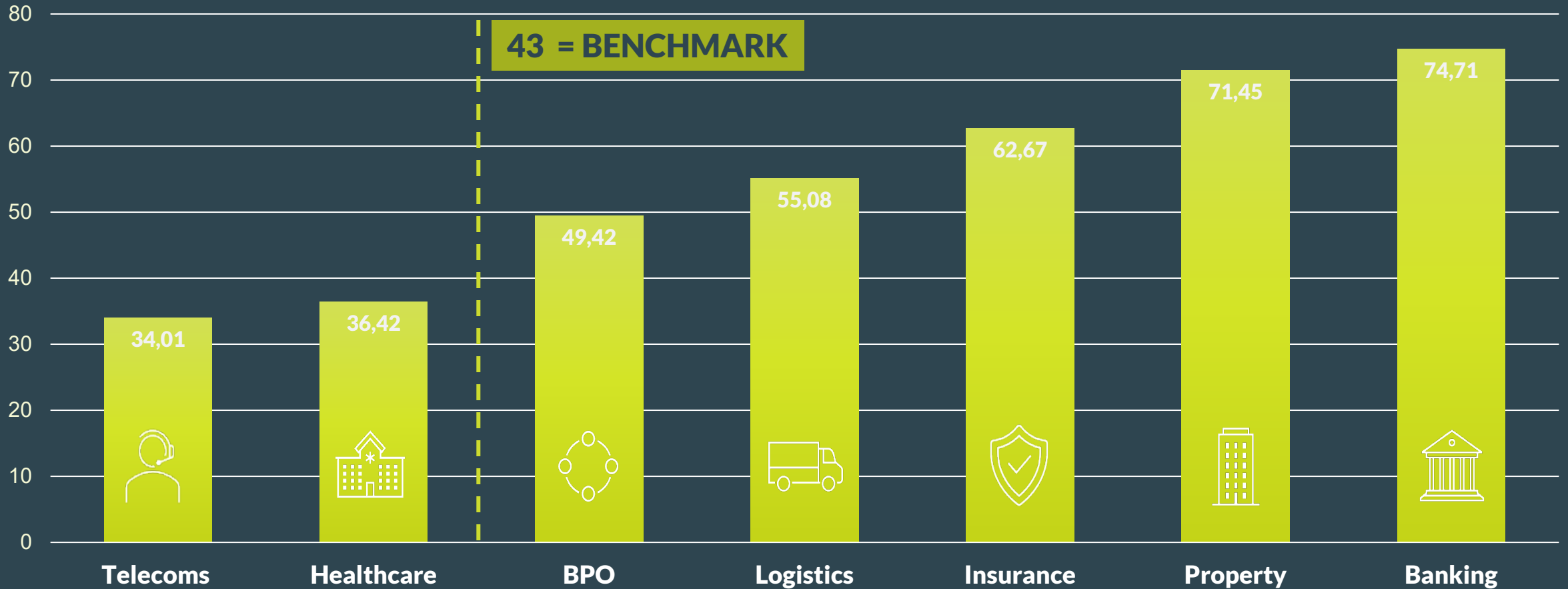




BENCHMARK **BY INDUSTRY**

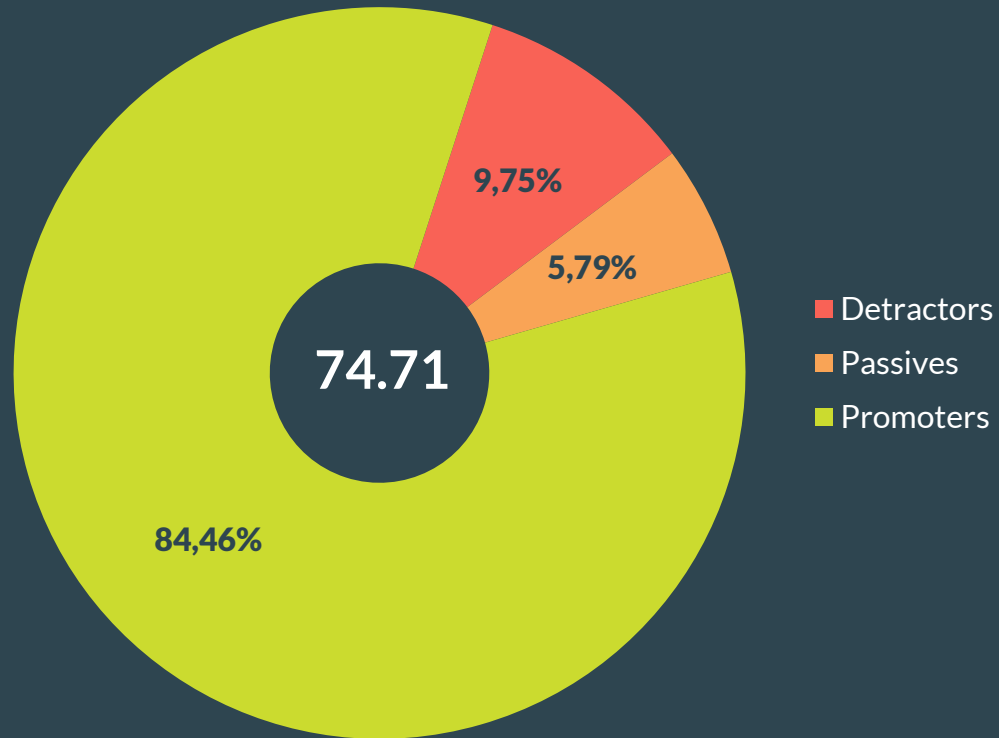


RESULTS OVERVIEW



BANKING: NPS BENCHMARK

Service: Relationship-focused



Sample Size = 182 198

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

The banking industry boasts an NPS benchmark of 74.71, with 84.46% of customers inclined to promote their bank to others.

