



**INSIGHT REPORT**

# **Tech Vendor NPS & Loyalty Benchmark, 2018**

**NET PROMOTER SCORES AND LOYALTY DATA FOR 61 TECH  
VENDORS BASED ON 800 IT DECISION-MAKERS**

By **Bruce Temkin**, CCXP  
Head of the Qualtrics XM Institute

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## EXECUTIVE SUMMARY

For the seventh year in a row, we have calculated the Net Promoter Score® (NPS®) of over 60 technology vendors and analyzed the correlation between NPS and four client loyalty behaviors – likelihood of repurchasing from that technology vendor, likelihood of trying new offerings, likelihood of forgiving the vendor if it makes a mistake, and willingness to act as a reference for the vendor. To gather this data, we surveyed 800 IT decision-makers from large North American firms about their relationships with their technology providers. Through this research, we found that:

- Across the 61 tech vendors we examined, NPS ranged from +51 to -22.
- VMware, IBM software products, DellEMC, and Microsoft server software earned the highest NPS, while Check Point, Splunk, and Alcatel-Lucent received the lowest.
- Overall, the average NPS for the tech vendor industry stayed steady from last year, declining only slightly from 21.4 in 2017 to 21.2 this year.
- Our analysis shows that NPS is strongly correlated to customers' willingness to spend more with tech vendors, try their new products and services, forgive them after a bad experience, and act as a reference for them with prospective clients.
- When it comes to loyalty, IT decision-makers are most likely to purchase more from DellEMC and Microsoft server software, try new offerings from Oracle outsourcing and Dell outsourcing, forgive Oracle outsourcing and Micro Focus if they make a mistake, and act as a reference for AWS and IBM outsourcing.

## NET PROMOTER SCORES FOR 61 TECH VENDORS

Many companies use “likelihood to recommend” as a key metric for gauging their customer experience efforts.<sup>1</sup> One of the most popular incarnations of this metric in business-to-business relationships is Net Promoter Score (NPS), which is found by asking clients:<sup>2</sup>

*How likely are you to recommend <COMPANY> to friends and colleagues?*

Clients are asked to select a response between 0 (not at all likely) and 10 (extremely likely). Using the NPS methodology, responses are grouped into one of three categories:

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<sup>1</sup> In a survey of 169 companies with revenues of \$500 million or more, we found that 85% of companies track the likelihood of customers to recommend their company. See the Temkin Group Insight Report, “The State of CX Metrics, 2017,” (December 2017).

<sup>2</sup> Net Promoter Score, Net Promoter, and NPS are registered trademarks of Bain & Company, Satmetrix Systems, and Fred Reichheld.

- *Detractor*: The client selects a response between 0 and 6. For some of our analysis, we divide this group into severe detractors (0 to 4) and mild detractors (5 or 6).
- *Passive*: The client selects 7 or 8.
- *Promoter*: The client selects 9 or 10.

To calculate NPS, you subtract the percentage of detractors from the percentage of promoters.

### **VMWare Earns Top Net Promoter Score**

To understand how tech vendors compare to their competition, we surveyed 800 IT decision-makers from North American companies with \$250 million or more in annual revenues, only including responses from IT professionals who had interacted with their tech vendors within the past six months.<sup>3</sup> We asked these IT decision-makers a number of questions about their experiences, including the standard 11-point NPS question. Ultimately there were 61 tech vendors with at least 40 points of feedback from respondents. Our analysis of this data shows that:

- **VMWare servers came out on top.** With an NPS of 51, VMware earned the top score this year, followed by IBM software (41), DellEMC (41), and Microsoft server software (40) (see Figure 1). At the other end of the spectrum, Splunk (-11) and Check Point (-22) earned the lowest NPS.
- **NPS stayed steady from last year.** We compared this year's average NPS to the average NPS from the previous five years and found that it declined only slightly from last year (see Figure 2).<sup>4</sup>

### **Net Promoter Score Correlates to Multiple Aspects of Loyalty**

We examined the relationship between NPS scores and four different loyalty behaviors – likelihood of repurchasing, likelihood of trying new offerings, likelihood of forgiving mistakes, and willingness to act as a reference – and found a strong correlation between NPS and each of these four areas. In particular, we found that large companies are:

- **Planning to purchase more from DellEMC and Microsoft.** We asked the respondents how likely they are to purchase more from the vendors that they are already use. We found that 78% of DellEMC's and Microsoft server software's existing clients are likely to buy more from them, followed closely by Microsoft desktop software (76%) and VMware (75%) (see Figure 3).<sup>5</sup> Meanwhile, three tech vendors ended up with fewer than 45% of their customers saying they are likely to buy more

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<sup>3</sup> Temkin Group deployed an online survey in Q3 2018 through a third-party panel to reach 800 IT decision-makers at North American organizations with at least \$250 million in revenues.

