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JULY 2022

UK Customer Satisfaction Index

The state of customer satisfaction in the UK

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UK Customer Satisfaction Index

The state of customer satisfaction in the UK

Today's webinar

- The state of customer satisfaction in the UK
- Customer satisfaction and business performance
- Evolving customer expectations, behaviours and attitudes
- Recommendations for organisations
- Discussion and Q & A

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Key themes in this UKCSI

- Overall customer satisfaction in the UK is flat: any improvement we saw in the latter part of 2021 has stalled since January 2022
- The trend for improved complaint handling, alongside more customers experiencing a problem with an organisation, has continued
- Estimated monthly cost to organisations in time spent by employees dealing with problems and complaints is £9.24 billion
- Growing expectations for service and price: 35% of customers would be prepared to pay more to guarantee excellent service but 58% say low prices will be more important in choosing an organisation
- Increased risk of vulnerability means it has become more important to respond to a customer's personal situation and needs
- For customers who suffer from poor financial, mental or physical well-being, the impact of an organisation failing to respond to personal needs and situation is stark
- Customers who felt that an organisation did not respond to their personal needs and situation highlighted friendly, helpful, knowledgeable staff, ease of contacting the right person to help and speed of response and resolution as key priorities for improvement
- 45% of customers chose an organisation because of at least one aspect of its local relevance or commitment, such as employing local people, supporting the community, feeling a personal connection

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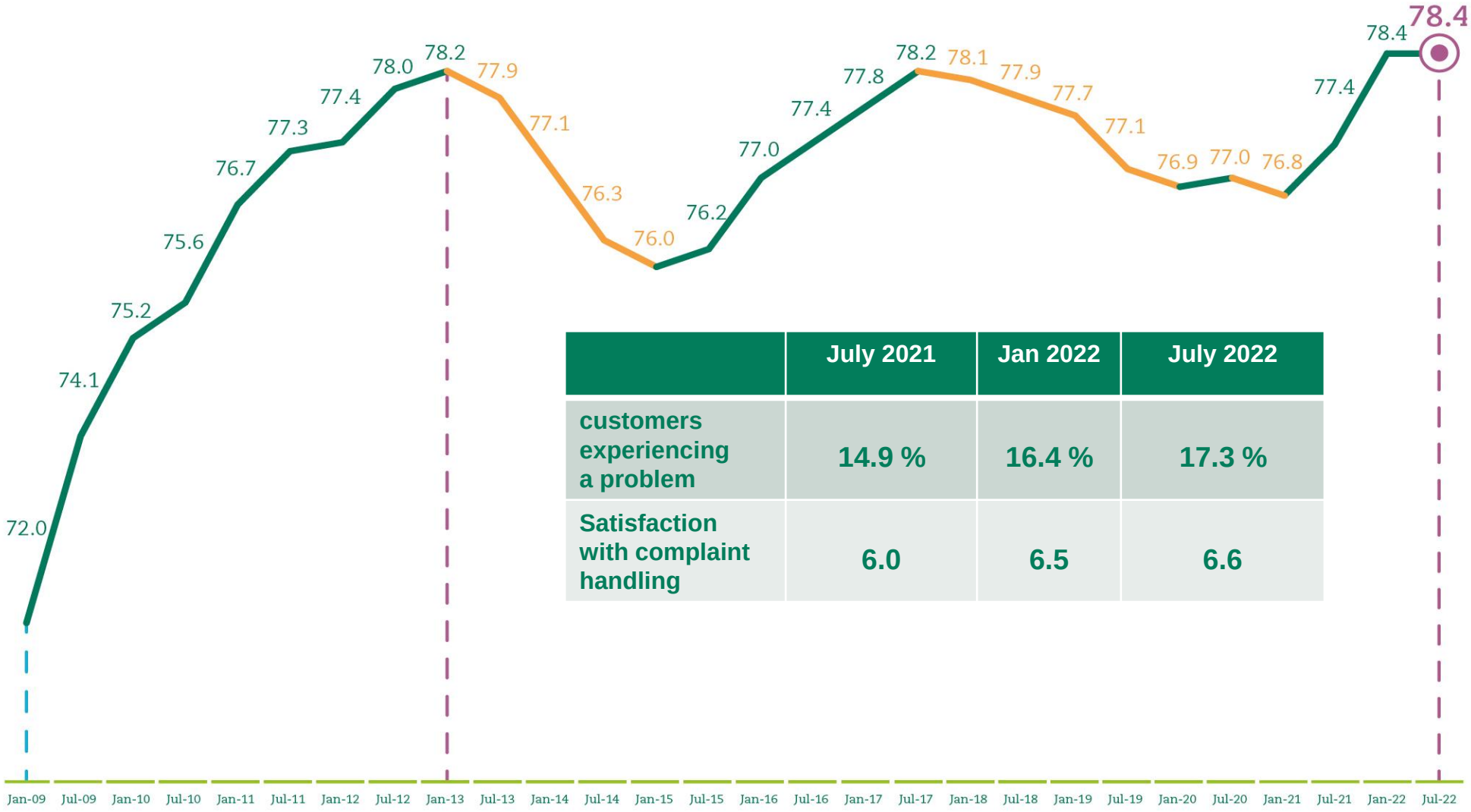
The July 2022 UK Customer Satisfaction Index (UKCSI) is 78.4 (out of 100), up 1 point compared to a year ago but the same level as in January 2022



