

Wave 2 of the ICS's UK Customer Satisfaction Index was published in January. Stakeholder Satisfaction takes a look at some of the key findings, and the beginnings of some trends.

(results available online at www.ukcsi.com)

WAVE

The UK Customer Satisfaction Index—
Wave 2 Results

RES

ULTS



The UKCSI is beginning to gather momentum. Just like organisations who measure their own customer satisfaction, the baseline Satisfaction Index was interesting, but it gets much more fun when you can look at trends over time and monitor progress (or lack of it!). The key question, of course, is not whether the index has gone up or down, but why?

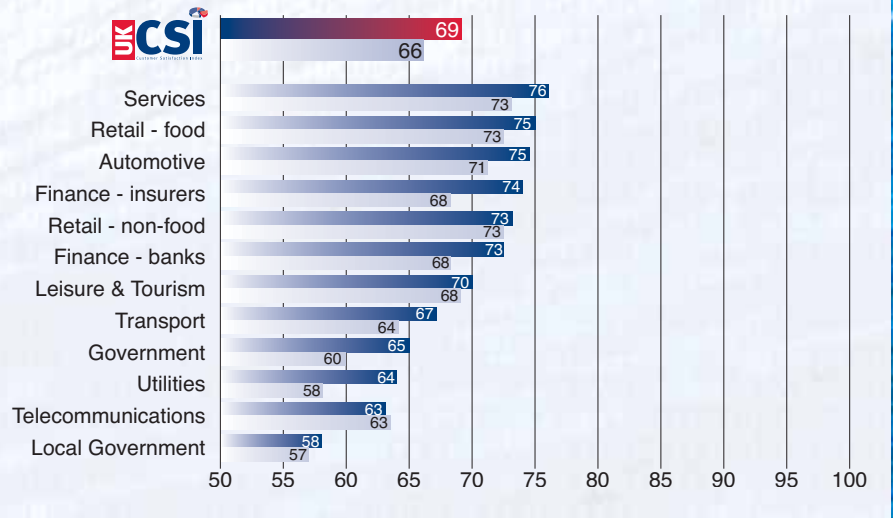
This time 6,000 individuals, over 12 sectors, were involved in the UKCSI, making it the most reliable objective indicator of customer satisfaction levels for the nation as a whole as well as across sectors and regions.

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.



Stephen Hampshire
Client Manager
The Leadership Factor

If you have any thoughts about this article you can contact Stephen at stephenhampshire@leadershipfactor.com



"

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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. Last time a cynical journalist commented that this might be because their dissatisfied customers aren't around to fill out questionnaires, an inaccurate as well as invidious slur.

It is no accident that the Ambulance Service is performing so well in a very difficult sector. Unlike private sector companies, where dissatisfied customers will in fact have moved on, public sector suppliers are often the only option for their customers. Delivering such levels of satisfaction in these circumstances is impressive, and improving on their performance in the pilot is exceptional.

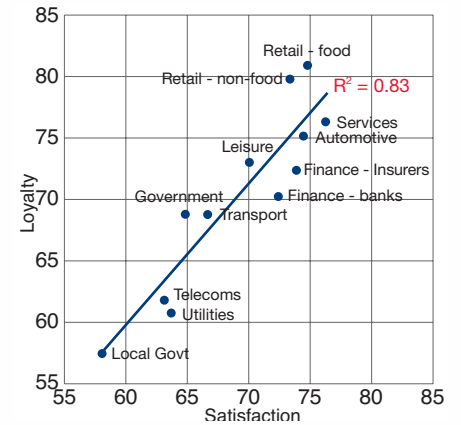
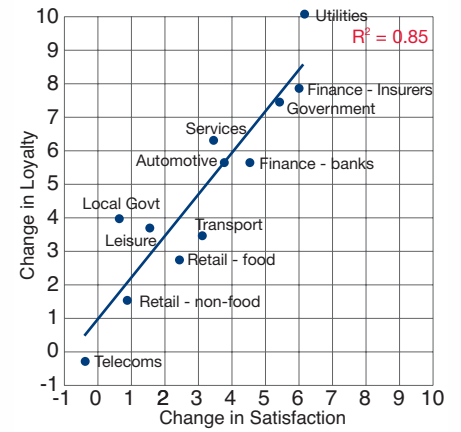
There are other notable examples where sector leaders are achieving very high levels of customer satisfaction when compared against their own peers, not least John Lewis (89), whose customers are significantly more satisfied than those of other retailers. Audi is well ahead of other car companies with 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.