Banks with an NPS of 74.71 or above are positioned favourably within the industry, showing their ability to meet customer expectations and deliver high levels of service.

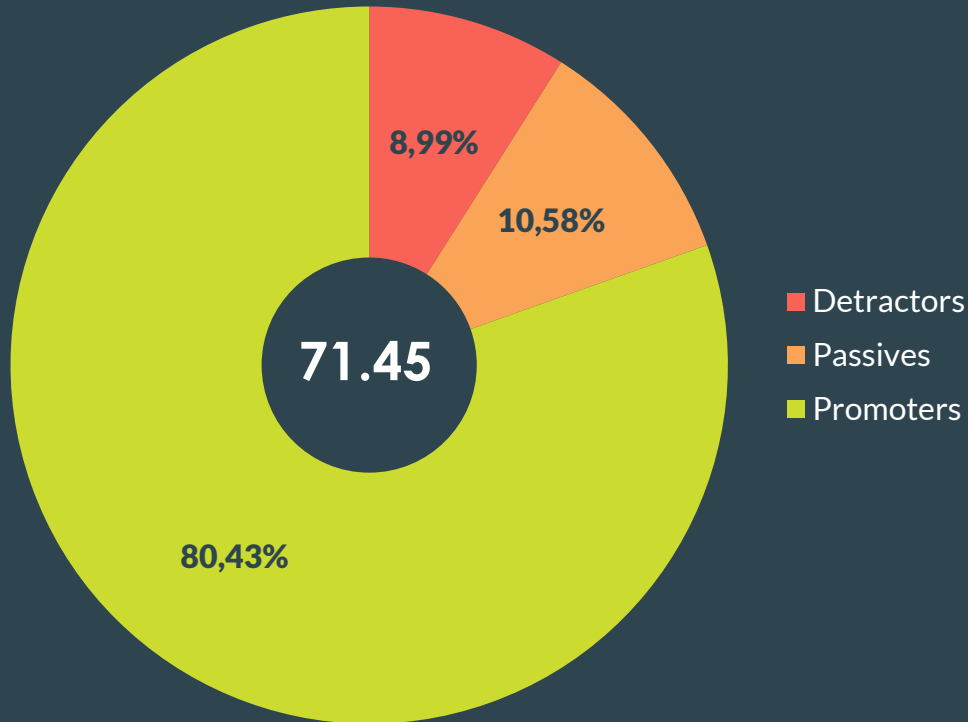
NICE TO KNOW:

According to a study by Bain & Company, banks with high NPS scores grow their deposits at more than twice the rate of banks with lower NPS scores.



