

Decoding CX Metrics:

**A PLAYBOOK FOR TRACKING
AND OPTIMIZING CUSTOMER
EXPERIENCE**



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Introduction

We'd bet if you had a penny for every time someone said, "Let's see what the data says" in a meeting, you'd have a life-changing amount of pennies.

Inside corporate walls, data is currency. Somewhere along the way, we learned data is the key to making customers happy, and happy customers spend more money. Now, those who wield data can buy confidence in their ideas, resources for their initiatives, and a stellar reputation.

Which is why, we assume, you're here in the first place.

Who is this guide for?

This guide is for CX professionals who have a problem to solve and know they could solve it if they had more data. Like Jerry, for example.

Jerry works for an e-commerce site that's poppin' during the holidays. He hires a bunch of temporary agents to support the team during the busy season, but many of them find it difficult to use the knowledge base. It's slowing them down, which is making customers cranky.

He's sensed that he needs a knowledge base update for a while. But he knows it's a huge undertaking that will require budget and time from other teams. He pitches the idea to his boss, and his boss asks him to model the impact.

Depending on how analytically advanced Jerry's company is, his next steps could be:

- Manually pull numbers out of different systems and crunch them in a spreadsheet
- Frankenstein together existing reports to make his case
- Tap a data scientist on the shoulder and ask them for help
- Use AI to pull this data for him

This guide is built to help people like Jerry regardless of how analytically advanced they are. It's meant to be a reference to return to regularly for formulas and data collection tactics.

What do we know about CX metrics?

Forethought wants CX teams to spend time on creative, game-changing ideas and complex problems that AI will never be able to solve. We've made it our mission to do the rest—crunching numbers, routing tickets, and surfacing the same knowledge base article again and again.

Customers like Cotopaxi, Elementor, Upwork, and many more trust us to do this for them. We deliver CX metrics so they can report on their successes, make the case for new initiatives, and generally make them look like the company rock stars they are.

We know the metrics that matter to some of the most advanced CX teams in the world inside and out—and we're going to spill their secrets.

How to Use This Playbook

If you're on the hunt for some excellent bedtime reading, you're welcome to read this playbook cover to cover. But it's probably more useful as a tool to reference when you need to solve a problem with data.

We're going to cover 18 of the most common CX metrics, sorted by these common goals:

- Improving the overall customer experience
- Doing a better job of satisfying customers
- Keeping more customers from churning
- Deflecting more tickets with self-service
- Improving team morale

We've put together an actionable cheat sheet for each metric that cuts to the core of how to use it. Each metric's page includes the following:

- A definition
- The metric's origin
- A formula for calculation
- General benchmarks
- Directions for measurement
- Ideas for improvement
- A case study from a real business

These sheets are designed to make it easy to pull out the information you need quickly so you can go about your day tending to your customers instead of wasting energy on metrics research.

At the end of each section, you'll find an "Unsung Hero" metric. These are metrics that we've found to be transformative for our customers but aren't used across every CX team.



A Table of CX Metrics, Formulas & Benchmarks



First things first—we don't like searching through big blocks of text to find little snippets of information when we're busy, either. Here's a handy-dandy table that includes the basics.

Metric	Definition	Formula	Benchmark
Overall Customer Experience			
Customer Experience Score (CX Score)	Measures overall customer satisfaction and experience. Your CX Score is affected by customer loyalty, retention, and advocacy and is a key indicator of business success.	<i>CX Score = $(\Sigma \text{Customer Ratings} / \text{Total \# of Survey Responses})$</i>	7 to 9 on a 10-point scale is considered average
Customer Satisfaction			
Customer Satisfaction Score (CSAT)	Measures customer satisfaction across your products, services, or interactions. A high CSAT indicates positive experiences, whereas a low CSAT indicates negative ones.	<i>CSAT (%) = $(\# \text{ of Satisfied Customers} / \text{Total \# of Survey Responses}) \times 100$</i>	A 75% to 85% is considered healthy
Net Promoter Score (NPS)	Measures how likely your customers are to recommend your brand to others. It identifies promoters, passives, and detractors.	<i>NPS = $(\% \text{ of Promoters} - \% \text{ of Detractors})$</i>	0 is good 50+ is excellent 70+ is world-class
Customer Advocacy Rate (CAR)	The percentage of your customers who actively promote your brand, product, or service to others. Improving this metric can lead to growth through word-of-mouth.	<i>CAR = $(\# \text{ of Advocates} / \text{Total \# of Customer}) \times 100$</i>	20 to 30% is considered average
Customer Lifetime Value (CLV)	Estimates the total revenue you can expect from a single customer over the duration of your relationship. It helps understand the value of customer retention.	<i>CLV = $(\text{Average Purchase Value}) \times (\text{Average Purchase Frequency}) \times (\text{Customer Lifespan})$</i>	It should be at least 3x your CAC on average
Customer Churn			
Retention Rate (CRR)	Measures the percentage of customers who continue to do business with you over a specific period. High retention rates indicate good customer satisfaction and loyalty, which are key to long-term profitability and growth.	<i>CRR = $((\# \text{ of Customers at the End of a Period} - \# \text{ of Customers Acquired During a Period}) / (\# \text{ of Customers at the Start of a Period})) \times 100$</i>	75%+ is considered strong

Metric	Definition	Formula	Benchmark
Churn Rate (or Attrition Rate)	Churn rate measures the percentage of customers who stop using your products or services over a specific period. High churn indicates dissatisfaction and can signal underlying issues.	<i>Churn Rate = (# of Customers Lost During a Period / # of Customers at the Start of the Period) x 100</i>	5% to 7% annually is considered average
Winback Rate	The percentage of previously churned or inactive customers who return and engage with a business again. A high winback rate indicates successful efforts in rekindling customer relationships and recovering lost revenue.	<i>Winback Rate = (# of Re-engaged Customers / Total # of Churned Customers) x 100</i>	0 to 20% is considered strong
Customer Health Score (CHS)	Measures the overall health and satisfaction of a customer account based on things like product usage, engagement, and support interactions. It helps predict customer retention, identify at-risk accounts, and identify when to intervene to improve satisfaction and reduce churn.	<i>CHS = (Product Usage Score x Weight1) + (Customer Engagement Score x Weight2) + (Support Interaction Score x Weight3) + (Renewal Probability Score x Weight4)</i>	70 to 80 is considered healthy
Customer Support Efficiency			
First Response Time (FRT)	Measures the time taken for a customer service team to respond to a customer inquiry after it's submitted. A shorter FRT often correlates with higher customer satisfaction, retention, and loyalty. It highlights the efficiency of your support team.	<i>FRT = (Time of First Response - Time of Inquiry Received) / Total # of Inquiries</i>	Within 1 hour is average
Cost Per Resolution (CPR)	Measures the total cost to resolve a customer service issue or support ticket. It assesses the cost-effectiveness of customer support. It can help you understand how resource allocation affects problem-solving and identify opportunities to optimize costs while maintaining high service quality.	<i>CPR = Total Cost of Customer Service Operations / Total # of Resolutions</i>	\$10 to \$50 per resolution is average