	July 2021	Jan 2022	July 2022
customers experiencing a problem	14.9 %	16.4 %	17.3 %
Satisfaction with complaint handling	6.0	6.5	6.6

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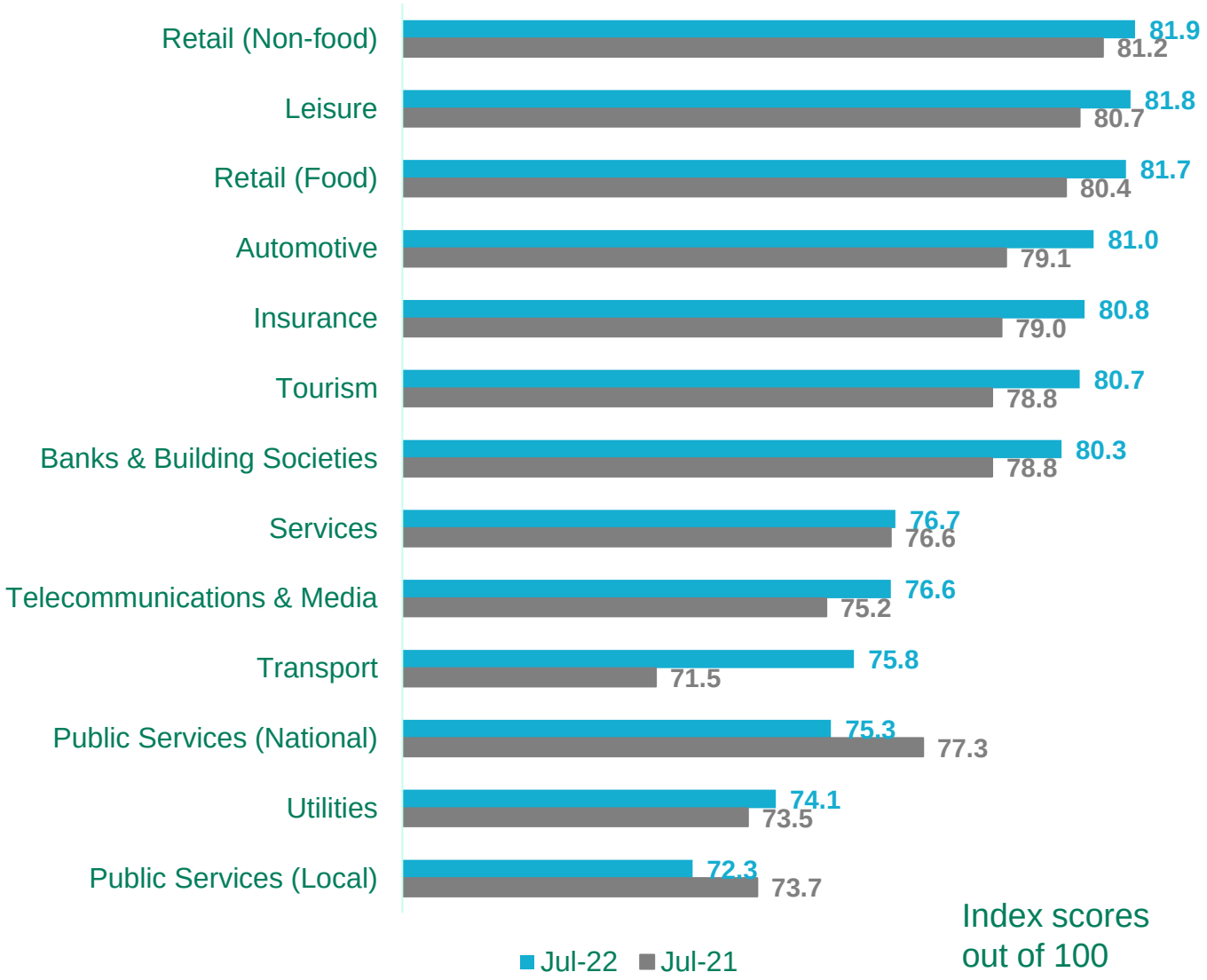
8 sectors are at least 1 point higher than in July 2021 but the rate of improvement has slowed since Jan 2022