PROPERTY: NPS BENCHMARK

Service: Relationship-focused



Sample Size = 254 590

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

Given the long-term nature of property transactions and management, an NPS benchmark of 71.45 implies that companies emphasise relationship-building and provide personalised services to their clients.

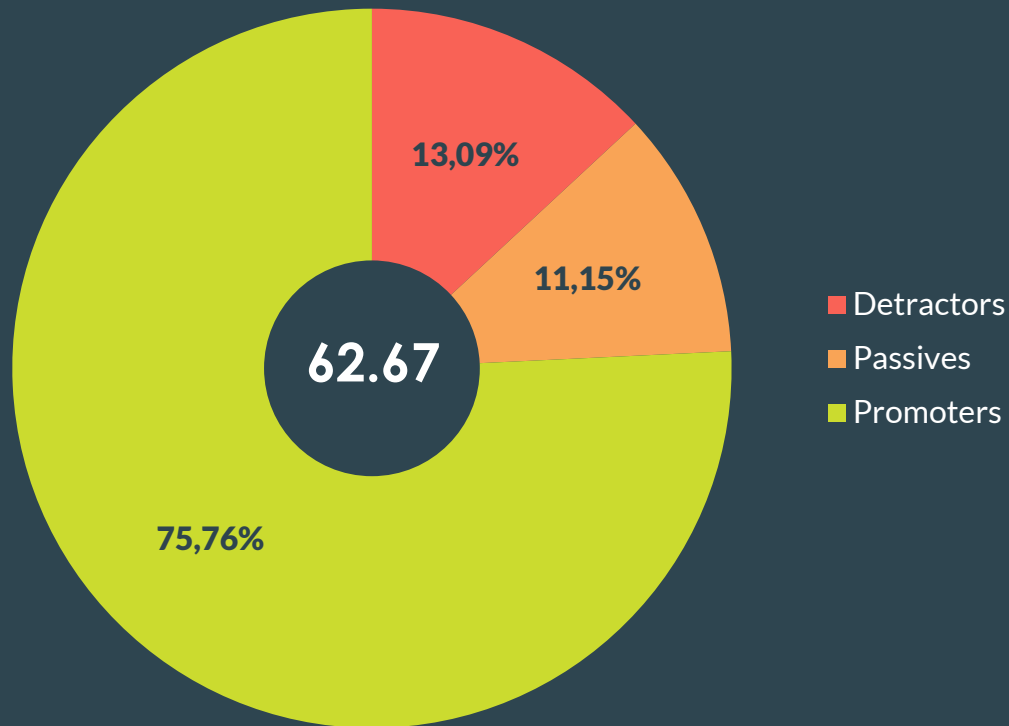
NICE TO KNOW:

Studies have shown that referrals from satisfied customers can be a powerful driver of new business in the real estate and property sectors.



INSURANCE: NPS BENCHMARK

Service: Low-touch



Sample Size = 225 706

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

The Insurance industry has an NPS benchmark of 62.67, with the percentage of promoters being significantly higher than the percentage of detractors.