Metric	Definition	Formula	Benchmark
Abandonment Rate	Measures the percentage of customers who start a process (like filling out a form, shopping cart, or call queue) but don't complete it. High abandonment rates can indicate friction points or dissatisfaction.	<i>Abandonment Rate = (# of Abandoned Actions / Total Number of Started Actions) x 100</i>	A common benchmark for abandoned calls in call centers is around 5 to 10%
Self-Service			
Self-Serve Rate (SSR)	Measures the percentage of customer interactions resolved through self-service channels without human intervention. It indicates how effectively you're empowering customers to solve issues independently, reducing operational costs and increasing efficiency.	<i>SSR = ((# of Self-Service Resolutions / Total # of Resolutions) x 100</i>	30 to 50% is considered strong
Ticket Deflection Rate (TDR)	Measures the percentage of customer inquiries or support tickets resolved without the need for intervention from a support agent. It indicates the effectiveness of self-service resources, like FAQs, knowledge bases, or automated agents. High TDR shows customers are finding answers on their own, reducing the workload on support teams, and improving operational efficiency.	<i>TDR = (# of Deflected Tickets / Total # of Tickets) x 100</i>	20 to 30% is considered strong
Completion Rate	Measures the percentage of customers who complete a specific task or process relative to the total number who started it. High completion rates indicate a smooth and successful user experience, while low rates can highlight areas needing improvement.	<i>Completion Rate = (# of Completed Tasks / # of Started Tasks) x 100</i>	70% to 90% is considered good
Self-Serve Error Rate	The percentage of errors encountered by customers when they attempt to resolve issues using self-service tools, like help centers or automated agents. It directly reflects the effectiveness of self-service.	<i>Self-Serve Error Rate = (# of Errors in Self-Service Interactions / Total # of Self-Service Interactions) x 100</i>	1% to 5% is considered good

Metric	Definition	Formula	Benchmark
Knowledge Base Usage	Measures how often customers access your knowledge base, which includes articles, FAQs, and help documentation. It reflects the value and efficiency of the knowledge base in providing self-service support.	<i>Knowledge Base Usage Rate = (# of Knowledge Base Views / Total # of Customer Interactions) x 100</i>	15% to 30% is considered good
Employee Satisfaction			
Employee Satisfaction Rate	Measures how content CX employees are with their job roles, work environment, and company culture. Satisfied employees are more likely to deliver better customer service, leading to higher customer satisfaction and retention.	<i>Employee Satisfaction Rate = (# of Satisfied Employees / Total # of Surveyed Employees) x 100</i>	70% to 80% is considered standard

*Benchmarks can vary widely across industries. Please see Methodology for information on how we calculated these benchmarks.



Overall Customer Experience

Customer Experience Score (CX Score)

We all want to be customer-centric. Your CX score quantifies exactly how well your efforts to be customer-centric are working.

A good CX score directly correlates with longer retention, higher lifetime value, and more word-of-mouth referrals. As you get more comfortable measuring it, you'll be able to use it to predict customer loyalty and advocacy.

How to Measure Your CX Score

You've got to survey your customers. We recommend doing so after purchase, product use, interactions with customer service, or engagement with anyone at your company. The more touch points you measure, the more accurate your CX score will be.

In that survey, ask them to rate their experience on a scale of 1 to 10. Then, the total score is summed up and divided by the number of customers who responded to calculate an average. If 100 customers take your survey, and the sum of their responses is 815, your CX score would be 8.15, calculated as follows:

$$815 / 100 = 8.15$$

You'll have to collect data from several different systems. Tools like Forethought can help you survey customers after interactions with both automated and human customer service agents. Marketing automation and sales tools can help you survey customers over email.

Measure your CX score regularly, but only when you have a high volume of customer activity. After a new product launch, for example, you might instead choose to focus on metrics like product adoption or usability and measure your CX score later when there are enough interactions to measure an overall experience.

How to Improve Your CX Score

Improve your CX score by investigating what's dragging it down in the first place and then acting accordingly. Say you work for a furniture company. You survey customers for one quarter after purchase, delivery, and interactions with customer support and come out with a low CX score of 5.

After analyzing the data more closely, you realize the lowest scores came after delivery and suspect it's because customers felt it took too long to receive their furniture. So, you start sending customers real-time updates when their order is received, furniture is built, and out for delivery. Next quarter, your CX score is 7.

Definition

The CX Score captures the whole experience. It measures satisfaction and sentiment based on customer interactions across many touchpoints.

Origin

Created to fill the NPS and CSAT gap. No individual can be credited with creating the CX Score, but the metric evolved from Bain & Company's efforts to develop NPS in 2003.

Formula

$CX\ Score = (\sum\ Customer\ Ratings) / Total\ \#\ of\ Survey\ Responses$

Benchmark*

*See Methodology

The American Customer Satisfaction Index (ACSI) collects CX scores across industries on a 10-point scale. A score of 7 to 9 is considered strong.



Customer Satisfaction



Customer Satisfaction Score (CSAT)

While your CX score measures the entire customer experience, CSAT measures satisfaction of a part of that experience by capturing the immediate reaction of a customer after an interaction.

Definition

Measures customer satisfaction across your products, services, or interactions. A high CSAT indicates positive experiences, whereas a low CSAT indicates negative ones.

CSAT can be used to measure satisfaction with products, services, individual interactions, or teams. The survey results used to measure CSAT in each of these areas can be combined to produce a CX score.

Origin

No one person is credited with CSAT's origin. It emerged with a push to manage product quality in the 1980s. By the 1990s, CSAT was the standard way to measure satisfaction.

CSAT correlates to loyalty and reputation. It can also help to identify areas of operational improvement and revenue growth.

Formula

CSAT (%) = (# of Satisfied Customers / Total # of Survey Responses) x 100

How to Measure CSAT

Measure CSAT with a survey that occurs immediately after interactions like product purchases, customer service inquiries, sales interactions, product launches, or changes in policy.

Benchmark*

*See Methodology

According to data from ACSI, a good CSAT typically falls between 75% and 85%.

Survey your customers using customer service tools, like Forethought, to capture feedback within a chat window, or use marketing automation and sales tools to survey them over email.

In that survey, ask them to rate their satisfaction on a scale of 1 to 5, 5 being the best. A satisfied customer is someone who rates their experience 4 or 5. Count the number of satisfied customers and divide that number by the total number of responses. Multiply that number by 100 to get your score.

For example, if you surveyed 100 customers, and 80 of them rated their experience as either 4 or 5, the CSAT would be calculated like this:

$$(80 / 100) \times 100 = 80\%$$

How to Improve CSAT

Q4 Inc. is a capital market platform that helps companies, investors, and banks communicate. They wanted to focus on improving CSAT by providing better quality answers to customers who reached out to customer service and delighting them with the speed of their response.

