



Wave 4 Results: January 2009

THE NATIONAL MEASURE OF CUSTOMER SATISFACTION

Consumers optimistic about service

The UK Customer Satisfaction Index (UKCSI) is the National Measure of Customer Satisfaction for UK organisations. The survey is conducted by The Leadership Factor on behalf of the Institute of Customer Service. Released on January 15th 2009, the latest results are based on a representative sample of 24,000 adults surveyed over the internet.

(results available online at www.ukcsi.com)

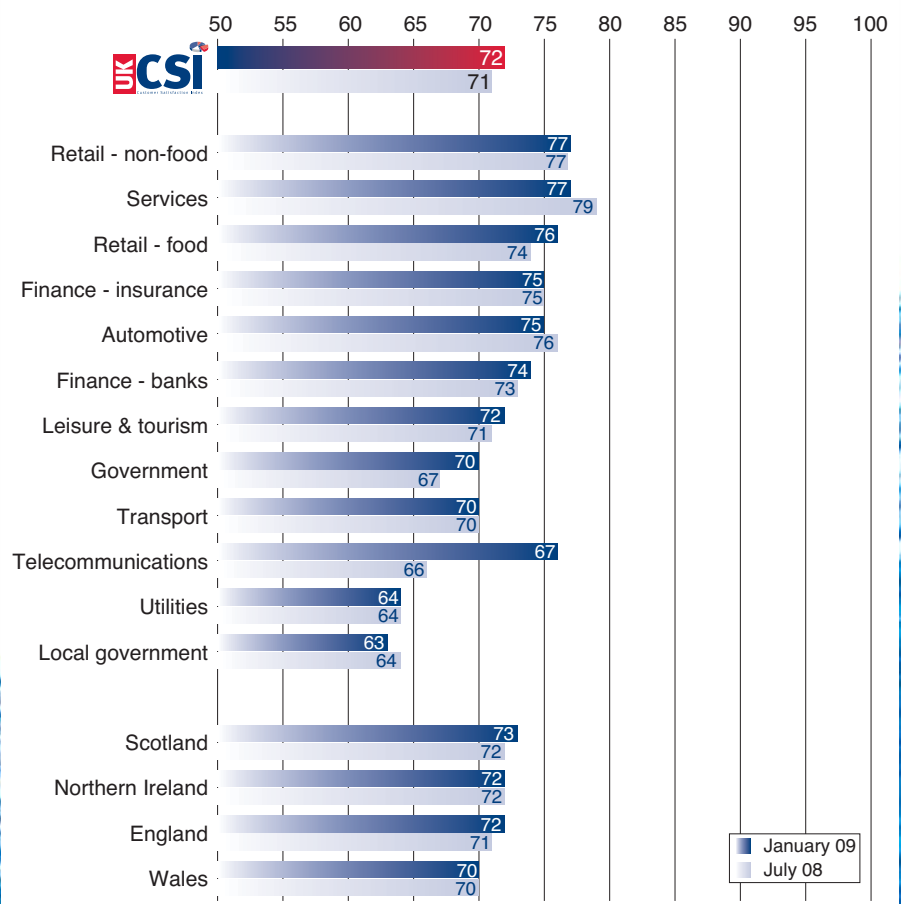
Customer satisfaction

The UK Customer Satisfaction Index has continued its upward trend, despite fears that the downturn in the economy might result in cost-cutting and failures of customer service. It is particularly striking that satisfaction with the banking sector has improved, proving that customers are able to "score it as they see it" based on their own service experiences rather than giving a score that reflects media coverage, although the adverse press does seem to have affected customers' expectations of future service (see overleaf).

The overall UKCSI now stands at 72. The biggest gains were for the Government and Food Retail. The Services sector has slipped slightly, dropping below Non-food Retail at the top of the table for the first time.

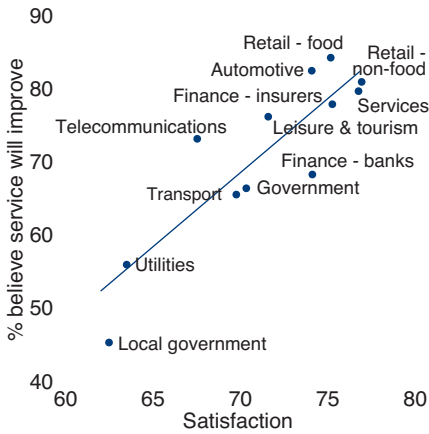
Improvements expected

Consumers believe that the upward trend in CSI will continue, with 72% saying that they expect the organisation they scored to improve over the next few months.





There is a clear link between customers' current level of satisfaction with the organisations they have scored and whether or not they expect to see them improve.



