

Economics of NPS in the Software Industry

KEY TAKEAWAYS

- + Software companies received an average NPS of **19**, which is 2 points lower than the overall average across all 22 industries.
- + There is a strong positive relationship between a company's NPS and its performance on our *XMI Customer Ratings* – *Overall* benchmark, a composite metric measuring customer experience (CX).
- + Compared to detractors, promoters of a software company are **3.6x** more likely to purchase more, **4.0x** more likely to trust, and **4.0x** more likely to forgive the organization if it makes a mistake.

ABOUT

These charts show how NPS correlates to CX and influences likelihood to purchase more, trust, and forgive in the software industry.

Software NPS

Software vs. 22-industry Average

19

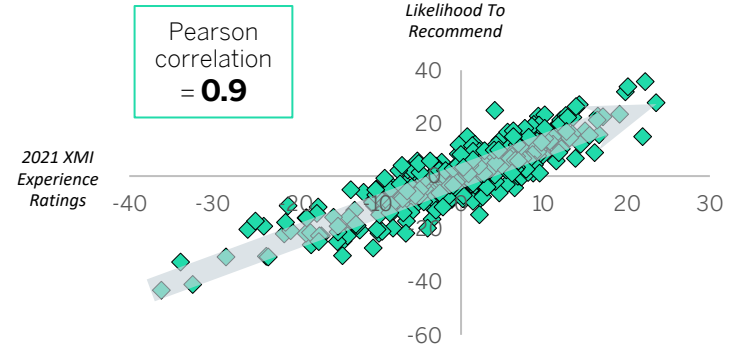
Average NPS across 10 software companies from 4,694 customers

21

Average NPS across 344 companies in 22 industries from 9,055 customers

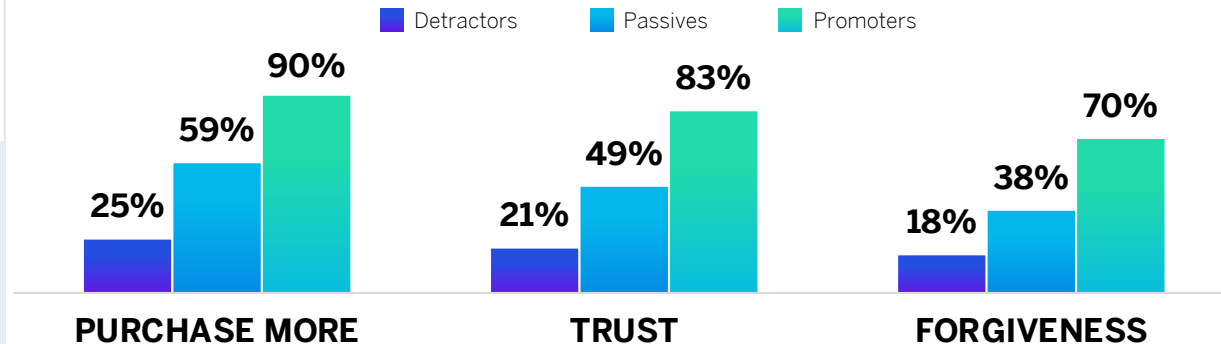
CX Correlates with NPS

344 Organizations Across 22 Industries



Effect of NPS on Key Loyalty Behaviors

Percentage of detractors, passives and promoters who say they will purchase more from the software company, they trust the software company, and they will forgive the software company for a mistake:



STUDY OVERVIEW

The data for this report comes from a U.S. Consumer study that Qualtrics XM Institute conducted in the third quarter of 2021. Using an online survey, XM Institute collected data from 9,055 consumers within the United States of America. To ensure that the data was reflective of the population, we set quotas for responses to match the gender, age, ethnicity, geographical region, and income according to the latest available U.S. Census.

For this analysis, respondents answered the standard NPS question: How likely are you to recommend <company> to friends and colleagues? Consumers selected a response from 0 (not at all likely) to 10 (extremely likely). For each company, we determined the percentages of its respondents who were promoters (selected 9 or 10), passives (selected 7 or 8), or detractors (selected between 0 and 6).

DATA CALCULATION

Only organizations that received 100+ responses from a consumer saying they had an experience with that organization in the previous 90 days were included in this analysis. Consumers may have responded for up to 5 industries.

In this figure, we calculated the industry NPS by taking the total percentage of detractors and subtracting that from the total percentage of promoters in that industry. The average NPS across industries is calculated by averaging all the industry NPS' together. Promoters, passives, and detractors are determined according to the parameters laid out in the study overview.

To create the scatterplot, we plotted a data point for each organization by subtracting their NPS from their industry's average NPS score and their XMI Customer Rating – Overall score from their industry average XMI Customer Rating – Overall score and plotting the differences. We then calculated the Pearson Correlation Coefficient from those differences. Industry averages for the XMI Customer Rating – Overall scores can be found in the *2021 XMI Customer Ratings – Overall Data Snapshot*.

To calculate the lower three charts, we took the percentage of promoters, passives, and detractors who said they were "very likely" or "extremely likely" (on a seven-point scale) to purchase more, trust, and forgive a company based on their most recent experience.

Note: Numbers are rounded and may not match independent calculation.

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