Index scores out of 100

Sector	Change to July 2021	Change to Jan 2022
Retail (Non-food)	0.7	0.4
Leisure	1.1	0.1
Retail (Food)	1.3	0.7
Automotive	1.9	0.3
Insurance	1.8	0.3
Tourism	1.9	0.3
Banks & Building Socs	1.5	0.1
Services	0.1	- 0.7
Telecomms & Media	1.4	0.3
Transport	4.3	0.7
Public Services (National)	- 2.0	- 1.6
Utilities	0.6	- 0.4
Public Services (Local)	- 1.4	- 1.1

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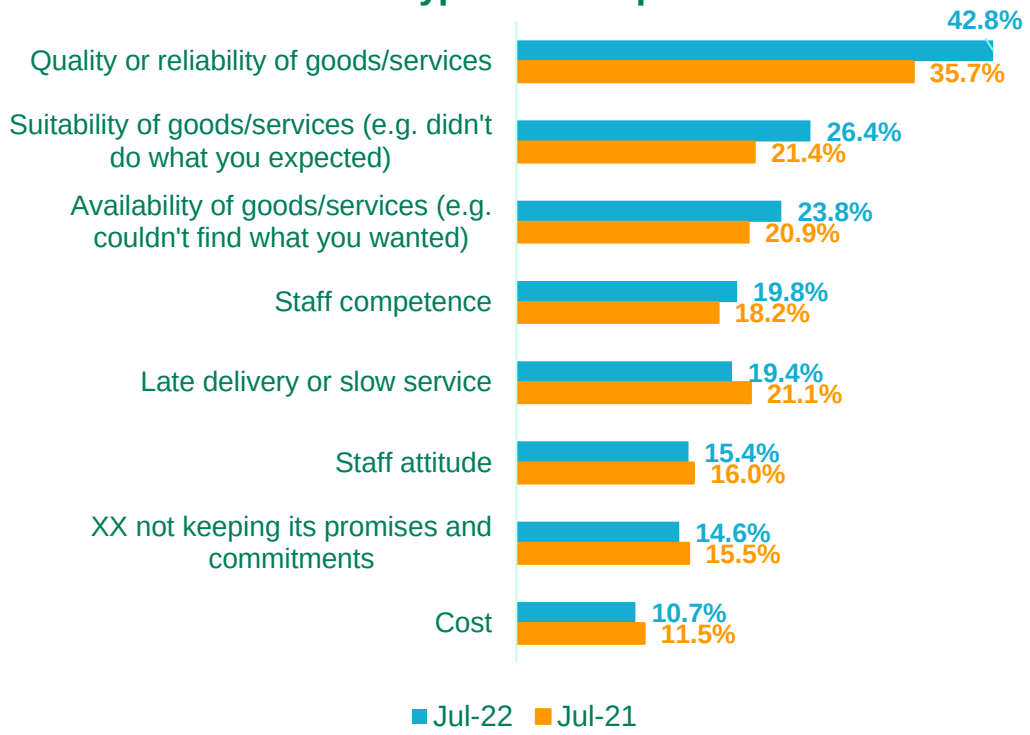
The trend for improved complaint handling but more customers experiencing a problem has continued