To find such a link is interesting, but hardly surprising. More revealing are the deviations, for some sectors, from their expected position based on satisfaction. As shown in the chart above, Telecommunications customers are confident that they will see improvements despite their relatively low levels of satisfaction—this may reflect a very dynamic market in which rapid innovation is expected, but in which lasting differentiation is difficult to maintain.

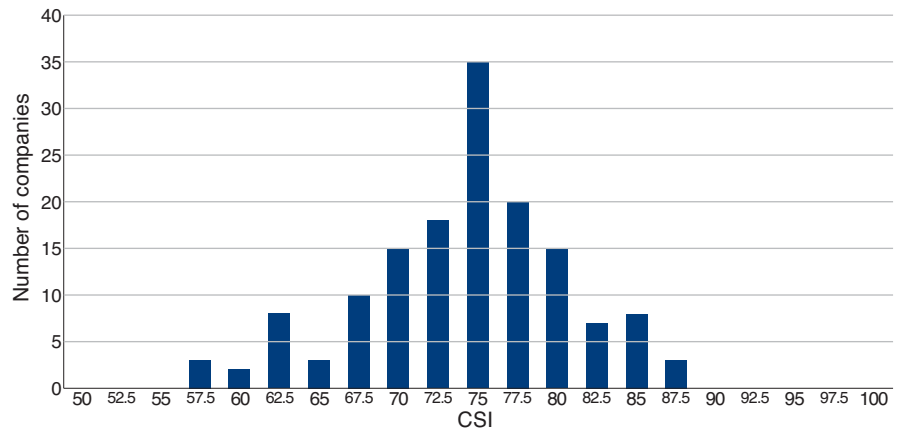
By contrast, Local government customers are relatively pessimistic about future improvements. Banking is the other salient sector where customers believe service will get worse in the coming months – hardly surprising in view of the banks current bad press.

Success stories

The results for top performing companies in all sectors are freely available online at www.ukcsi.com. Of the 147 individual organisations measured for the UKCSI, the highest scoring named Top Ten were:

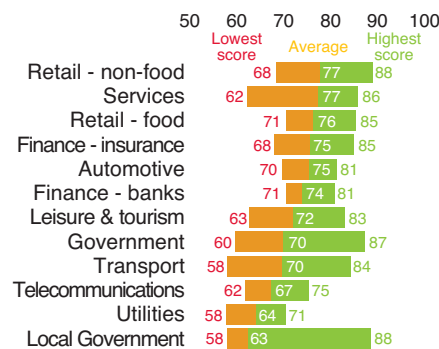
- John Lewis
- Ambulance Service
- Lloyds Pharmacy
- Waitrose
- Saga
- Marks & Spencer (food)
- Boots
- Autoglass
- Premier Inn
- Marks & Spencer (non-food)

26 organisations received a CSI over 80, meaning that they are achieving consistently good performance with their customers. Six managed a CSI over 85 but none could exceed 90. If we look at the distribution of scores it becomes obvious that the majority of organisations fall close to the average. The top performing companies may not seem to be far above average, but their performance puts them in very select company.



Variation in performance

Comparing all organisations on a level playing field is the best way to establish the level of service on offer in different sectors. As shown in the chart below, there is considerable variation within each sector. The chart shows the lowest, highest, and average score for each sector.

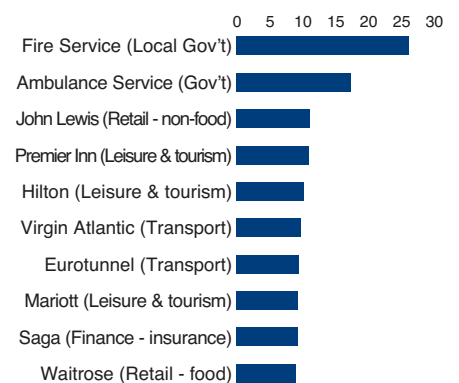



Some sectors show considerably more variation in performance than others. We would expect sectors which show a narrow range of scores to be those in which there is less perceived differentiation between suppliers—in other words all organisations in the sector are seen as being similar in terms of their ability to satisfy customers. According to these data, this is the case for Finance (banks), Automotive, Utilities and Telecommunications. It is certainly

the case that three of these have traditionally been seen as markets with little differentiation, but Automotive is something of a surprise. Although Automotive suppliers are consistent, and all are able to provide a reasonable level of service, there are no "stars" as there are in some sectors.

Customer satisfaction is often a relative judgement, so organisations that are out-

performing the rest of the sector are the ones we would expect to see most benefit from their strong performance. The chart below shows the companies and organisations which are furthest ahead of the average score for their sector. S

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Stephen manages customer and employee surveys for Visa, Norwich & Peterborough Building Society and King's Fund amongst others. He also presents training courses on employee surveys, customer surveys and data analysis.

Stephen "sort of vaguely" supports Reading but is not too interested in football. However, he does climb mountains and reads New Scientist.

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