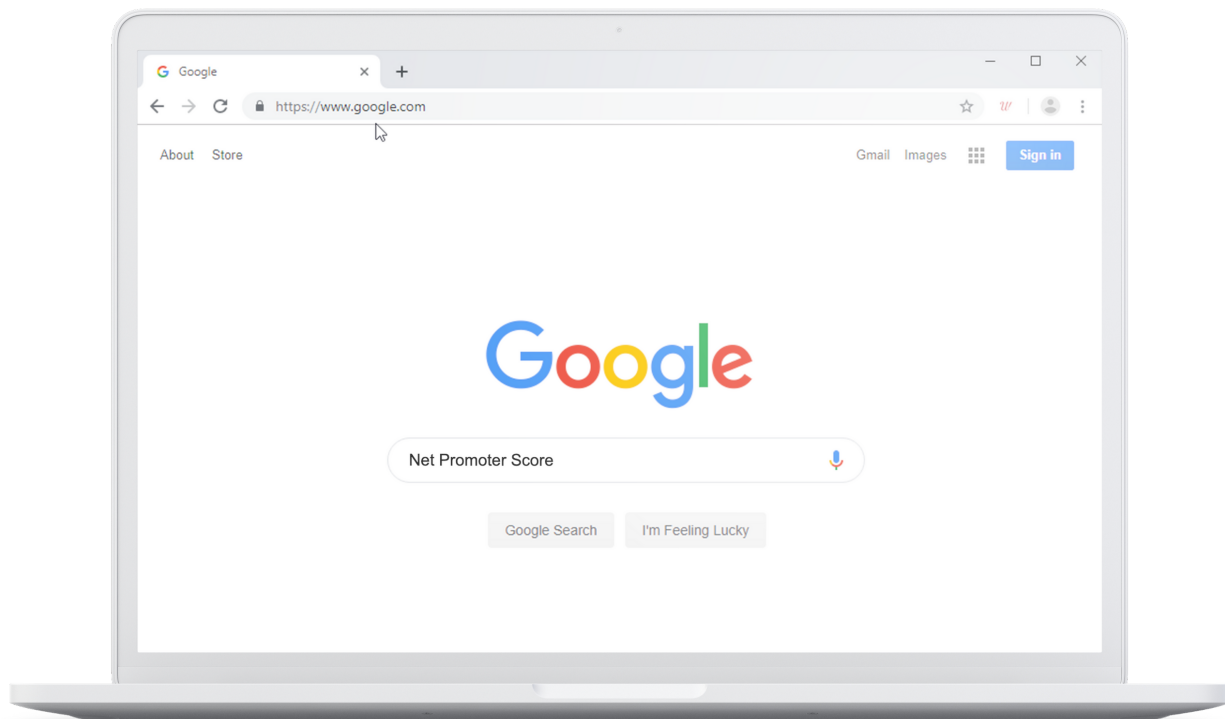


5 most asked questions about **Net Promoter Score**

We took the top 5 most searched NPS related questions and answered them all in this document. Go to the next page to see the answer to your first question!



Answer #1:

The NPS* is two parts: A brief survey asking customers how likely they are to **recommend a business**, and an overall score of the responses.

Most people don't respond to surveys that take longer than a minute or two to complete.

That's why the NPS asks only one question that can be completed with a single tap of the finger or click of the mouse.

This simplicity has helped increase the response rates over satisfaction surveys by over 10 times, when the NPS is implemented correctly; this is a response rate of 45% to 55%.

Hearing from more clients not only identifies more singular issues, it also paints a clear overall picture of what a business is doing well, and areas where they could improve.

Answer #2:

When a client responds to an NPS survey they provide a score from 0–10, and respondents are grouped into three baskets: promoters (9–10), passives (7–8) and detractors (0–6).

The NPS is calculated by tallying up the percentage of detractors and subtracting it from the percentage of promoters, giving you a score from -100 to +100.

This is the net percentage of the entire client base that are promoters, hence the Net Promoter Score.

If an agency gets back 100 responses; 80 promoters, 10 passives and 10 detractors, their NPS is calculated by deducting the percentage of detractors (10%) from the percentage of promoters (80%), resulting in an NPS of 70.

For insurance agencies specifically, every 5-point increase in their NPS also means a 1% increase in client retention and a significant bump in client referrals, testimonials and online reviews.

Answer #3:

Direct insurance carriers have an average NPS of 30. Most insurance agencies have an NPS somewhere between 67 and 85.

This large NPS gap between direct carriers and insurance agents (both captive and independent) says a lot.

People are on average two to three times more loyal to their insurance agency than clients are to direct carriers.

When looking at the reasons why people are more loyal, we found that three out of four promoters are happy because of the relationship they have with their insurance agent and the great communication from the agency.

The average NPS for an insurance agency depends on whether they are taking action to increase their score or not. Agencies with an NPS of 90 or higher are in the top 2% of insurance agencies nationwide.

Answer #4:

After analyzing our own data from hundreds of insurance agencies, we determined that a promoter can be worth an average of 7x that of a non-promoter.

Our research shows that when you account for their referrals, in the first 18 months alone, promoters are worth an average of 112% more than a typical insurance client. In 10 years' time this number climbs to 155%.

Here's where it gets interesting: when you factor in the additional referrals made by the new clients that are won due to their recommendations, the value of a promoter reaches 700% of that of other clients over the course of a decade.

Promoters are full of potential. However, if they're not properly motivated most will remain idle and, aside from being easily retained, won't bring more value than your every-day clients.

Answer #5:

The best way to increase your NPS is by improving overall communication with clients and building better relationships.

This includes responding to issues when they arise, as well as proactively reaching out to them in a personalized way.

Don't just reach around renewal time, stay in touch with them throughout the whole year. You can do this through text messaging, sending them personalized content, emails, phone calls, or a handwritten card.

Not only will you stay top of mind, but issues that would normally force them take their business elsewhere, such as price, become less of a factor.

This relationship is what differentiates an agency from a direct carrier. Reinforcing your communication strategy will give you an advantage over the competition, leading to more referrals and greater retention.

*Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

What other NPS questions do you have?



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