<sup>4</sup> See the Temkin Group Insight Report, "Tech Vendor NPS Benchmark, 2017," (September 2017).

<sup>5</sup> To calculate likelihood of repurchasing, we asked IT decision-makers on a scale from 1 (very unlikely) to 7 (very likely) how likely they were to buy more from the vendors they are already using. For this analysis, we took the percentage of respondents who selected either a "6" or a "7."

from them: Deloitte consulting, Micro Focus, and Accenture consulting. When we examined the relationship between NPS and likelihood to repurchase, we found a strong correlation of 0.80 (see Figure 4). Interestingly, the percentage of clients who say they are “very likely” to purchase more from a tech vendor starts increasing significantly when IT decision-makers pick 6 or above on the NPS scale (see Figure 5).

- **Likely to try new offerings from Oracle and Dell.** We asked the respondents how likely they are to try new offerings from each of the tech vendors and then used their responses to calculate the *Temkin Innovation Equity Quotient* (TIEQ).<sup>6</sup> Oracle outsourcing and Dell outsourcing earned the highest TIEQ, with scores of 53% and 51% respectively (see Figure 6). At the other end of the spectrum, Infosys (-5%) and Deloitte consulting (-4%) not only received the lowest TIEQ, they were also the only two vendors to fall into negative numbers. When we examined the relationship between NPS and TIEQ, we found a strong correlation of 0.69 (see Figure 7).<sup>7</sup>
- **Most inclined to forgive Oracle and Micro Focus.** We asked the respondents how likely they are to forgive each of the tech vendors if it delivered a bad experience, and then we used their responses to calculate the *Temkin Forgiveness Ratings* (TFR).<sup>8</sup> Oracle outsourcing (51%) and Micro Focus (49%) enjoy the highest TFR (see Figure 8). Meanwhile, three tech vendors received a TFR below 10%: Check Point, Accenture consulting, and Deloitte consulting. When we examined the relationship between NPS and TFR, we found a strong correlation of 0.77 (see Figure 9).
- **Most willing to be a reference for AWS and IBM.** We asked respondents to select the tech vendors for which they’d be willing to act a reference. Amazon Web Services (AWS) came out on top, with 50% of its customers willing to act as a reference (see Figure 10). IBM outsourcing and IBM software followed closely behind, with reference rates of 49% and 46% respectively. Meanwhile, two tech vendors have reference rates below 20%: CA Technologies and Infosys (see Figure 11). And while the correlation between NPS and customers’ willingness to act as a reference is strong at 0.60, it’s still the weakest correlation of all the relationships we examined for this report (see Figure 12).

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<sup>6</sup> We calculated the Temkin Innovation Equity Quotient by taking the percentage of customers who are very likely to try a new offering from the tech vendor as soon as it is announced and subtracting the percentage of customers who are unlikely to do so.

<sup>7</sup> A correlation above .50 is considered “strong.”

<sup>8</sup> The Temkin Forgiveness Ratings are calculated by taking the percentage of customers who say they are very likely to forgive the tech vendor if it delivers a bad experience and subtracting the percentage of customers who are unlikely to forgive the tech vendor if it delivers a bad experience.



