



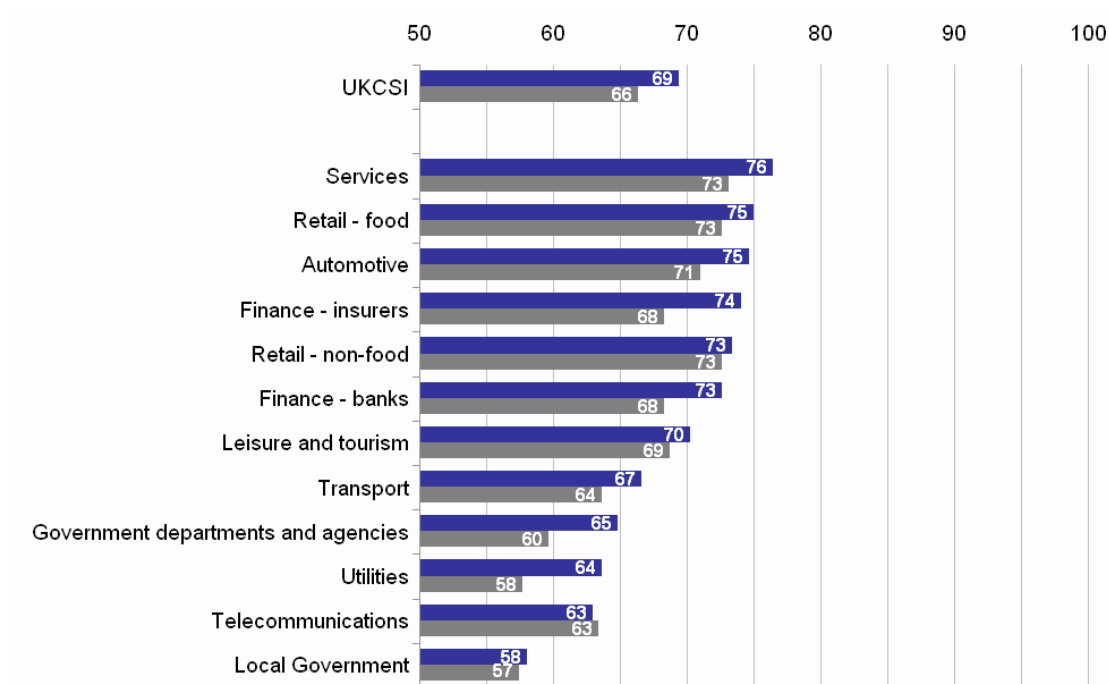
## UK customers more satisfied

January 2008

Based on a representative sample of 6,000 adults surveyed over the internet in November and December 2007, the Institute of Customer Service presents the latest UKCSI which is the National Measure of Customer Satisfaction with UK organisations.

### Customer satisfaction

The UK Customer Satisfaction Index has improved since the pilot which took place in early 2007 and now stands at 69. The main factors driving this improvement are strong increases in core service areas such as keeping customers informed, delivering on time and treating people like valued customers plus higher customer satisfaction with prices (hardly surprising in view of the growing competition for customers' shrinking disposable income). The biggest gains were made by Government Departments and Agencies, Utilities and Insurers. All other sectors improved somewhat except Telecommunications and Local Government, both now rooted at the bottom of the customer satisfaction league table.



The chart shows the Services sector retaining its lead with retailers, car companies and financial services performing well. On a less positive note, some sectors, especially Utilities, Telecommunications and Local Government, still have very low levels of customer satisfaction.