	July 2021	July 2022
% customers experienced a problem with an organisation	**14.9%**	**17.3%**
Satisfaction with complaint handling (out of 10)	**6.0**	**6.6**

Types of complaints



Impact of complaints on customer satisfaction

Impact of complaints on costs and productivity

3.8

Average days per month spent by full-time employees dealing with problems and complaints

£9.24 bn

Monthly cost to UK organisations of employees' time spent on problems and complaints

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Customer satisfaction and business performance

- 3.8%

Supermarket sales have fallen year on year. On average, supermarkets with customer satisfaction below the sector average have suffered the biggest drop in sales

Source: UKCSI and Kantar

- 9.1%

Food retailers with UKCSI at least 1 point above sector average

Food retailers with UKCSI at least 1 point below sector average

6,878

Net current account gains completing 1 April - 30 June 2021

Source: CSS Dashboard

- 8,811

Banks & Building Societies With a UKCSI at least 1 point above sector average

Banks & Building Societies with a UKCSI at least 1 point below sector average

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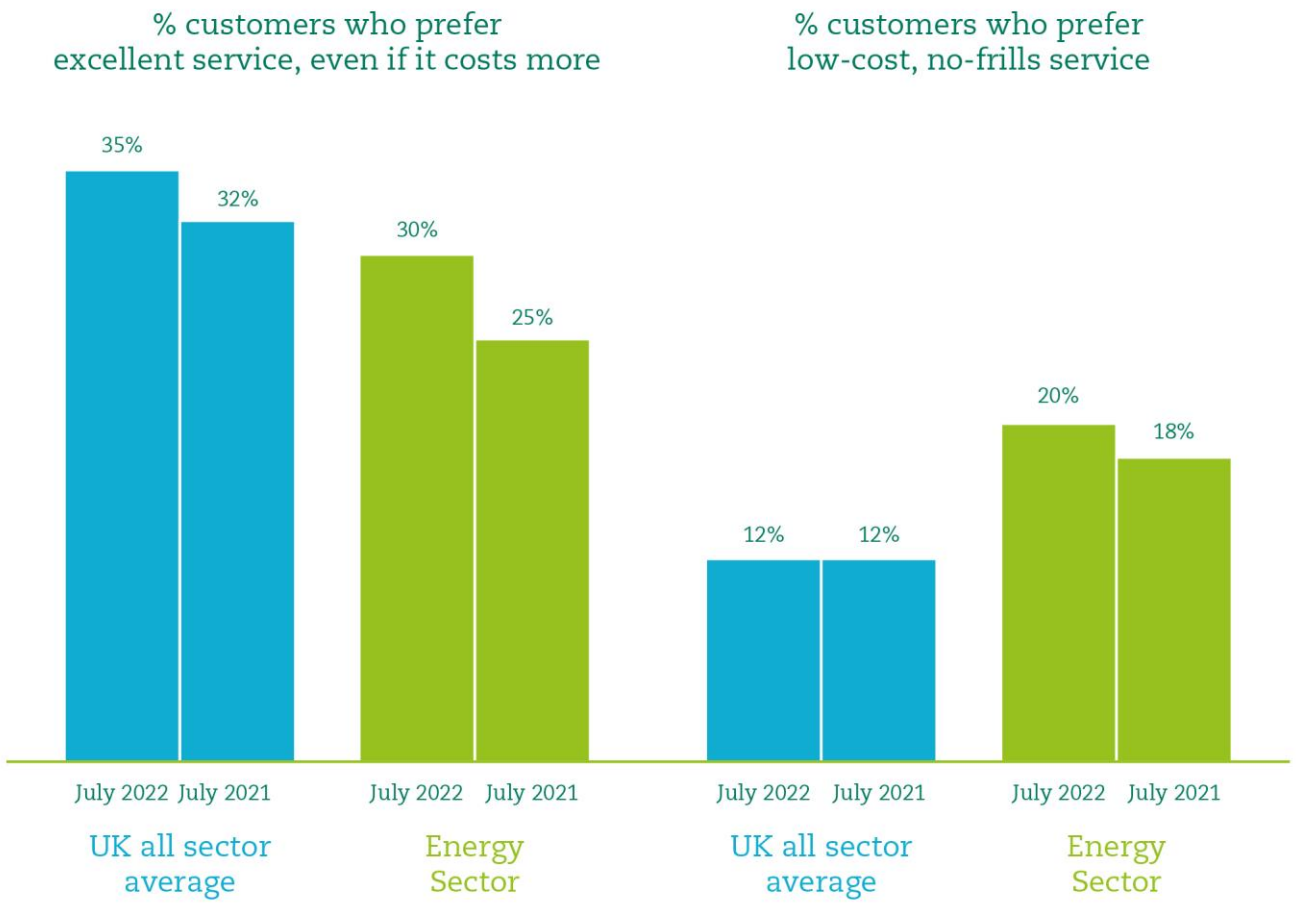
Evidence of a widening polarisation in expectations about affordability of excellent service