Figure 1

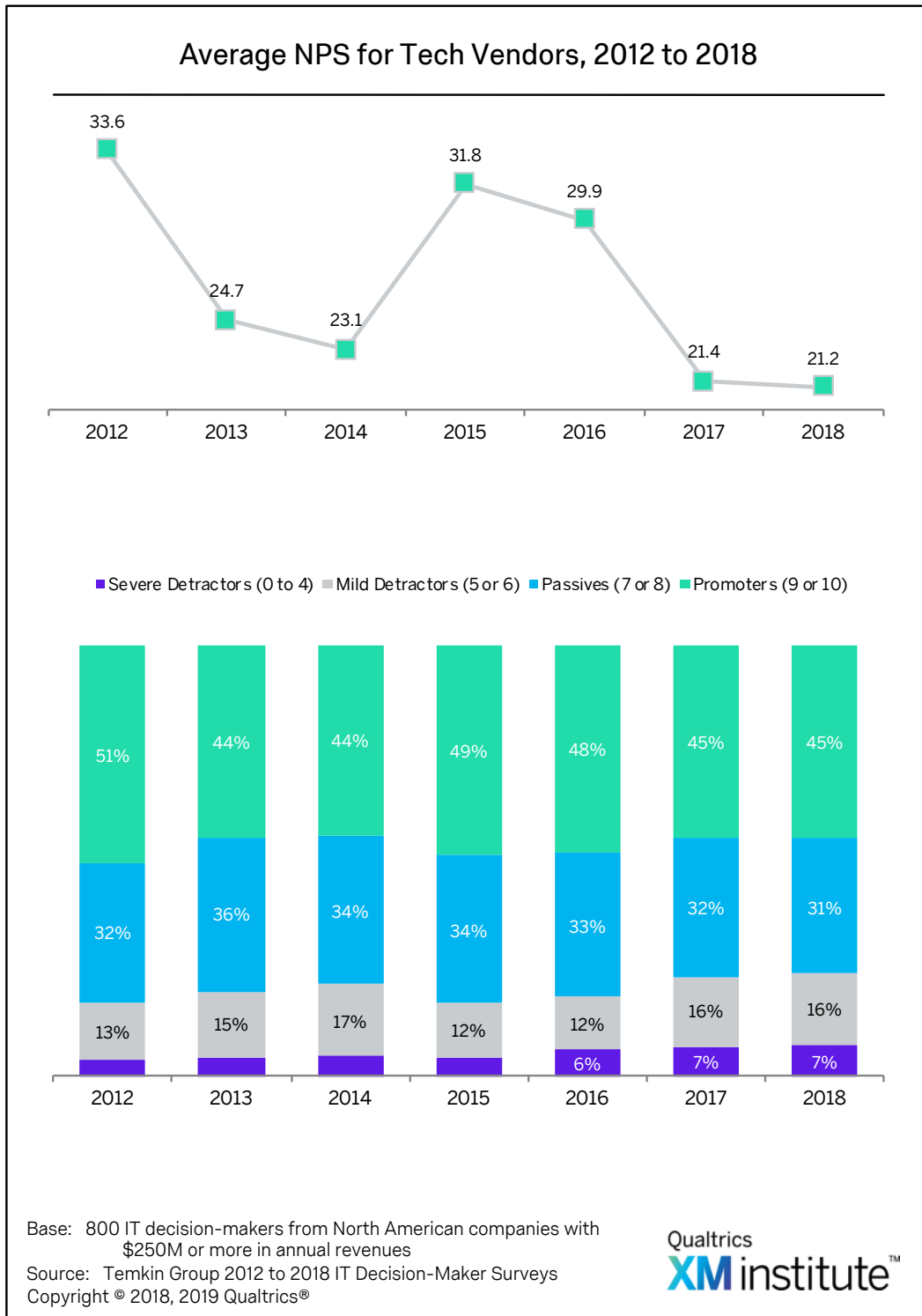


Figure 2



Figure 3



Figure 4



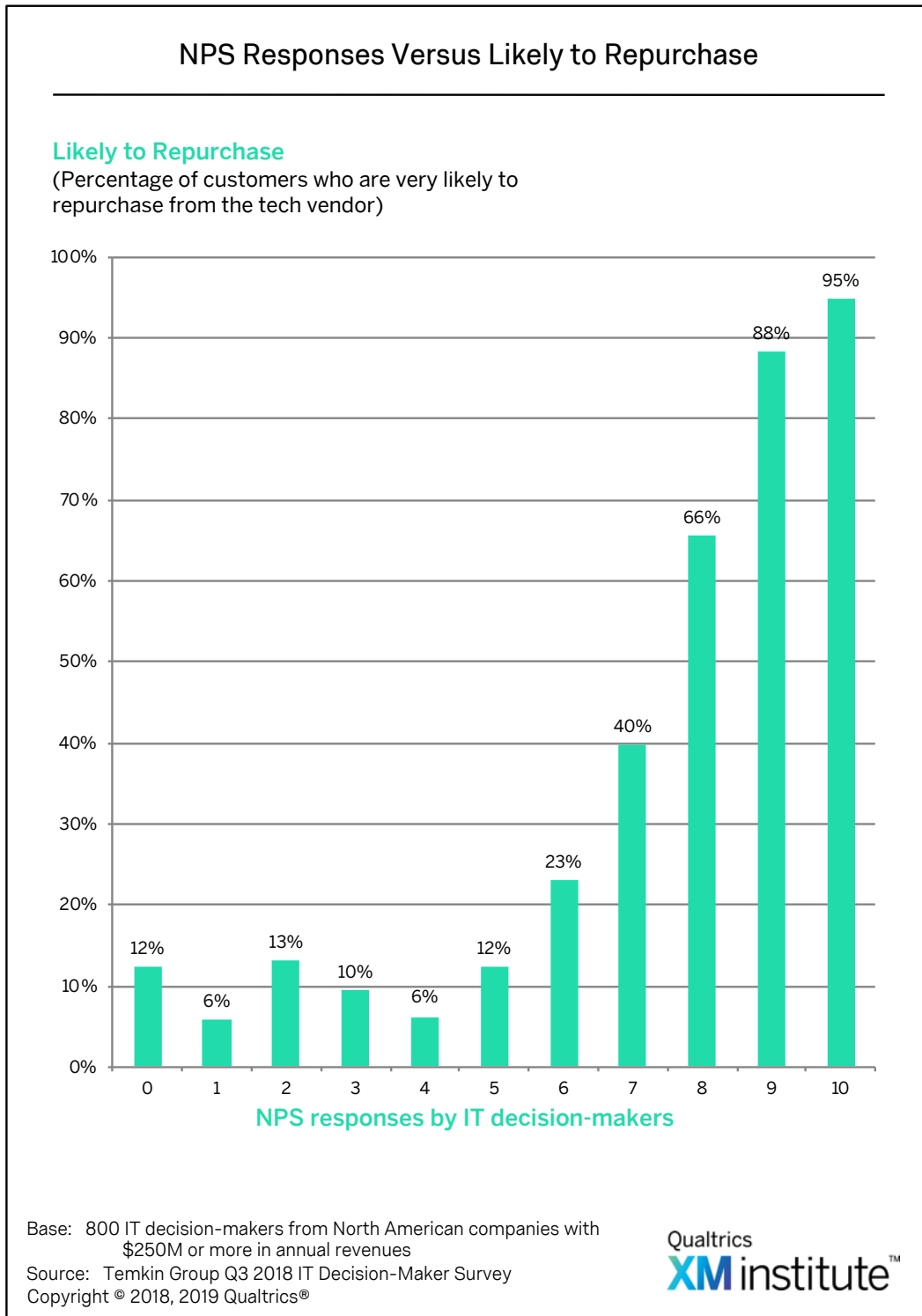


Figure 5

### *Temkin Innovation Equity Quotient (TIEQ) of Tech Vendors*

Percentage of customers who are very likely to try a new product or service from the tech vendor as soon as it is announced, minus percentage who are unlikely to do so

Company	TIEQ	Company	TIEQ
Oracle outsourcing	53%	Adobe	32%
Dell outsourcing	51%	Oracle server software	32%
Lenovo datacenter products	50%	HP	31%
Oracle Cloud	48%	Red Hat	31%
Microsoft desktop software	48%	Lenovo computers & tablets	30%
Microsoft server software	47%	Cisco	29%
Amazon Web Services	47%	SAP business applications	29%
Google	44%	Trend Micro	29%
DellEMC	44%	Dell computers & tablets	28%
IBM software products	44%	Intuit	28%
VMware	44%	Splunk	26%
Microsoft business applications	43%	Rackspace	26%
IBM outsourcing	41%	Accenture outsourcing	25%
Intel Corporation	41%	Micro Focus	24%
Tableau	40%	Oracle business applications	24%
Qualcomm	38%	ADP	22%
Salesforce.com	38%	BMC	20%
IBM IT services	38%	Workday	20%
Autodesk	38%	Xerox	20%
Dell datacenter products	37%	McAfee	20%
SAS Institute	37%	NetApp	18%
HP Enterprise IT services	37%	ServiceNow	18%
Siemens	36%	Fujitsu	17%
Apple software products	35%	Citrix	15%
Apple hardware products	34%	CA Technologies	15%
SAP IT services	34%	Unisys	14%
HP Enterprise products	34%	Pitney Bowes	13%
Symantec	33%	Accenture consulting	5%
Alcatel-Lucent	33%	Check Point	0%
Dell IT services	32%	Deloitte consulting	-4%
		Infosys	-5%

Base: 800 IT decision-makers from North American companies with \$250M or more in annual revenues

Source: Temkin Group Q3 2018 IT Decision-Maker Survey  
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Figure 6