They used Forethought Triage to automate ticket categorization, which helped agents respond faster and increased their CSAT by 20%.

Net Promoter Score (NPS)

Your NPS measures how likely a customer is to recommend your brand. It identifies promoters, passives, and detractors.

A promoter is likely to recommend your brand, a passive may or may not, and a detractor definitely will not.

NPS should be used alongside other metrics to see the whole CX picture, although those with high NPS experience faster growth.

Definition

Measures how likely your customers are to recommend your brand to others. It identifies promoters, passives, and detractors.

Origin

NPS was created by Fred Reichheld, a partner at Bain & Company, and co-developed by Satmetrix in 2003. It was meant to provide a way to measure customer loyalty and predict growth.

How to Measure NPS

NPS is particularly important when customer loyalty is crucial, like when entering a new market, or after significant interactions like a contract negotiation.

It's measured with surveys sent after customer interactions through chat or email. Using tools like Forethought and other marketing automation or sales tools, you can ask customers the classic NPS question: "How likely are you to recommend our product/service to a friend or colleague?"

Formula

NPS = (% of Promoters - % of Detractors)

Benchmark*

*See Methodology

According to Satmetrix, an NPS score above 0 is considered "good," above 50 is "excellent," and above 70 is "world-class."

Have them answer on a scale of 1 to 10. A promoter is someone who selects 9 or 10. A passive selects 7 or 8, and a detractor anywhere from 0 to 6. Start by calculating the percentage of customers in each category.

Say you survey 100 people. 20 are detractors, 20 are passives, and 60 are promoters. Divide the number of detractors by the total number of customers and multiply that by 100 to get the percentage like so:

$$(20 / 100) \times 100 = 20\% \text{ Detractors}$$

Do the same for passives and promoters to determine that 20% are passive and 60% are promoters. Then, calculate your NPS by subtracting the number of detractors from the number of passives, like so:

$$60\% - 20\% = 40$$

Consider adding an additional multiple-choice question for detractors in your survey. Ask them why they aren't willing to recommend your product in the future. This will help you improve over time.

How to Improve NPS

Say you work for a line of grocery stores that measures their NPS quarterly. You notice your NPS fall from 45 to 30, coinciding with the launch of a new grocery delivery service. The feedback you collected from detractors suggests they're dissatisfied because there were a lot of damaged packages and delivery delays.

You focus on improving these issues, and your NPS rises the following quarter to 45.

Customer Advocacy Rate (CAR)

While NPS measures how many customers would recommend you, CAR measures how many customers actually have done so.

Customers who have recommended you are called advocates since they are actively advocating for others to buy your product. These customers aren't just satisfied; they're emotionally invested in your brand.

Improving CAR can directly contribute to organic growth through word-of-mouth referrals, positive reviews, and public endorsements.

How to Measure CAR

CAR is best measured by surveying customers and asking them if they've recommended your brand to another person within a given timeframe. Those who answer yes are advocates, and the others are not.

To measure CAR, divide the number of advocates by the number of total customers and multiply by 100. For example, if you have 1,000 customers and 250 of them report recommending your product, your CAR would be calculated as follows:

$$(250 / 1,000) \times 100 = 25\%$$

How to Improve CAR

Say you are a tech company that sells enterprise resource planning (ERP) software. You measure advocacy rates annually but notice a drop following the release of a software update that changed the way you structure purchase orders — or POs.

You use natural language processing (NLP) and AI technology in Forethought Discover to analyze support interactions within a chatbot and discover customers who are struggling with the new layout. You work with the marketing team to create detailed help guides to improve the customer experience, and your advocacy rate rises again the following quarter. More customers have become advocates as they grew familiar with the new PO layout and learned its benefits.

Definition

The percentage of your customers who actively promote your brand, product, or service to others.

Origin

This metric became popular after Bain & Company invented NPS in 2003. Customer Experience Professionals Association (CXPA) helped popularize and refine the metric.

Formula

$$CAR = (\# \text{ of Advocates} / \text{Total \# of Customer}) \times 100$$

Benchmark*

*See Methodology

20 to 30% is considered a healthy level of customer advocacy.

Customer Lifetime Value (CLV)

Traditional financial metrics like sales or profit margins don't account for the ongoing value that loyal customers could bring to a company.

CLV closes this gap by predicting the revenue a business can expect from one customer over the course of their relationship.

It often reveals that keeping customers is less costly than seeking new ones. It can help make the case to shift resources toward retention.

How to Measure CLV

CLV is critical for companies with ongoing customer relationships, like subscription-based services, e-commerce, or retail.

To calculate CLV, you'll first need to calculate the following:

- **Average Purchase Value (APV):** Average spend per transaction. Divide total revenue by purchases over a time period. If you generated \$100,000 from 2,000 purchases in a quarter, your APV would be \$50.
- **Average Purchase Frequency (APF):** How often purchases happen. Divide purchases by customers over a time period. If those 2,000 purchases were made by 500 customers, your APF would be 4.
- **Customer Lifespan (CL):** Average timeframe a customer continues to purchase, often measured in years. If the average customer remains active for three years, then your CL is 3.

You'll need to combine data from customer relationship management (CRM), customer service, financial, and analytics tools to calculate an accurate number. Multiply these numbers together to calculate your CLV.

$$\$50 \times 4 \times 3 = \$120$$

This means the average customer contributes \$120 in profit over their lifetime.

How to Improve CLV

Say you work in the finance industry and want to determine whether you're spending too much to acquire new, high-value customers. Your CLV analysis shows that the lifetime value of a customer is less than the amount you're spending to acquire them.

With this knowledge, you shift your budget away from ads towards building a new loyalty program and shoring up your retention strategy to optimize for longer relationships.

Definition

Estimates the total revenue you can expect from a single customer over the duration of your relationship.

Origin

Robert C. Blattberg and John Deighton are often credited with formalizing the CLV concept in 1996. They introduced the idea of customer equity, which involves calculating the value of a company's customer base. CLV is a core component.

Formula

CLV = (Average Purchase Value) x (Average Purchase Frequency) x (Customer Lifespan)

Benchmark*

*See Methodology

A good CLV is at least three times the Customer Acquisition Cost (CAC), but this varies significantly across industries.



Customer Churn



Retention Rate

Retaining current customers is usually more cost-effective than acquiring new customers.

A retention rate helps you track how well you're meeting your current customers' needs and expectations, which can improve overall business stability.

How to Measure Retention Rate

Retention rate is measured over a given period of time, usually a quarter or year.

You'll typically find the data required in a CRM tool or analytics platform.

Start by defining the period in which you want to measure. Then, count the number of customers you had at the beginning of that period. You'll also need to count those you acquired during the period and how many you had at the end. Then, subtract the number you acquired from the number you had at the end and divide it by the number of customers at the start. Multiply that number by 100 to get your retention rate.