75%

Customers rated quality as one of their top 3 priorities for choosing an organisation, followed by convenience (53%) and low cost (42%)*

58%

% customers for whom low prices will be *more* important when choosing an organisation, product or service, in the next 2 years

* From The Institute's May 2022 research, Customer Behaviour: Evolution or Watershed ?

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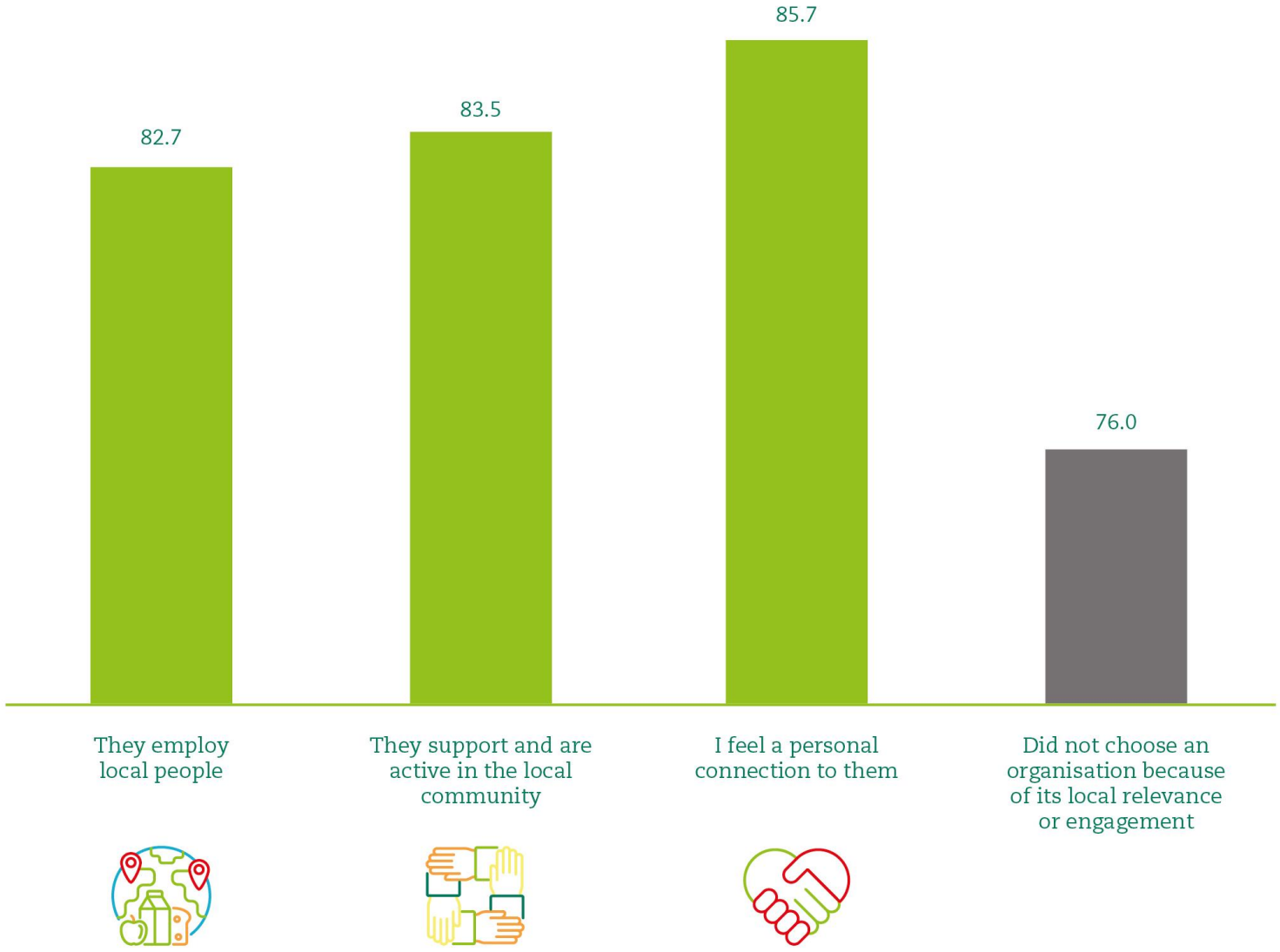
Did you choose an organisation for any of the following reasons?