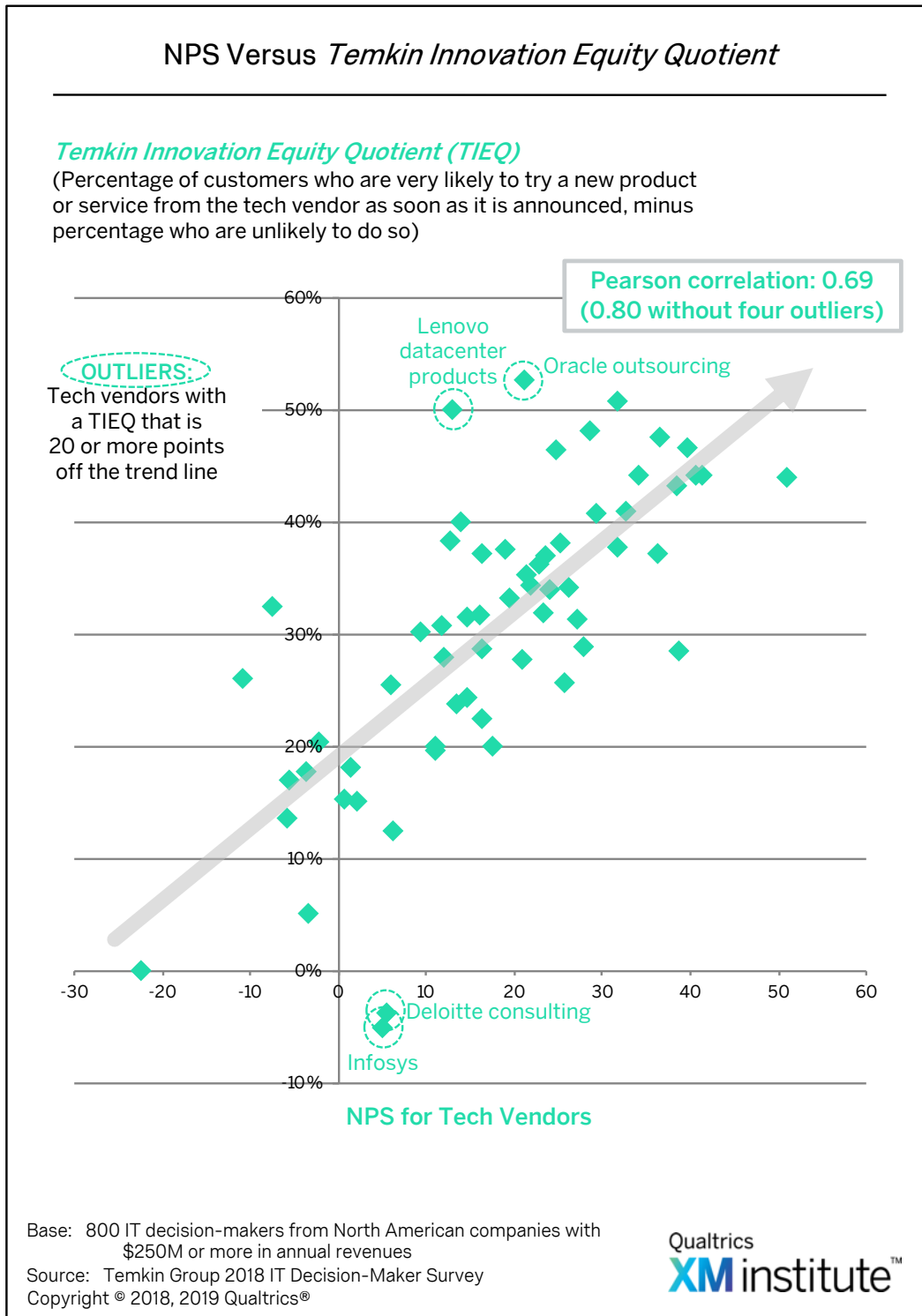


Figure 7

