



THE NATIONAL MEASURE OF CUSTOMER SATISFACTION

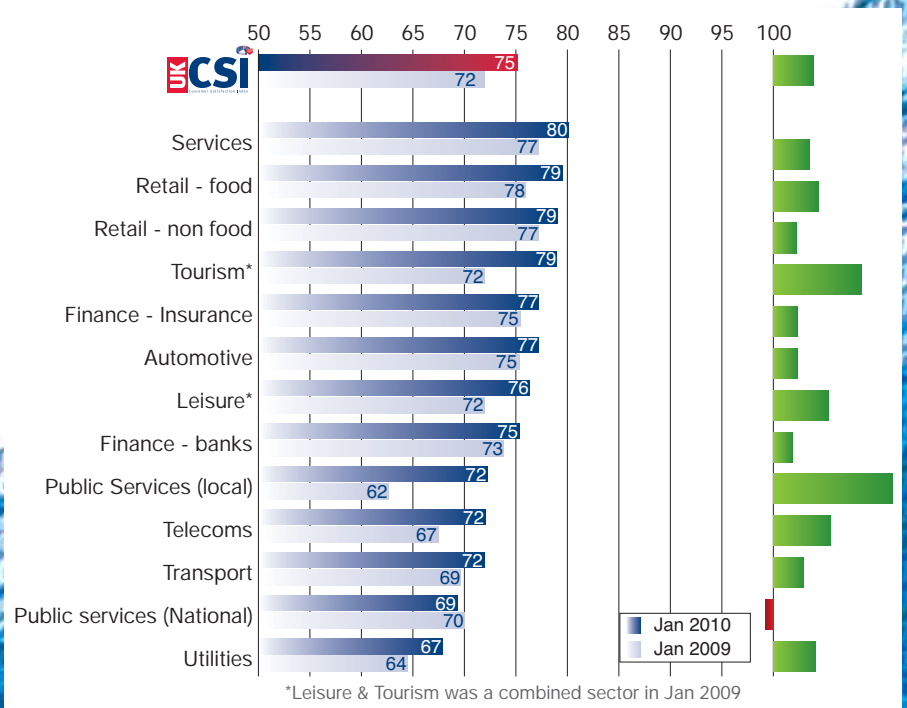
Is recession good for customer service?

Based on a representative sample of 26,000 adults surveyed over the internet by The Leadership Factor on behalf of the Institute of Customer Service, the UK Customer Satisfaction Index (UKCSI) has now established itself as the National Measure of Customer Satisfaction for UK organisations.

(results available online at www.ukcsi.com)

Customer satisfaction

The UKCSI has again risen, increasing across all but one sector since the start of 2009. It has often been assumed that recession should be good for customer service because it causes organisations to focus on keeping and valuing their existing customers, and the UKCSI supports that view.





One of the surprises for some people in the July 09 results was the strong performance by the banking sector, which has been maintained in the year end result. Does this mean that the banks have emerged unscathed from the storm of negative press they have experienced? Not entirely. As we said last time customers are able to distinguish between media coverage, the bank's image, and their own experiences of service. The majority of the components of UKCSI, which are very specific, are based on those personal experiences and so are immune to the effects of media coverage. There is one element of the UKCSI which reflects a wider context—we ask customers to score their supplier's "Reputation".