Say you had 1,000 customers at the start of a year. You also acquired 200 new customers that year and had 1,100 at the end of the year. Retention rate would be calculated as follows:

$$(1,100 - 200 / 1,000) \times 100 = 90\%$$

CRR is often measured together with churn rate and winback rate to gain a thorough understanding of how many customers choose to stay with your business.

How to Improve Retention Rate

Say you work for an automobile trading website that works with dealerships in several states. You notice a drop in retention rate related to dealerships over the past six months. To understand why, you analyze customer feedback, purchase history, and support ticket data to identify patterns.

You find that dealerships might be leaving your site because they can't add enough detail to the descriptions of their cars. So, you work with the development team to allow for more accurate and detailed automobile information. When it launches, you introduce a live chat option powered by Forethought Solve to provide quicker responses to dealerships with questions. Over the next six months, your retention rate will increase dramatically.

Definition

Measures the percentage of customers who continue to do business with you over a specific period. High retention rates indicate good customer satisfaction and loyalty, which are key to long-term profitability and growth.

Origin

Retention rate was formally defined with the advent of CRM systems in the 1980s/90s, which allowed businesses to track customer interactions and retention more systematically.

Formula

Retention Rate = (# of Customers at the End of a Period - # of Customers Acquired During a Period) / (# of Customers at the Start of a Period) x 100

Benchmark*

*See Methodology

A retention rate of 75% or higher is considered strong across most industries.

Customer Churn Rate

Churn rate is sometimes called attrition rate and is basically the opposite of retention rate.

It's important to measure alongside retention rate because high churn can indicate customers aren't happy with your service or products. Losing customers at a high rate can also mean increasing acquisition costs, which can negatively impact revenue and growth.

How to Measure Churn Rate

Churn rate is most important for companies with business models based on recurring revenue, like subscriptions, but can be useful for other business types too.

It's best measured regularly at monthly, quarterly, or annual intervals using data from CRM or analytics tools.

First, you'll need to determine the timeframe in which you'd like to measure churn. Then, you'll need to count the number of customers you had at the beginning of that time period, those you lost during that time period, and the number you had at the end. Divide the number of customers lost by the number of customers at the start. Multiple that number by 100 to get your churn rate.

If you started with 500 customers at the beginning of a month and lost 30 customers by the end of the month, your churn rate would be calculated as follows:

$$(30 / 500) \times 100 = 6\%$$

Churn rate is typically measures alongside retention rate and winback rate to capture a better overall understanding of customer loyalty.

How to Improve Churn Rate

Say you work for an e-commerce company. You see a rise in churn rates following a website redesign. After some investigation into customer service communications, you think the churn is happening because customers are finding it harder to navigate and complete purchases.

You could then collaborate with design and development teams to make improvements and reduce churn.

Definition

Churn rate measures the percentage of customers who stop using your products or services over a specific period. High churn indicates dissatisfaction and can signal underlying issues.

Origin

Churn rate was widely adopted with the rise of subscription-based and recurring revenue models. Early adopters were likely companies for whom understanding turnover was crucial for businesses based on recurring revenue.

Formula

Churn Rate = (# of Customers Lost During a Period / # of Customers at the Start of the Period) x 100

Benchmark*

*See Methodology

A general benchmark across many industries is around 5% to 7% annually, but they vary significantly.

Winback Rate

Since it's usually more expensive to acquire new customers than it is to keep old ones, companies typically have "winback" strategies to try to regain the business of customers that have churned.

A winback rate can help you understand how well initiatives like special offers, personalized communications, or loyalty programs work to re-engage customers.

How to Measure Winback Rate

Winback rate is most effective when measured right after a re-engagement campaign or initiative dedicated to customers who have churned, but it can also be measured at regular intervals like months, quarters, and years.

For example, in terms of retention and churn rate, the data required can be found in CRM, marketing automation, and analytics platforms.

Start by defining a time period over which you'd like to measure winback rate. Then, count the number of customers you re-engaged during that time period and divide it by the total number of churned customers. Multiply that number by 100 to get your winback rate.

If you have 1,000 churned customers and 150 of them returned and made a purchase in the last quarter, your winback rate would be calculated as follows:

$$(150 / 1,000) \times 100 = 15\%$$

How to Improve Winback Rate

Say you work for a retail company. You have a regular winback program that includes special discount codes sent each month to customers who haven't made a purchase in over a year. This quarter, you noticed your winback rate decline.

You update your email campaign to include a personalized email highlighting new product lines based on old purchases, and include some customer testimonials. Now, your email campaign leads to an increase in the winback rate as more customers return and make purchases.

Definition

The percentage of previously churned customers who return to a business again. A high winback rate indicates successful efforts in rekindling customer relationships and recovering lost revenue.

Origin

Marketing and CRM professionals developed winback rates to quantify the success of campaigns and strategies aimed at re-engaging inactive customers.

Formula

Winback Rate = (# of Re-engaged Customers / Total # of Churned Customers) x 100

Benchmark*

*See Methodology

A Winback Rate of around 10 to 20% is considered strong across many sectors.

Customer Health Score (CHS)

Some companies have to know which customers are most valuable. This is common for those selling high-ticket products.

Your customer health score keeps a pulse on how happy those customers are, down to the specific account, so you can proactively address and retain potential issues.

How to Measure CHS

CHS is calculated by producing a weighted score. First, you'll score your customers based on categories of your choice. For this example, we'll use these four categories: product usage, customer engagement, support interaction, and renewal probability.

How you score your customers will vary based on your business. For example, an enterprise tech company might award a product usage point to a customer every time they logged into their account in the past month. Hypothetically, let's say your customer scored

80 for product usage, 70 for customer engagement, 60 for support interaction and 90 for renewal probability.

Next, determine the importance of each category by "weighing" them from .1 to .4. A heavier weight is more important. We've assigned ours as follows:

- Product usage = Weight4 (0.4)
- Customer engagement score = Weight3 (0.3)
- Support interaction score = Weight2 (0.2)
- Renewal probability score = Weight1 (0.1)

To calculate your CHS, you'd multiply these weights by your customer scores in each category. Then, add them together. In this case, that calculation would look like the following:

$$(80 * 0.4) + (70 * 0.3) + (60 * 0.2) + (90 * 0.1) = 74$$

How to Improve CHS

Say you work for a healthcare technology company. You have a group of enterprise-level hospitals that make up 50% of your company's annual revenue. You notice those with the lowest CHS have a high number of unresolved support tickets.

You take this information to the customer support team and ask them to reorganize support workflows or implement new tools to reduce ticket resolution time so those customers get their needs met faster, and you have a higher chance of retaining them.

Definition

Measures the overall health and satisfaction of an account. It helps identify at-risk accounts so you can proactively intervene and reduce churn.