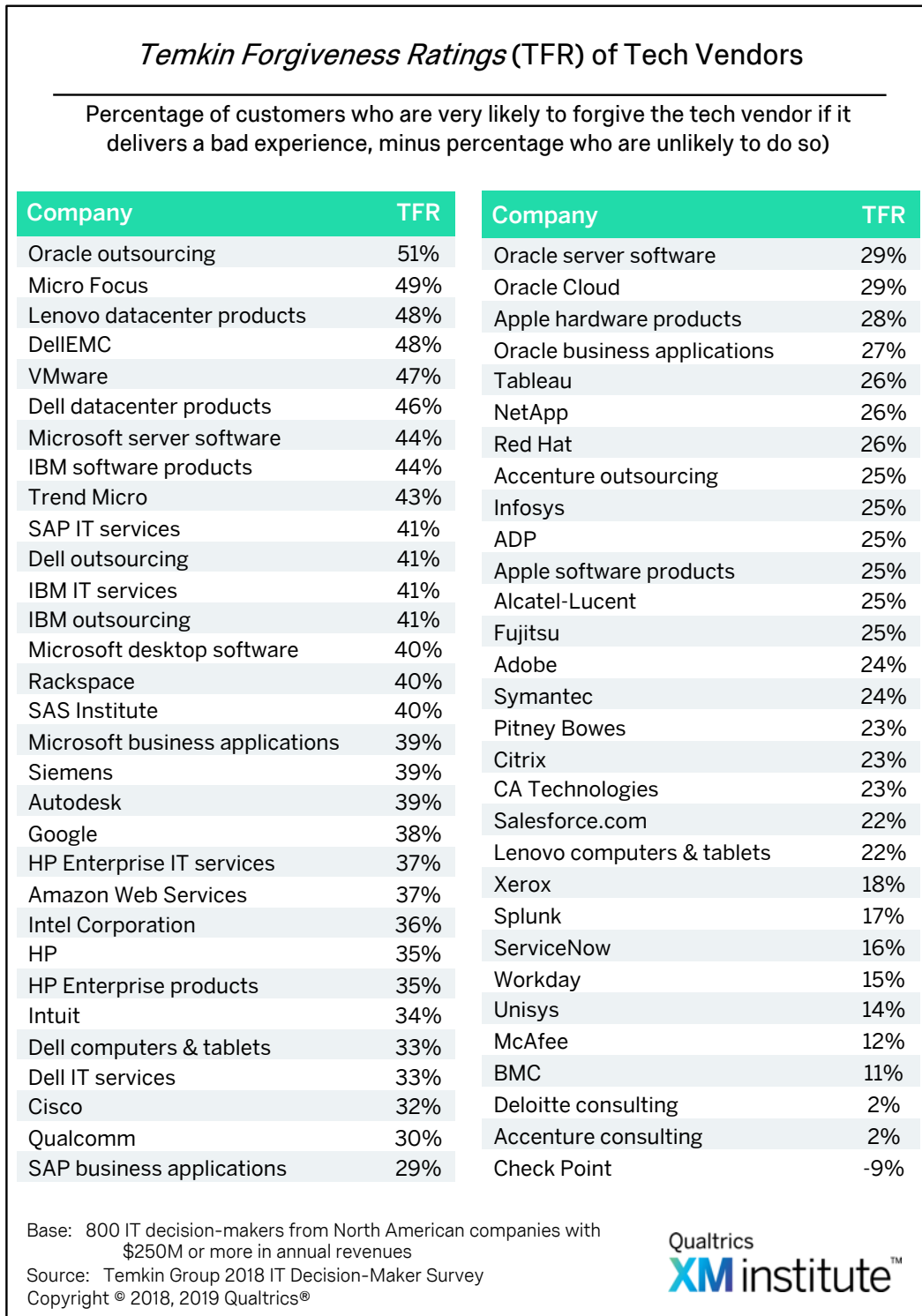


Figure 8

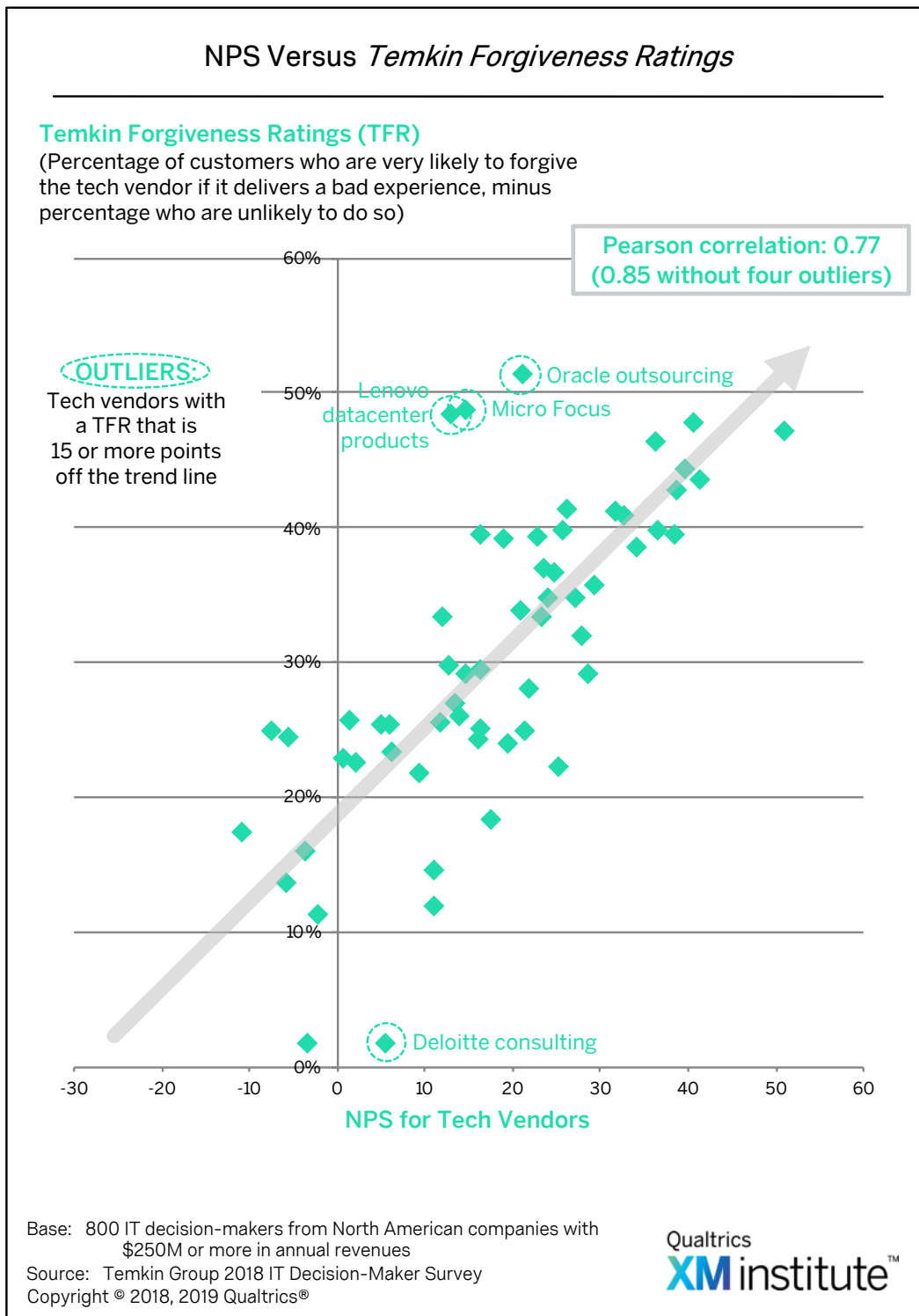