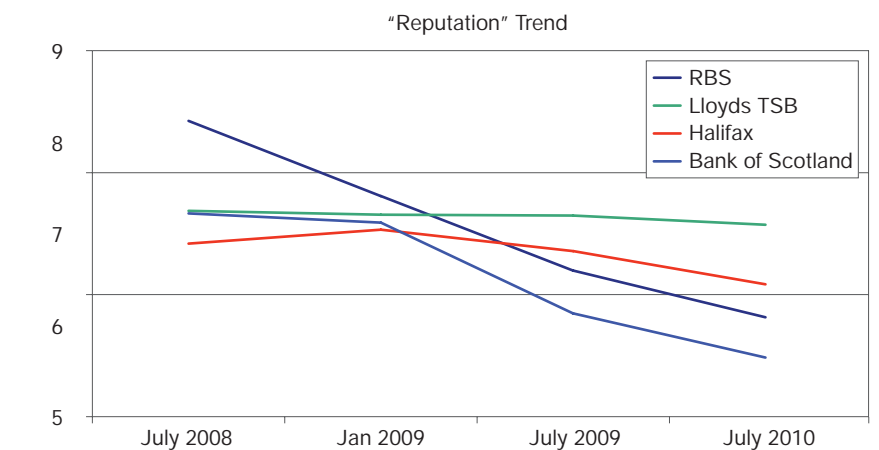
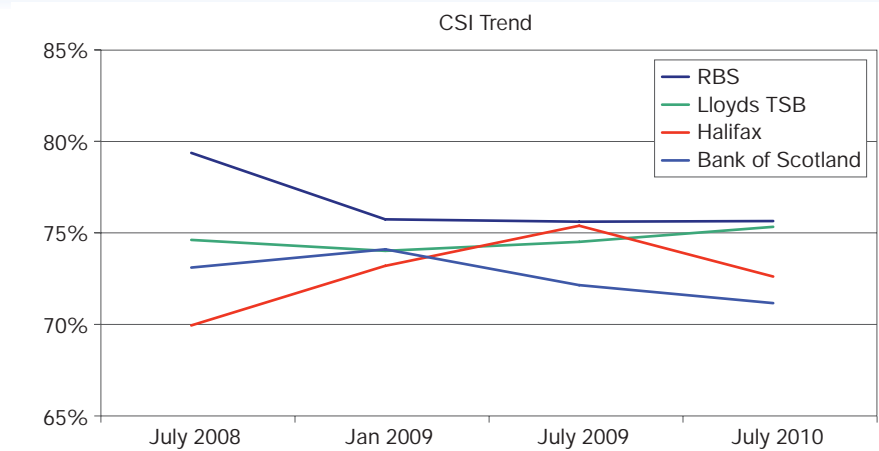
When we look at the trends of CSI and the score for "Reputation" for some of the major banks since July 2008 we can see both how the media coverage has affected some banks' reputation, and the extent to which the other components of CSI can be scored independently of it. RBS and Bank of Scotland, in particular, have seen significant damage to their score for "Reputation" without such serious falls in their overall CSI performance.

The top 10

This time 33 named organisations have managed a CSI over 80, compared with 26 a year ago.

The 10 highest scoring named organisations are:

- John Lewis (88)
- Waitrose (87)
- Marks & Spencer (*food*) (86)
- Toby Carvery (86)
- Marks & Spencer (*non - food*) (85)
- Virgin Holidays (84)
- RAC (84)
- First Direct (84)
- Marriott (83)
- Virgin Atlantic (83)



Sector leaders

Some sectors are better than others, which means that the stronger sectors tend to dominate the overall top 10. The top named organisations within each sector are showing their sector how to move forward in delivering great customer service. A special mention goes to the Virgin brand, which tops two sectors, and to John Lewis/Waitrose for their success in the retail sectors.

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|-----------------------------|--|
| Automotive: | Mercedes Benz (83) |
| Finance, banks: | First Direct (84) |
| Finance, insurers: | SAGA (83) |
| Public services (national): | The Identity and Passport Service (77) |
| Public services (local): | The Ambulance Service (82) |
| Leisure: | Toby Carvery (86) |
| Retail, food: | Waitrose (87) |
| Retail, non-food | John Lewis (88) |
| Services: | RAC (84) |
| Telecommunications: | O2 (79) |
| Tourism: | Virgin Holidays (84) |
| Transport: | Virgin Atlantic (83) |
| Utilities: | SSE (76) |



“customers are able to distinguish between media coverage, the bank’s image, and their own experiences of service.”



2009 “most improved”

As well as looking at the outright winners, it’s interesting to see which organisations are making the best progress. Since January 2009, 13 companies named in both surveys have improved their overall CSI by more than 5 points. The telecom sector has done particularly well in that time, with Vodafone, Orange and Talk Talk all among the big gainers.