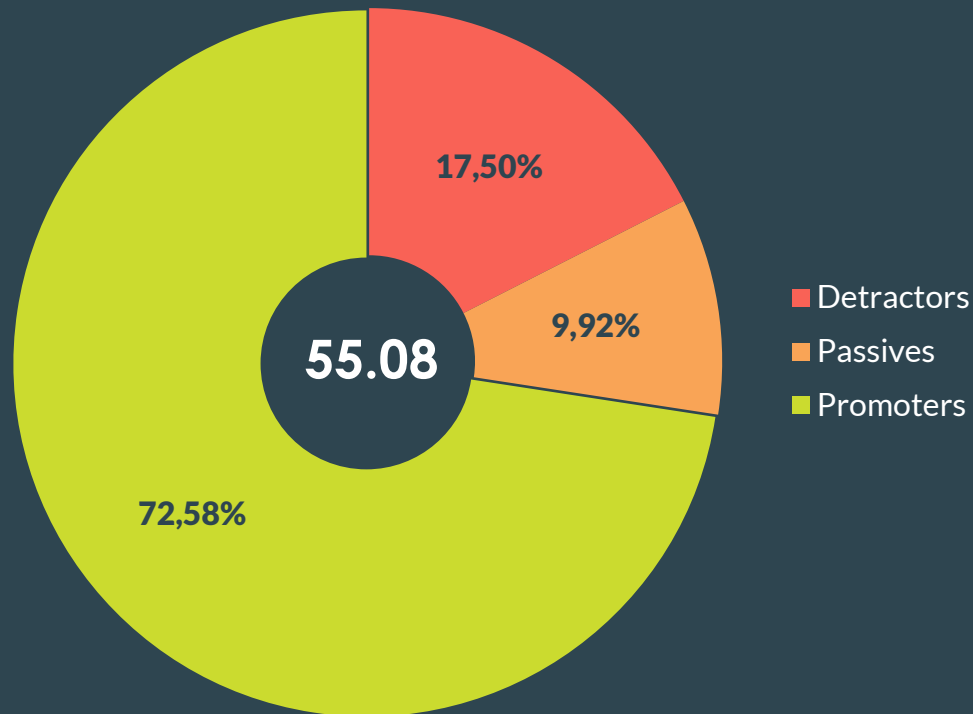
NICE TO KNOW:

Research conducted by Medallia reveals that insurance companies with a high NPS have notably lower customer churn rates in comparison to those with a lower NPS.



LOGISTICS: NPS BENCHMARK

Service: Delivery



Sample Size = 14 609

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

An NPS benchmark of 55.08 suggests that customers in the Logistics industry have a positive perception of the services they receive. In today's era of rapid technological advancement, logistics companies that embrace cutting-edge technology such as digital solutions, automation, real-time tracking, and data analytics can enhance their services and deliver an improved customer experience.

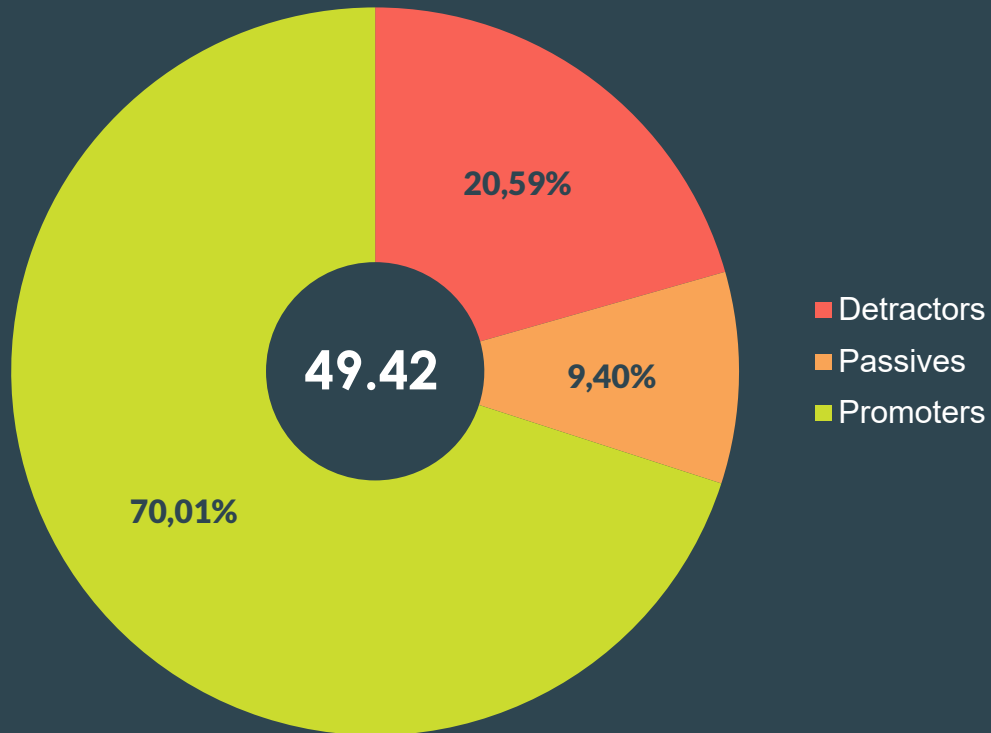
NICE TO KNOW:

Given the competitive nature of the logistics industry, where multiple providers offer similar services, having a strong NPS and a base of loyal, satisfied customers can give a logistics company a significant competitive advantage.



BPO: NPS BENCHMARK

Service: Outsourced



Sample Size = 114 862

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

An NPS benchmark of 49.42 indicates that a significant portion of BPO customers have a positive perception of the company and its services. An above-average NPS benchmark could be a result of the challenge the BPO Industry faces in dealing with and maintaining third-party customer experiences.

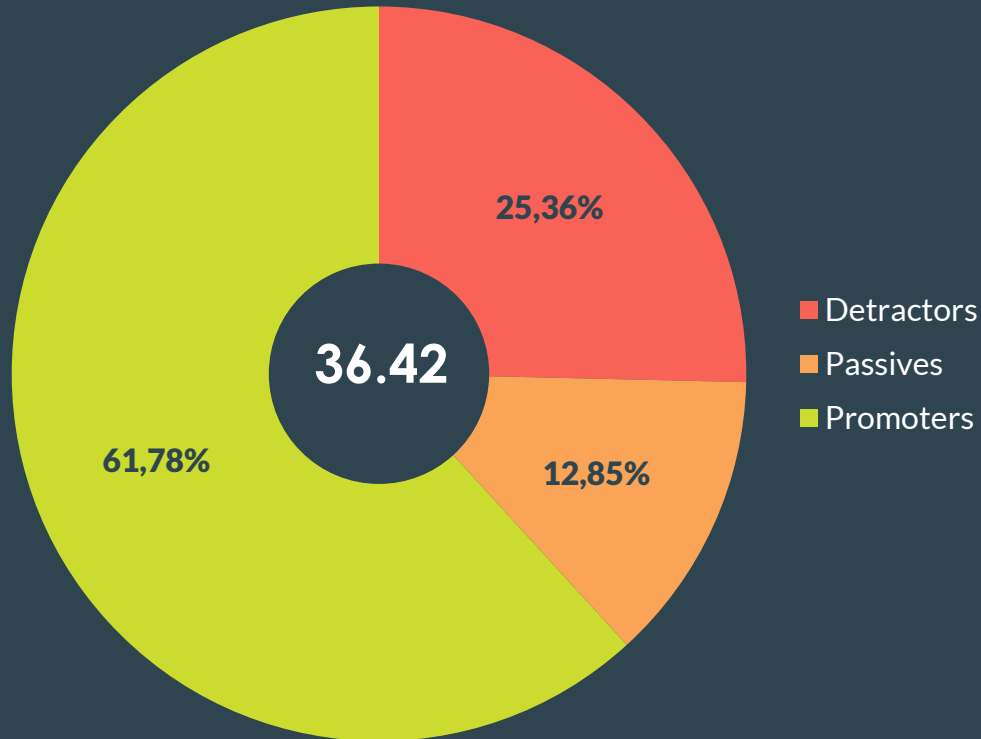
NICE TO KNOW:

A study conducted by HFS Research showed that BPO providers with a higher NPS had better upsell and cross-sell opportunities with existing clients.