Origin

CHS was made popular by customer success platforms like Gainsight and Totango. Before CHS, companies could only assess overall customer health, making it difficult to identify at-risk accounts and tailor interventions effectively.

Formula

CHS = (Product Usage Score x Weight1) + (Customer Engagement Score x Weight2) + (Support Interaction Score x Weight3) + (Renewal Probability Score x Weight4)

Benchmark*

*See Methodology

A score of 70 to 80 is generally considered healthy, but this varies widely.



Customer Support Efficiency

First Response Time (FRT)

FRT specifically measures the amount of time that lapses between a customer inquiry being submitted and the time they get their first response from the support team.

It's crucial to evaluate the support team's effectiveness and determine how well they're managing their workload. High FRT can indicate the team is overloaded.

How to Measure FRT

FRT should be measured over recurring time periods, like months or quarters, but especially during periods of increased activity, like system outages, to see how well the team handles surges.

This data lives in customer service tools like Forethought, which measures FRT through chat, and other tools like Zendesk or Salesforce. Pull a list of customer inquiries, including the timestamps for when they were first submitted and those for the first response. If you've got 500 total, your data will look something like this:

- Inquiry 1: Received at 10:00 AM, First Response at 10:30 AM (Response Time: 30 minutes)
- Inquiry 2: Received at 2:15 PM, First Response at 2:45 PM (Response Time: 30 minutes)
- Inquiry 3: Received at 4:00 PM, First Response at 4:25 PM (Response Time: 25 minutes)
- (And so on for all 500 inquiries.)

Next, you'll calculate the sum of the total response times, like we've done below for this example:

$$30 \text{ minutes} + 30 \text{ minutes} + 25 \text{ minutes} + \dots \text{ (for all 500 inquiries)} = 14,000 \text{ minutes}$$

Then, divide this total by the number of total inquiries to get your average, as we've done here:

$$14,000 \text{ minutes} / 500 \text{ inquiries} = 28 \text{ minutes}$$

This means, on average, it takes a total of 28 minutes to respond to one of your customers.

How to Improve FRT

Etekcity makes high-quality fitness products. They wanted to optimize their customer service resources so that they could provide the highest quality customer service with the fewest resources.

They decided to use automated agents during one holiday season using Forethought Solve. The AI-powered automated agents used Etekcity's knowledge base and pre-built workflows to resolve repetitive tickets. They reduced their FRT by 69.7% and made Solve a permanent part of their customer service tech stack.

Definition

Measures the time taken for a customer service team to respond to a customer inquiry after it's submitted. It highlights the efficiency of your support team.

Origin

FRT can be traced back to early customer service operations and help desk software. Companies like Zendesk and Salesforce popularized the metric by integrating it into their customer service solutions.

Formula

$$FRT = (\text{Time of First Response} - \text{Time of Inquiry Received}) / \text{Total \# of Inquiries}$$

Benchmark*

*See Methodology

A commonly accepted benchmark for First Response Time (FRT) is within 1 hour for most industries.

Cost Per Resolution (CPR)

CPR helps you understand how to allocate resources to optimize costs while maintaining a high quality of service for customers.

It reveals which support processes are most expensive so you can explore possible ways to reduce these costs, like new strategies, tools, or training programs.

How to Measure CPR

CPR is particularly important to measure in industries with high volumes of customer interactions, like e-commerce or telecommunications, where businesses need to keep a close eye on large-scale support operations. It's also important for those in highly competitive or cost-sensitive markets to maintain profitability while delivering quality support.

The data you'll need to calculate CPR lives in accounting software and customer support platforms. First, use your accounting software

to calculate the total cost of your customer service operations over a given time period, including salaries of support staff, software costs, training, and other overheads.

Then, use your customer service software to identify how many customer issues or support tickets were resolved during the same period. Divide the total cost by the total number of resolutions to get your CPR.

For example, if you spent \$100,000 on customer support a month and resolved 2,000 issues, your CPR would be as follows:

$$\text{\$100,000} / \text{2,000} = \text{\$50}$$

This means you spend \$50 to resolve each customer issue.

How to Improve CPR

Beeline is a tech platform that focuses on helping businesses engage, manage, and optimize external talent. They wanted to improve the efficiency of their customer support operations with AI and used Forethought Solve to deflect tickets from their support team without sacrificing quality. They deflected 50% of tickets and decreased time to resolution by 52.2%, which optimized their resources for a high ROI.

Definition

Measures the total cost to resolve a customer service issue or support ticket. It assesses the cost-effectiveness of customer support.

Origin

The origin of CPR isn't clear, but it likely evolved from traditional cost accounting and performance practices. At some point, businesses began to apply similar metrics to customer service operations to measure efficiency and cost-effectiveness.

Formula

CPR = Total Cost of Customer Service Operations / Total # of Resolutions

Benchmark*

*See Methodology

Typically, between \$10 to \$50 per resolution

“If we look at what it costs our team to do a two-week sprint to create something that would solve our efficiency problems, Forethought is a no-brainer. The ROI speaks for itself.”

— Jeremy Millrood, Director of Training and Support.

Abandonment Rate

Abandonment rate is important in settings that include e-commerce, customer service, and digital interactions.

It can signal issues in a given process and help you identify problems like complex checkout procedures, slow widget load times, or unclear instructions. If customers are abandoning interactions with customer support, it may indicate they're not satisfied.

How to Measure Abandonment Rate

First, decide which process you want to measure. We'll use Forethought's specialty, a conversation with an AI-powered automated agent, for our example.

In this case, we want to understand how many customers abandon conversation with a company's chat widget. We'll need data from Forethought to measure this, but you may use data from call center software or your website platform, depending on the metric you've chosen.

First, identify the number of abandoned interactions and the total number of interactions. Then, divide the number of abandoned interactions by the total. Multiply that number by 100 to get your abandonment rate.

For example, if you've had 1,000 total interactions started with your automated agents, and 150 of them were abandoned, your abandonment rate would be calculated as follows:

$$(150 / 1,000) \times 100 = 15\%$$

How to Improve Abandonment Rate

Say you work for a telecommunications company that offers phone and internet services. Your outdated chatbot has a high abandonment rate. After investigating, you find that your chatbot isn't providing customers with the right answers to their questions, and they're frustrated when they can't reach a representative.

In that case, you might look for a replacement tool, like Forethought, that will provide high-quality, human-like interactions with your customers at scale. Once implemented, you see your abandonment rate plummet.

Definition

Measures the percentage of customers who start a process (like entering a chat queue or putting items in a shopping cart) but don't complete it. High abandonment rates can indicate friction points or dissatisfaction.

Origin

Abandonment rate evolved from the need to measure and improve user experiences on websites, call centers, and other customer channels. It has been widely adopted and refined by various industries and researchers.