Customer satisfaction index scores out of 100

- **45% of customers chose an organisation because of at least one aspect of its local relevance or commitment**
- **Customers who chose an organisation because of its localness have higher levels of satisfaction than those who did not**

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The outlook….

- Prevent problems and improve productivity, communication with customers, service performance
- Engage in and influence public policy to find the most effective ways for government, organisations and other stakeholders to help customers manage the impact of rising costs
- Understand and respond to impact of cost of living crisis on employees and customers
- Importance of a personal connection with customers
- Assess the trade-offs different customers are willing to consider in terms of price, quality, availability, environmental sustainability and access to service and support
- Resource planning to take into account increased need for customer contact
- Be transparent about level of service provided depending on the product, services and price points customers choose
- Invest in skills and capabilities
- Consistent focus on service: to help protect sales and market share, improve resilience, retain key employees, build capabilities for future growth

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UKCSI: a barometer of UK customer satisfaction

The UK's largest cross-sector benchmarking panel

- 10,000 customers; 45,000 responses
- 13 sectors (271 organisations)
- 3,000 responses per sector (6,000 for Transport and Utilities)
- 26 metrics reflecting transactional and relationship needs, based on customer priorities
- Channel use and satisfaction
- Causes of complaints and satisfaction with complaint handling
- NPS, customer effort
- Key issues organisations should improve
- Links between customer satisfaction and business performance
- Evolving customer expectations, behaviours, attitudes
- Recommendations for focus and action

Customer responses that make up the July 2022 UKCSI

13 Sept - 8 Oct 2021

After the relaxation of most Covid-19 restrictions in England but before the emergence of the Omicron variant

21 March - 14 April 2022

After the removal, from 24 Feb, of the legal requirement in England to self-isolate following a positive Covid-19 test

Member benefits

- State of the nation report
- Sector reports
- Sector resource packs
- Member webinar
- Business Benchmarking survey based on UKCSI questions
- Engagement with your CRD

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How the UKCSI is relevant to B2B organisations

- Identifies differentiators of highest performing organisations in the UK
- Shows customer satisfaction characteristics of sectors your organisation serves
- Provides a range of sectors to benchmark with
- Highlights key trends shaping customer experience environment
- A framework to measure your customer satisfaction
- Through The Institute's business benchmarking, survey you can benchmark with a B2B organisation average