HEALTHCARE: NPS BENCHMARK

Service: High-stakes Based



Sample Size = 18 089

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

In Healthcare, patient experience is much bigger than the company's bottom line, it's critical for patient well-being. Owing to Healthcare being an extremely personal service, there is a higher service expectation and individuals prioritise different factors based on their unique needs and preferences, resulting in varied NPS responses.

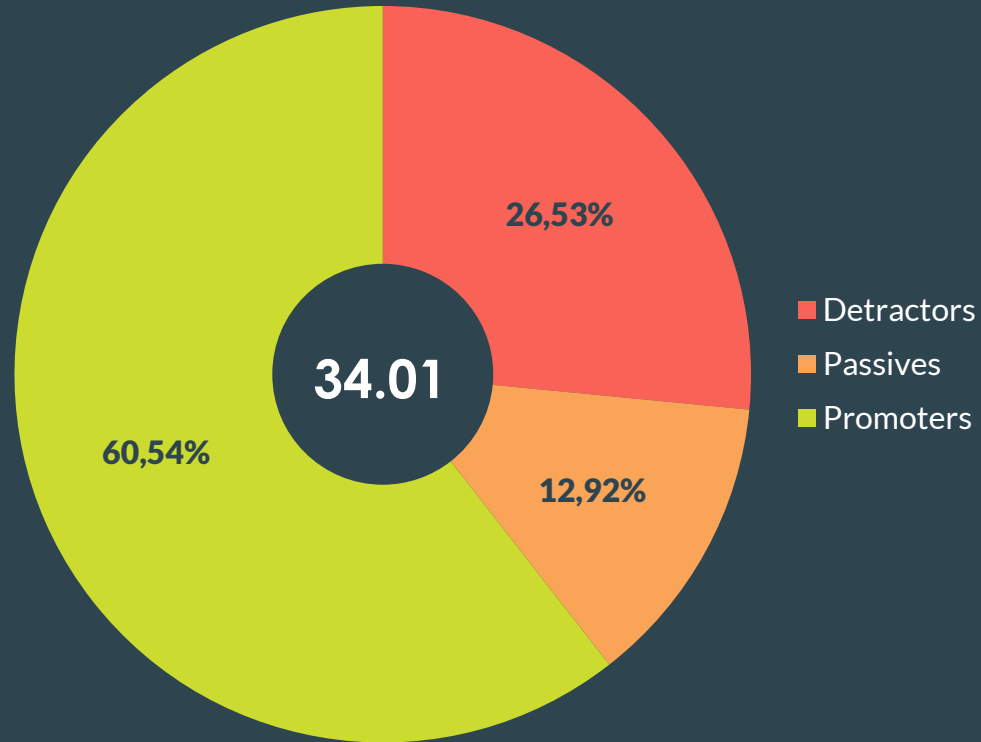
NICE TO KNOW:

When patients choose a healthcare provider, they're signing up for a consistent service rather than a once-off experience. Thus, by leveraging an above-average net promoter score, healthcare companies can attract and retain patients more effectively.



TELECOMMS: NPS BENCHMARK

Service: Utility / Commodity



Sample Size = 2 022 912

2022 Overall NPS Benchmark: 43.03%

FINDINGS:

While an NPS benchmark of 34.01 indicates some level of customer satisfaction, there is significant room for improvement to enhance customer experience.