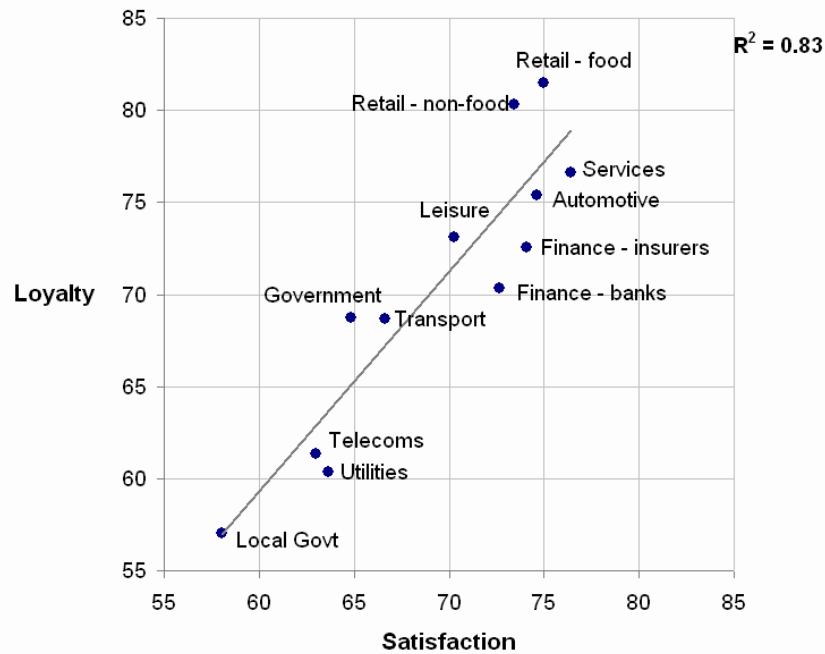
## **Success stories**

There are also some great success stories by individual organisations, especially the Ambulance Service, still leading the field across all sectors with an exceptionally high Customer Satisfaction Index of 92. There are other notable examples where sector leaders are achieving very high levels of customer satisfaction when compared against their own peers, not least John Lewis (89), whose customers are significantly more satisfied than those of other retailers. Audi is well ahead of other car companies with an index of 87, as is First Direct with 86 in the banking sector. Even in sectors with generally poor levels of customer satisfaction, some organisations have shown they can buck the trend, including the Fire Service in Local Government with 82 and Scottish and Southern Energy in Utilities with 77.

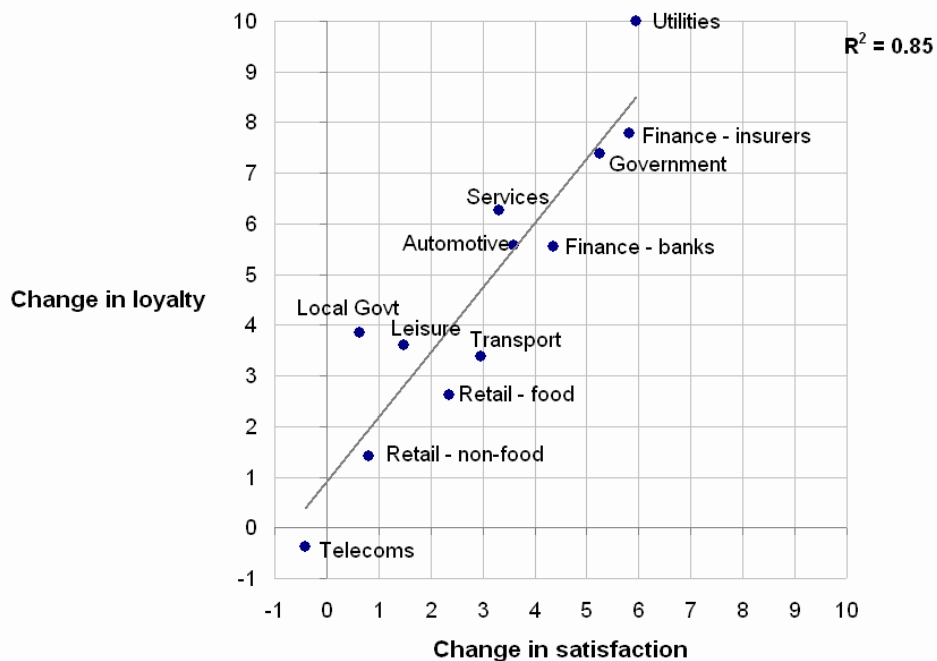
You don't have to look far to understand why their under-performing peers have lower customer satisfaction - the organisations and sectors with dissatisfied customers simply don't get the basics right. They don't measure up on quality and efficiency, they miss deadlines and, adding insult to injury, they are very poor at resolving the problems they have created for customers.