Formula

Abandonment Rate = (# of Abandoned Actions / Total Number of Started Actions) x 100

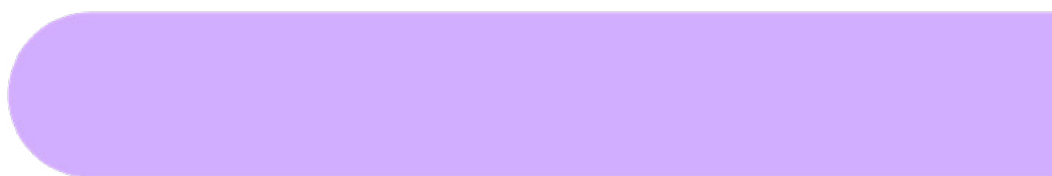
Benchmark*

*See Methodology

A common benchmark for abandoned calls in call centers is around 5-10%.



Self-Service



Self-Serve Rate (SSR)

SSR measures how effective your self-service tools are. Think knowledge bases, automated chatbots, or FAQ pages.

A high SSR will typically optimize your budget. If your self-service resources are effective, you'll need fewer live agents.

We want to mention that SSR is not deflection rate. SSR encompasses all self-service interactions, even if they require some level of live agent follow-up. Deflection rate captures interactions where there is no live agent interaction at all.

How to Measure SSR

You can measure SSR at monthly, quarterly, or yearly intervals, but it's particularly useful after launching new self-service tools, making changes to existing ones, or during high-traffic times, like the holiday season. For example, if you introduce a new chatbot feature, measure SSR before and after to assess its impact.

You'll find the data you need to calculate it in customer support tools like Forethought, Zendesk, and Salesforce. You'll need to pull the total number of resolutions across all customer issues (self-service or not) and the total number of issues solved with some level of self-service.

Divide the number of self-service resolutions by the number of total resolutions. Multiply that number by 100 to get your SSR. For example, if a company resolves 500 customer issues in a month, and 300 of those are handled through self-service tools, the SSR would be calculated as follows:

$$(300 / 500) \times 100 = 60\%$$

How to Improve SSR

Spoonflower, an eCommerce wallpaper, home decor, and fabric marketplace, offers a few different support channels, including email, voice message, and live chat. At one point, their live chat option was run inconsistently due to staffing restraints.

They implemented Forethought's AI-powered automated agent, Solve, on two different channels: email and chat. Within email, Solve surfaces relevant help articles to customers by instantly identifying the intent of their messages. On the website, the Solve widget has allowed customers to chat about their support issues and receive a response at any time of the day. The Solve chat function has achieved a 59% self-service rate by interacting with +90K customers, when before there was no self-service.

Definition

Measures the percentage of customer interactions resolved through self-service channels without human intervention.

Origin

SSR emerged as part of the broader trend towards self-service solutions in customer support and service. The metric itself doesn't have a single creator or origin.

Formula

SSR = (# of Self-Service Resolutions / Total # of Resolutions) x 100

Benchmark*

*See Methodology

An SSR of 30 to 50% is considered strong across many sectors.

Ticket Deflection Rate (TDR)

TDR measures how effective self-service resources, like FAQs, knowledge bases, or automated agents, are at solving issues without any intervention from a live agent.

A high TDR can reduce the workload on support teams and improve operational efficiency.

This is not to be confused with self-service rate, which includes interactions that may still require some level of agent follow-up.

How to Measure TDR

TDR can be measured regularly at monthly, quarterly, or yearly intervals but should also be measured after implementing any new self-service tools.

You'll find the data you need to measure it within the platforms that run those tools, like Forethought, Zendesk, Confluence, and others.

You'll need to calculate the total number of deflected tickets and the total number of tickets overall. Divide the number of deflected tickets by the number of total tickets, then multiply that number by 100 to get your TDR.

If a support team received 1,000 tickets in a month, and 300 of those were resolved through self-service options, your TDR would be calculated as follows:

$$(300 / 1,000) \times 100 = 30\%$$

How to Improve TDR

Sometimes, tools like traditional chatbots and outdated knowledge bases aren't able to deflect tickets at the rate required to make your customer service operations efficient.

Forma, a benefits platform, faces questions from benefit providers and subscribers. Their director wanted to see her team stop spending time on repeatable requests from both sides.

They implemented Forethought Solve in January. That month, 13,800 people reached out to the Forma team through Forethought alone. 5,081 customer service tickets were deflected. In October, their deflection rate was 30%. In January, it had grown to 37% and was 39% by March, reflecting steady improvement.

Definition

Measures the percentage of customer inquiries or support tickets resolved without the need for intervention from a support agent. High TDR shows customers are finding answers on their own.

Origin

There isn't an individual credited with the creation of TDR. The rise of self-service tools such as knowledge bases, FAQs, and automated responses in the late 20th and early 21st centuries led to a focus on measuring their effectiveness and likely led to their creation.

Formula

$$TDR = (\# \text{ of Deflected Tickets} / \text{Total} \# \text{ of Tickets}) \times 100$$

Benchmark*

20 to 30% is considered strong.

*See Methodology

Completion Rate

Completion rate is crucial for understanding how effectively a customer experience team is guiding users through processes, like fulfilling a return or fixing a bug in software.

Measuring it can help you identify bottlenecks or obstacles in the customer journey and guide improvements in process design, user interfaces, or support resources so that more customers are satisfied.

How to Measure Completion Rate

You can measure completion rate continuously to track trends over time, but it should be measured after implementing changes or updates to processes.

First, start by clearly identifying what constitutes a “completed task” and a “started task.” For example, an e-commerce brand

in the beauty space might have a quiz to match customers with a foundation color. A started task would be starting the quiz, and a completed task would be entering their email to get their results.

This data might live in analytics platforms like Google, Adobe, or your CRM. You’ll want to calculate the number of completed tasks and the number of started tasks. Divide the completed tasks by the started tasks and multiply that number by 100 to get your completion rate.

If 80 out of 100 customers complete their beauty quiz after starting it, the completion rate would be calculated as follows:

$$(80 / 100) \times 100 = 80\%$$

How to Improve Completion Rate

Upwork gets a lot of inquiries from freelancers in their talent community. Their support agents use Assist to surface relevant knowledge articles, past cases, macros, and notes within their help desk. Their agents particularly love that they can use the notes feature to create their own templates, craft how-to guides, and keep personal notes all in one location.

With Assist, agents complete 100% of tickets in their queue, compared to 90 to 92% completion rates for agents who are not yet using Assist.

Definition

Measures the percentage of customers who complete a specific task or process relative to the total number who started it. High completion rates indicate a smooth and successful user experience, while low rates can highlight areas needing improvement.

Origin

The Completion Rate metric has its roots in user experience (UX) and conversion optimization fields. It wasn’t created by a single individual or company but evolved from the need to measure how effectively users complete tasks within a system.

Formula

Completion Rate = (# of Completed Tasks / # of Started Tasks) x 100

Benchmark*

*See Methodology

70% to 90% is considered good across many industries.