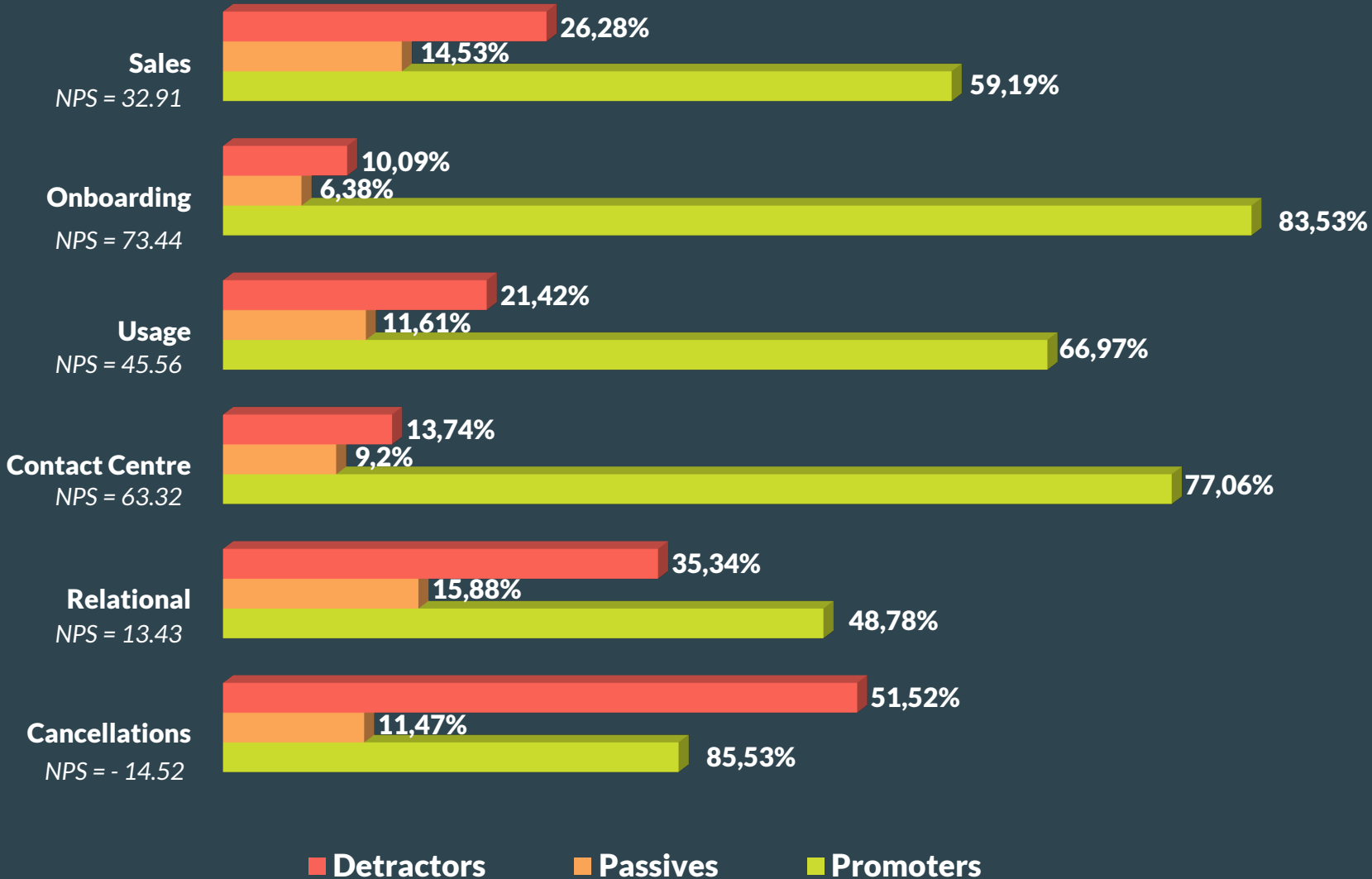
Telecom companies face challenges in differentiating their services, attracting and retaining customers, and staying ahead of competitors in terms of pricing, network coverage, and service quality.

NICE TO KNOW:

Telecom companies that prioritise customer satisfaction, engagement, and loyalty, as reflected by a high NPS, are more likely to thrive in a highly competitive market and achieve sustainable growth.



NPS BY TOUCHPOINT



Onboarding: Most customers are promoters as the company ensures a smooth transition from the initial purchase to a satisfied and engaged customer.

Contact Centre: High level of promoters as customers are generally less inclined to provide low ratings when evaluating a person rather than an impersonal process.

Cancellations: Majority detractors due to aggressive retention tactics during the cancellations process. This journey touchpoint should be interpreted with caution due to its potential for bias.