The top 10 most improved named organisations since January 2009 are:

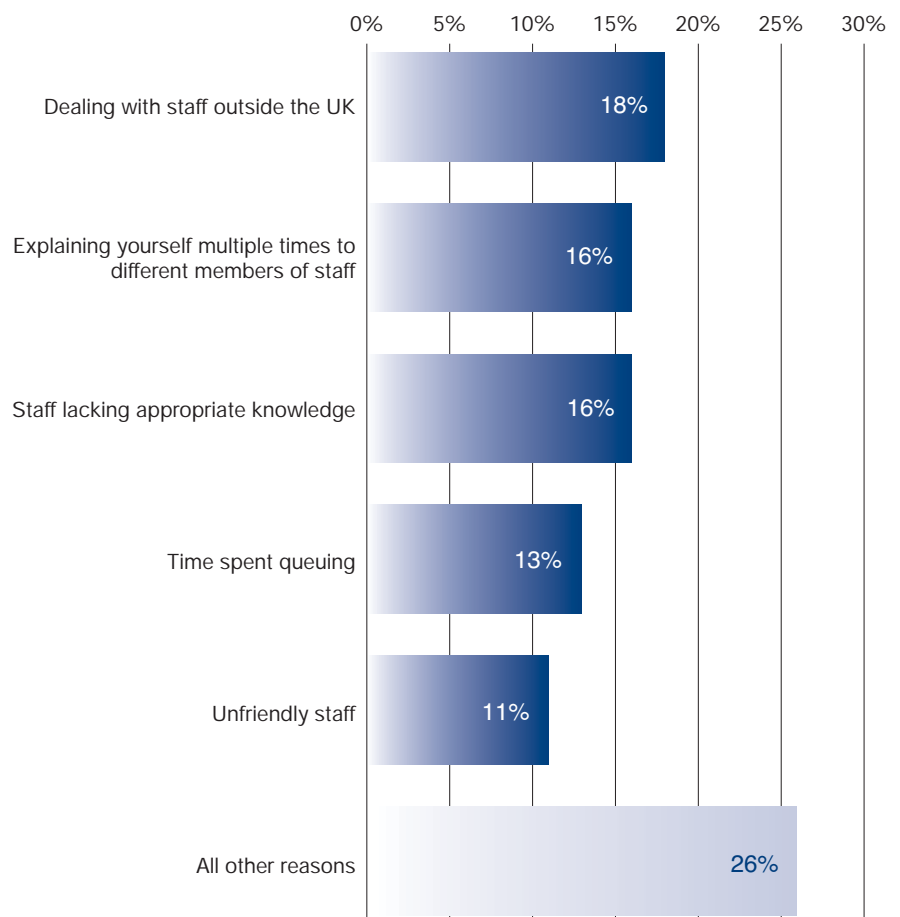
- Toby Carvery (up 8 to 86)
- Vodafone (up 8 to 77)
- Harvester (up 7 to 81)
- Admiral (up 7 to 79)
- McDonalds (up 7 to 73)
- Homeserve (up 7 to 69)
- Iceland (up 6 to 80)
- Stagecoach (up 6 to 69)
- British Gas (up 6 to 68)
- Talk Talk / Carphone Warehouse (up 6 to 69)

As well as Virgin’s success, we should also point out that there are two Mitchells & Butlers brands (Toby Carvery and Harvester) near the top of the most improved list, and both with very good CSIs.

Call centres

This time we asked customers some extra questions about their experience of call centres, always a hot topic. We asked them what were their main reasons for disliking the worst call centre they had experienced. The main problems are shown in the chart below:

We also asked customers who, from a list of celebrities and fictional characters, they would most like to handle their call in a call centre. Joanna Lumley (15%) and Jeremy Clarkson (14%) were the most popular overall, with Holly Willoughby being a more popular choice amongst men (13%) and Dermot O’Leary scoring well with women (13%). The least popular choice was Hyacinth Bucket, with only 3% of the vote.





Customer satisfaction and dealing with problems

One of the key tests of an organisation, from a customer's point of view, is how they react when there is a problem or if a complaint is made. As you might expect, sectors which are better in terms of customer satisfaction also have a lower incidence of problems (i.e. fewer customers say they have had a problem) and are better at dealing with complaints. The two charts below show how strong these links are.

Interestingly, though, there are some significant deviations from the overall trend. In particular the banking sector is generating more problems, and handling them less well, than you would expect for a sector with a mid-table CSI. This means that day to day performance is relatively strong, but that critical incidents are having a disproportionate effect on the 17% of customers that experience them. This suggests that for many banks, the best way to improve customer satisfaction would be to get better at dealing with problems and complaints. **S**



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Stephen manages customer and employee surveys for RBS, NatWest, Visa and Pace amongst others. He also presents training courses on employee surveys, customer surveys and data analysis.

Favourite social media: Just like Everton FC, Stephen's favourite social media are Facebook (as an individual), LinkedIn (for business) and overall, Twitter.

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