Self-Serve Error Rate

Self-serve error rate directly reflects the effectiveness of self-service.

A high error could reveal problems with the self-service tools or content, increasing the need for live support. A low self-serve error rate improves user experience, reduces support costs, and enhances customer satisfaction.

Errors might include failed transactions, incorrect information in a knowledge base, broken links, or system malfunctions.

How to Measure Self-Serve Error Rate

You should measure your self-service error rate if there's a noticeable increase in customer complaints or issues with self-service tools to identify and address the underlying problems.

First, you'll need to collect the number of errors across all self-service interactions in customer support, marketing and sales tools. Look for things like failed transactions, system malfunctions and abandoned support conversation. Then collect the total of self-service interactions, whether or not they included errors.

Divide the number of interactions with errors by the total number of interactions. Multiply that number by 100 to get your self-service error rate.

For example, if your help center had 1,000 interactions and 50 of those interactions resulted in errors, the self-service error rate would be calculated as follows:

$$(50 / 1,000) \times 100 = 5\%$$

How to Improve Self-Serve Error Rate

Say you work for a creative marketing agency. You have an intake form that helps you onboard new customers and collect information. Your account managers notice a lot of customers are complaining about an error when they submit the onboarding form.

By analyzing the self-serve error Rate, you find that 10% of submissions are failing because of system glitches within Google Forms. You switch to Jotform, which fixes your onboarding process and improves overall customer satisfaction.

Definition

The percentage of errors encountered by customers when they attempt to resolve issues using self-service tools, like help centers or automated agents.

Origin

The self-serve error rate is a relatively modern addition to CX measurement. While it's not attributed to a single creator or company, it has evolved from the broader field of customer service metrics and quality assurance practices.

Formula

Self-Serve Error Rate = (# of Errors in Self-Service Interactions / Total # of Self-Service Interactions) x 100

Benchmark*

*See Methodology

A good benchmark across industries typically ranges between 1% and 5%

Knowledge Base Usage

If your customers use your knowledge base frequently, you can assume it's helpful and is reducing the need for live support.

Measuring knowledge base usage regularly helps to identify which articles or sections are most frequently accessed, which can inform improvements. If certain topics are highly searched but not adequately addressed, it indicates a need for additional content.

How to Measure Knowledge Base Usage

If you measure knowledge base usage regularly, you can identify trends, seasonal variations, and the impact of updates or changes.

You'll find the data you need in analytics tools like Google Analytics or knowledge base tools like Helpjuice. They'll house the number of knowledge base views.

You'll need to use other customer service tools to calculate the total number of customer interactions in a given timeframe, such as support tickets, live chats, phone calls, and knowledge base views.

Divide the number of knowledge base views by the total number of customer interactions and multiply that number by 100 to get your knowledge base usage.

If your knowledge base received 2,000 views and there were 10,000 total customer interactions in a given period, your knowledge base usage would be calculated as follows:

$$(2,000 / 10,000) \times 100 = 20\%$$

How to Improve Knowledge Base Usage

Kajabi is a global education platform that helps people increase their skills and knowledge to create marketable services. They saw a surge in customer interactions during the pandemic.

They used Forethought Solve, an AI-powered virtual agent, to deflect customer inquiries directly to existing knowledge base articles so they could answer their questions without the need for assistance from a Kajabi support agent. The company soon saw a jump of more than 10% in its deflection rate.

Definition

Measures how often customers access your knowledge base, which includes articles, FAQs, and help documentation. It reflects the value and efficiency of the knowledge base in providing self-service support.

Origin

The origin of this metric is unknown. Early customer service metrics focused on direct interactions with support agents, but as self-service became more popular, companies needed metrics like knowledge base usage to evaluate their performance.

Formula

Knowledge Base Usage Rate = (# of Knowledge Base Views / Total # of Customer Interactions) x 100

Benchmark*

*See Methodology

15% and 30% across various industries, suggesting it is a valuable resource for users



Employee Satisfaction



Employee Satisfaction Rate

If your employees are happy, your customers are happy. Well— it might not be that straightforward, but high employee satisfaction is linked to increased productivity, lower turnover rates, and better overall organizational performance.

Satisfaction can include various aspects such as job fulfillment, work-life balance, and relationships with colleagues and management.

How to Measure Employee Satisfaction Rate

You should measure your employee satisfaction rate by surveying your employees annually or semi-annually.

Also, they should be surveyed after significant changes like a restructuring or updates to the company policy to understand their impact.

Definition

Measures how happy CX employees are with their job roles, work environment, and company culture. Satisfied employees are more likely to deliver better customer service, leading to higher customer satisfaction and retention.

Origin

Research in the 1920s from Elton Mayo noted the importance of worker satisfaction and the impact on productivity. HR practices have evolved from then to focus on employee engagement and satisfaction. Gallup, SHRM, and more have popularized specific satisfaction metrics like the employee satisfaction rate.

Formula

Employee Satisfaction Rate = (# of Satisfied Employees / Total # of Surveyed Employees) x 100

Benchmark*

*See Methodology

A commonly cited benchmark for employee satisfaction rate is around 70% to 80%

Use tools like SurveyMonkey, Qualtrics, or Google Forms to create and distribute satisfaction surveys and Human Resources Information Systems (HRIS) to analyze the data.

Ask your employees how satisfied they are with their job on a scale of 1 to 10. Those who select 9 or 10 are considered satisfied. Then, collect the total number of employees surveyed.

Divide the number of satisfied employees by the number of total employees and multiply this number by 100 to get your employee satisfaction rate.

If 80 out of 100 surveyed employees report high satisfaction with their job, the calculation would be calculated as follows:

$$(80 / 100) \times 100 = 80\%$$

How to Improve Employee Satisfaction Rate

Say you work for a veterinarian group. You notice employee satisfaction has dropped due to a change in hours. To address this, you could initiate a survey to gather specific feedback from the team. Based on the feedback, they might adjust the hours or hire more employees to cover undesirable times.

This could lead to improved morale among the team and make them more effective when handling animals and their owners during customer appointments.

How Forethought Can Help

As we mentioned, Forethought focuses on empowering customer experience teams with AI. We've built the most powerful AI agent for customer support that has natural conversations with customers, improves resolution rates and lowers costs across every interaction.

Our tools help you measure the most important parts of your customer experience, too, especially those related to customer service.

Solve

Solve is a customizable AI solution that replaces ineffective chatbots by using your knowledge base to deliver accurate responses across email and chat.

- Enable human-like interactions for repetitive queries.
- Skip complex decision trees and let AI create flows.
- Build custom flows for personalized customer experiences.

Discover

Discover uses generative AI to optimize customer service workflows, track performance, and recommend improvements to reduce resolution time and costs.

- Extract insights from chats to improve CSAT.
- Detect knowledge gaps for streamlined content updates.
- Track performance in real-time and align cross-department efforts.