## Loyalty

The relationship between customer satisfaction and loyalty is very strong. Individuals who are more satisfied with the service they receive are more loyal to the organisation, so organisations and sectors that deliver better service have a more loyal customer base.



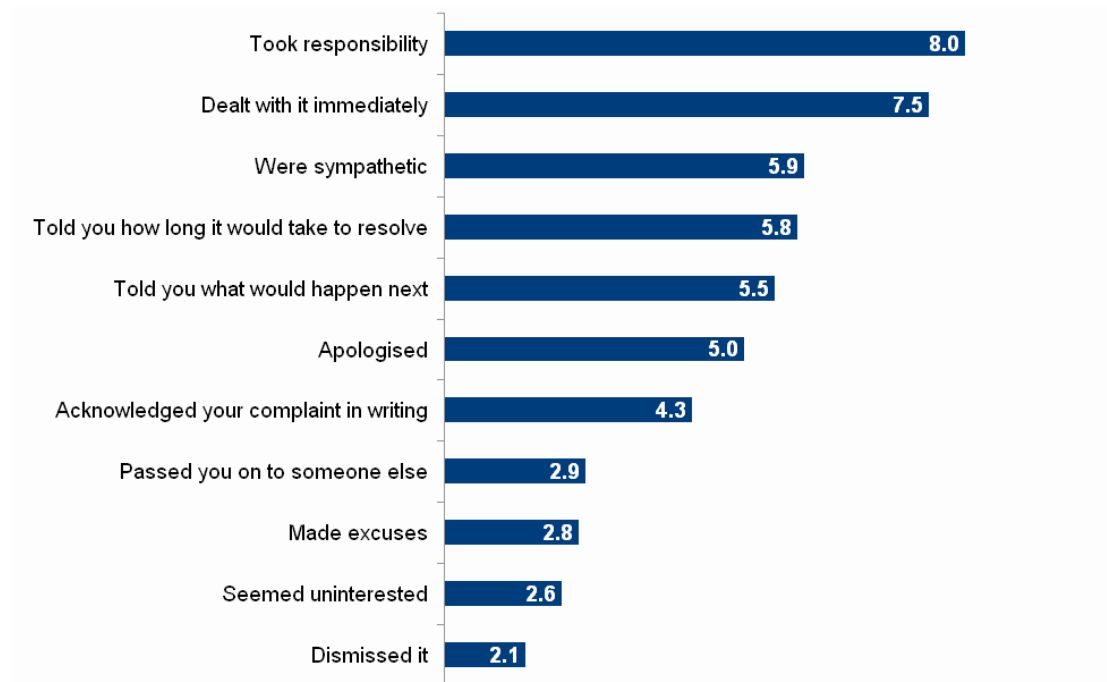
It is also interesting to note the very strong, and also linear, relationship between changes in satisfaction and changes in loyalty between the earlier pilot and these new results. This very telling chart shows that organisations, even starting from a very low base in terms of customer satisfaction, such as Utilities, can achieve significant gains in customer loyalty when they improve service levels (and vice-versa).



## Problems and complaints

Customers are least satisfied with how organisations handle their complaints but, even here, some sectors are making good progress, especially the car industry. The scores for Transport have also improved but other sectors have been less successful. Firmly at the bottom of the complaint handling league table are Central and Local Government, both of which show declining levels of customer satisfaction with complaint handling compared with the pilot phase. Telecoms providers and Financial services also perform badly on complaint handling.

The UKCSI provides some real insight into the key drivers for having satisfied complainants. This chart shows the average score for complaint handling given by customers who had experienced each of the following reactions to their complaint:



Organisations that achieve higher levels of customer satisfaction with complaint handling employ sympathetic employees who are empowered to deal with the problem straight away and keep customers informed about what will happen next and precisely how long it will take. By contrast, customers are dissatisfied when employees pass them on to someone else, seem uninterested, make excuses or simply dismiss their problem.