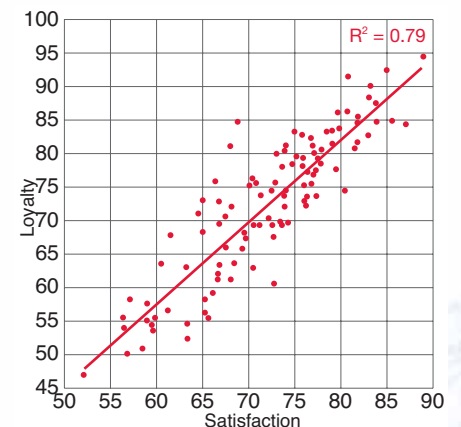
Loyalty

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).

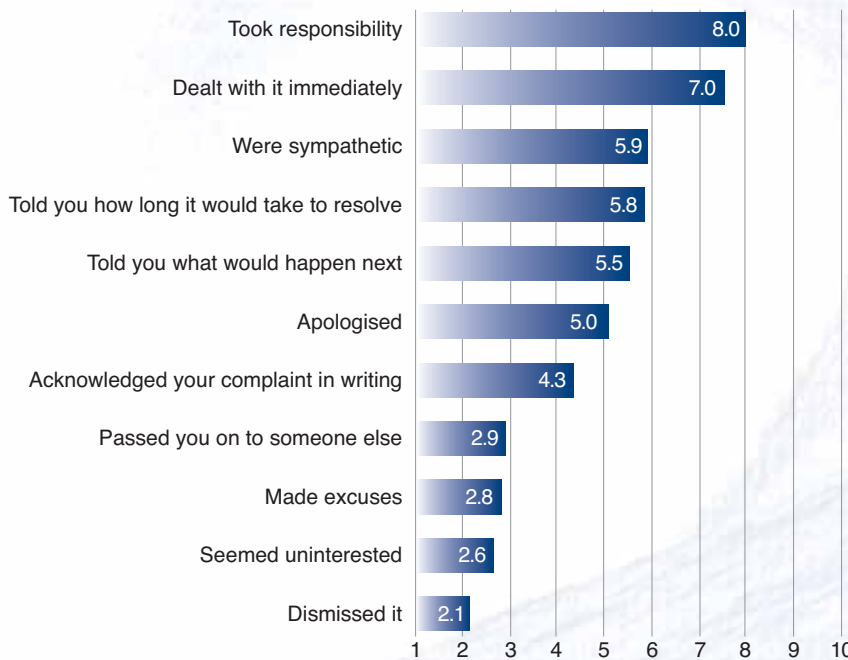




Problems and complaints

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 straightaway 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.

Conclusions

There are few surprises from the UKCSI. Satisfaction is strongly linked to loyalty. Some sectors are much better at satisfying customers than others, and the chances are we could have predicted who would be near the top and bottom end. The same is true for individual organisations within each sector—certain names like First Direct and John Lewis emerge again and again as companies that really take their customers seriously.


What the UKCSI does is to shine the spotlight of objective measurement onto customer service in the UK. The only way to get a higher score is to focus on your customers and do a better job at delivering what they want. It also reveals that many organisations are not very good at meeting customers' needs, despite their claims.

We have avoided "naming and shaming" the organisations that don't make it into the top 5 for their sector, but reading between the lines there are some big names missing who need to be asking themselves some tough questions. Why is it that their competitors are outscoring them? Because they deliver what customers want.

Though no substitute for a company-spe-


cific customer satisfaction survey, the UKCSI provides concrete, actionable, evidence about what works. Here is really solid evidence about staff reactions to a complaint that deliver much higher customer satisfaction with the complaints process. Do your staff consistently do the things at the top of the chart? **S**

We'll finish with comments from Nigel Hill of The Leadership Factor and Robert Crawford of the ICS.



Nigel Hill

"It's interesting that customer satisfaction has increased so much against a backdrop of economic doom and gloom. All we've heard from the media in recent months are stories about runs on banks, house prices collapsing, falling retail sales, plummeting consumer confidence etc. So how does higher customer satisfaction make sense? Simple! If customers still have jobs and money (which they do—unemployment has not risen) they actually benefit from all the economic pessimism. Companies get worried about future profits, competition intensifies and giving customers a good customer experience to keep them becomes more important. As well as higher satisfaction with prices, we can also see this coming through in areas like treating people as valued customers and keeping customers informed."



Robert Crawford

"The UKCSI is an invaluable tool as a benchmarking and economic indicator. Already it's being used widely by organisations to see how they compare on their customers' radar with the best of the rest."

The UKCSI is run by the Institute of Customer Service, and is based on surveys conducted by The Leadership Factor on its Your Say Pays web panel. More information and full results can be obtained from

<http://www.ukcsi.com>