Triage

Triage uses AI to tag and route support cases accurately by applying historical knowledge, sentiment analysis, and intent detection.

- Analyze tickets by sentiment, spam, language, or intent.
- Prioritize urgent cases with auto-tagging.
- Quickly route tickets to the right agent or team.

Assist

Assist is a Chrome Extension and AI copilot that streamlines the agent resolution process, enhancing efficiency and customer satisfaction.

- Generate ticket summaries for context post-handoff.
- View relevant articles based on past resolutions and topics.
- Receive AI-generated suggested responses from past case insights.

We went over a lot of CX metrics in this playbook—and you don't have to measure all of them today. But you can do a lot more than you think with the help of the right technology partner.

Let our team of customer experience experts and industry-leading AI technology do some of the work for you.

[Book a demo today to see how we can help you optimize your customer experience.](#)

Benchmark Methodology

Customer Experience Score

PRIMARY SOURCES

The primary source for this analysis was the American Customer Satisfaction Index (ACSI), which provides comprehensive data on customer satisfaction across multiple industries in the United States. Additional sources included industry-specific benchmarks from consulting firms like Bain & Company and McKinsey & Company.

DATA NORMALIZATION

Given the varying scales used across different sources, it was necessary to normalize the data to a common 10-point scale for consistency. For instance, ACSI scores were converted from their original 0 to 100 scale to a 1 to 10 scale using the following formula:

$$\text{Normalized Score} = \text{ACSI Score} / 10$$

For example, an ACSI score of 80 would be converted to:

$$\text{Normalized Score} = 80 / 10 = 8.0$$

BENCHMARK CALCULATION

Once normalized, the data from different industries were aggregated to calculate an average CX Score. The process involved the following steps:

Aggregation of Scores:

Collect normalized CX Scores across multiple industries. For example, suppose we have normalized scores from three key industries:

- **E-commerce:** 8.2
- **Retail:** 7.8
- **Automotive:** 7.6

Calculation of the Average:

The average CX Score is calculated by summing these normalized scores and dividing by the number of industries:

$$\text{Average CX Score} = 8.2 + 7.8 + 7.6 / 3 = 23.6 / 3 \approx 7.87$$

ESTABLISHMENT OF BENCHMARK RANGE:

Based on the aggregated data, a typical CX Score range of 7 to 9 was identified as a robust benchmark. This range was chosen because it encompasses the average scores from multiple industries, reflecting strong customer satisfaction and a high likelihood of customer recommendation.

SOURCES CITED

1. **American Customer Satisfaction Index (ACSI):** The primary source of customer satisfaction data across various industries. Available at www.theacsi.org.
2. **Bain & Company:** Insights into Net Promoter Score (NPS) and customer satisfaction trends. Reports are available at www.bain.com.
3. **McKinsey & Company:** Industry-specific customer satisfaction reports and trends. Available at www.mckinsey.com.

Customer Satisfaction Score (CSAT)

PRIMARY SOURCES

The primary source for this analysis was the American Customer Satisfaction Index (ACSI), which provides comprehensive data on customer satisfaction across multiple industries in the United States. This index aggregates customer feedback to produce industry-specific satisfaction scores. Additional sources included industry-specific benchmarks from customer experience platforms like Zendesk and Qualtrics, which collect extensive data from their user bases to establish average CSAT scores across various sectors.

DATA NORMALIZATION

To ensure consistency across different sources, it was necessary to normalize the data to a common 10-point scale. For example, ACSI scores, originally reported on a 0 to 100 scale, were converted to a 1 to 10 scale using the following formula:

$$\text{Normalized Score} = \text{ACSI Score} / 10$$

For instance, an ACSI score of 82 would be normalized as follows:

$$\text{Normalized Score} = 82 / 10 = 8.2$$

BENCHMARK CALCULATION

Once normalized, the data from different industries were aggregated to calculate an average CSAT Score. The process involved collecting normalized CSAT scores across various sectors. For example, the normalized scores might be:

- **Retail:** 8.1
- **Healthcare:** 7.9
- **Technology:** 7.7
- **Finance:** 7.8

To determine the average CSAT Score, the sum of these scores was divided by the number of industries:

$$\text{Average CSAT Score} = 8.1 + 7.9 + 7.7 + 7.84 = 31.54 = 7.875$$

Based on this average, a benchmark range of 75% to 85% was established. This range reflects a robust benchmark, encompassing the average scores from multiple industries and indicating strong customer satisfaction and a high likelihood of customer recommendation.

SOURCES CITED:

1. **American Customer Satisfaction Index (ACSI):** The primary source of customer satisfaction data across various industries. Available at www.theacsi.org.
2. **Zendesk:** Provides industry-specific benchmarks and data on customer satisfaction. Reports are available at www.zendesk.com.
3. **Qualtrics:** Offers insights and benchmarks on customer satisfaction through its research and survey data. More details can be found at www.qualtrics.com.

Net Promoter Score (NPS)

PRIMARY SOURCES:

The primary sources for this analysis included Satmetrix, which co-developed the Net Promoter Score (NPS) methodology and provides industry-specific benchmarks, and Bain & Company, a leading consulting firm that frequently publishes insights on NPS and customer satisfaction trends. Additionally, industry reports and studies from firms such as McKinsey & Company and Forrester Research were consulted to ensure a comprehensive view of NPS across different sectors.

DATA NORMALIZATION

Given the varying contexts and scales of NPS data reported by different industries, the data was first standardized. Satmetrix data, typically reported as percentages, was used as a baseline, while data from other sources was adjusted to match this format. The NPS is inherently calculated on a -100 to +100 scale, so no additional normalization was necessary for the primary metric itself.

BENCHMARK CALCULATION

The process of calculating the NPS benchmark range involved the following steps:

Aggregation of Scores:

NPS scores from various industries were collected and reviewed. For instance, reported benchmarks from the technology sector often showed an NPS around +50, while industries like utilities had lower benchmarks, often around +20. The gathered data included:

- **Technology:** +50
- **Retail:** +35
- **Utilities:** +20

Calculation of the Average:

These scores were aggregated to determine an appropriate cross-industry benchmark. The sum of the collected NPS scores from the industries considered was divided by the number of industries:

$$\text{Average NPS} = 50 + 35 + 20 \div 3 = 105 \div 3 \approx +35$$

ESTABLISHMENT OF BENCHMARK RANGE

Based on the aggregated data, a typical NPS range of +30 to +50 was identified as a robust benchmark across industries. This range reflects strong customer satisfaction and loyalty, which are critical indicators for business growth.

SOURCES CITED

The primary sources for this analysis included [Satmetrix](#), which provided the baseline NPS data, and [Bain & Company](#), which offered extensive insights into the application and industry-specific benchmarks of NPS. Additional industry-specific data was gathered from reports by [McKinsey & Company](#) and [Forrester Research](#) to ensure a comprehensive view across various sectors.