Figure 9

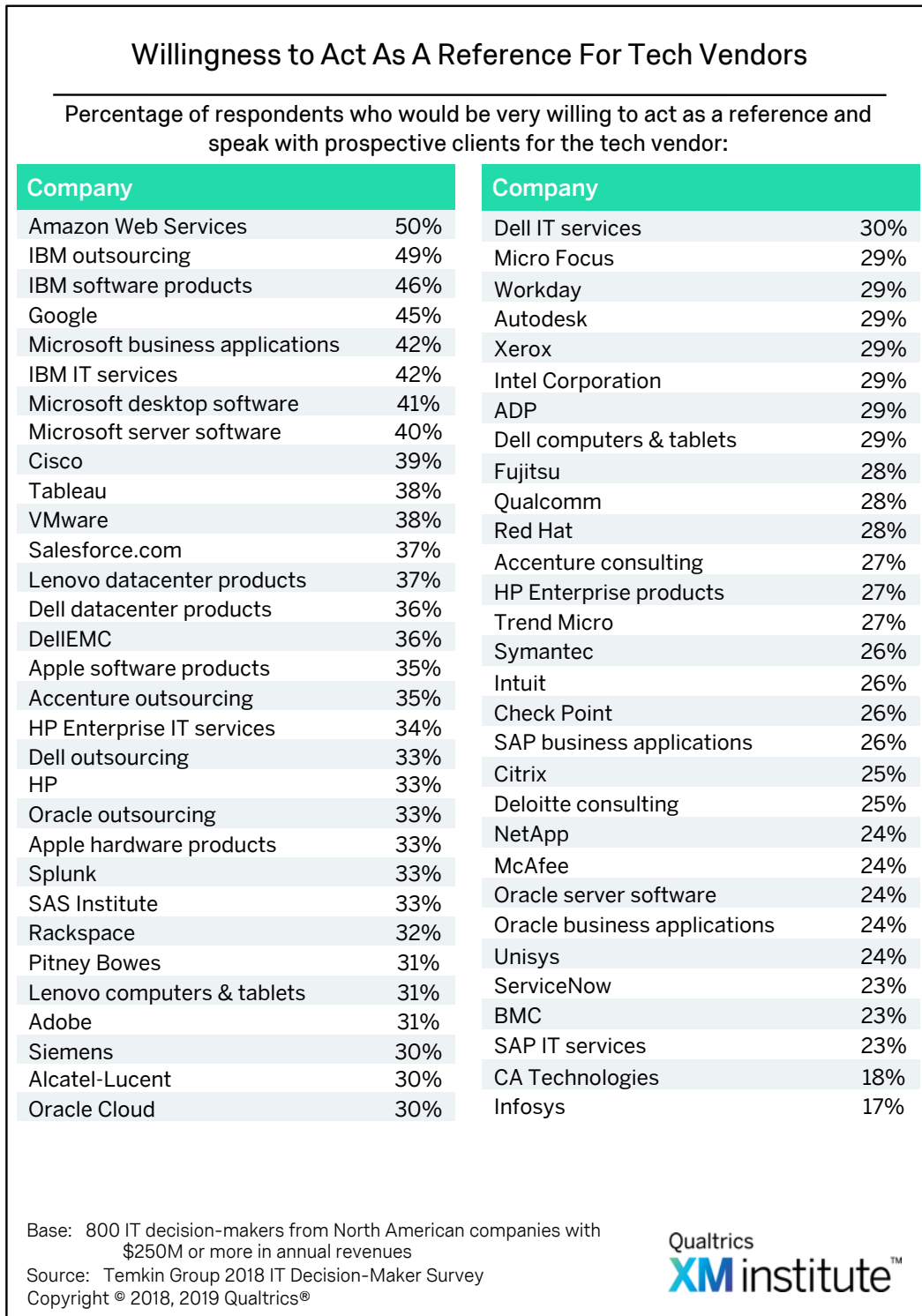


Figure 10

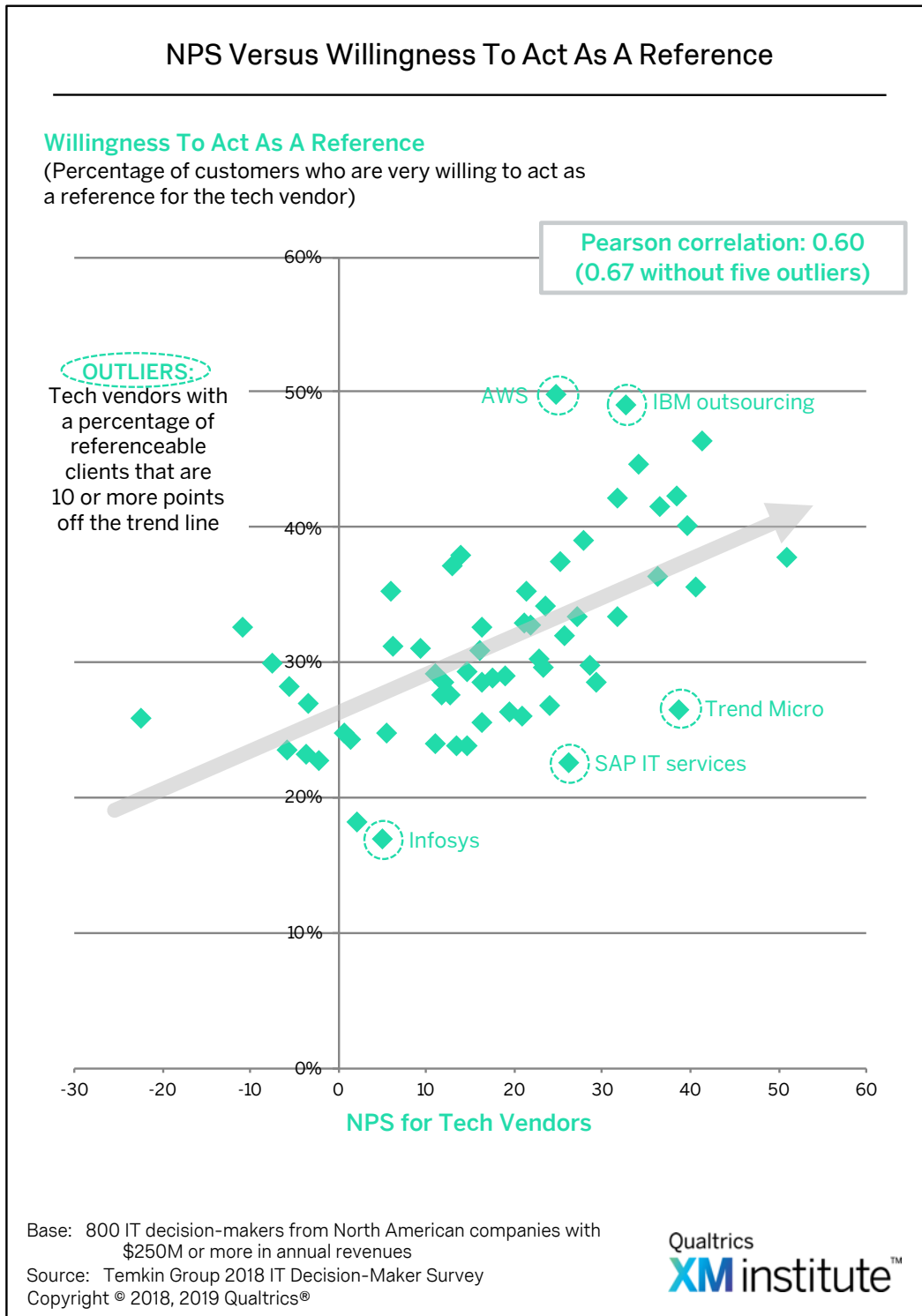


Figure 11