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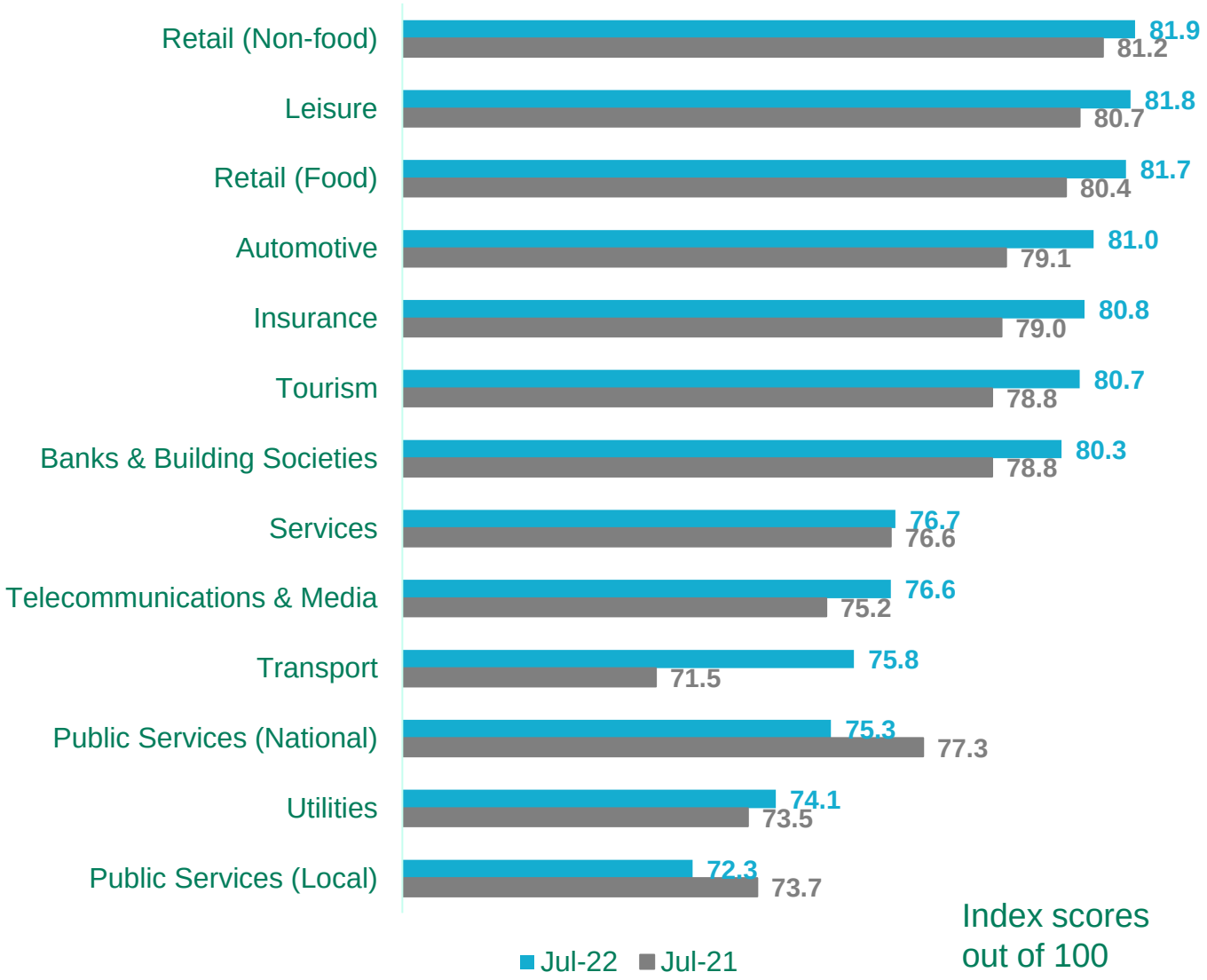
8 sectors are at least 1 point higher than in July 2021 but the rate of improvement has slowed since Jan 2022



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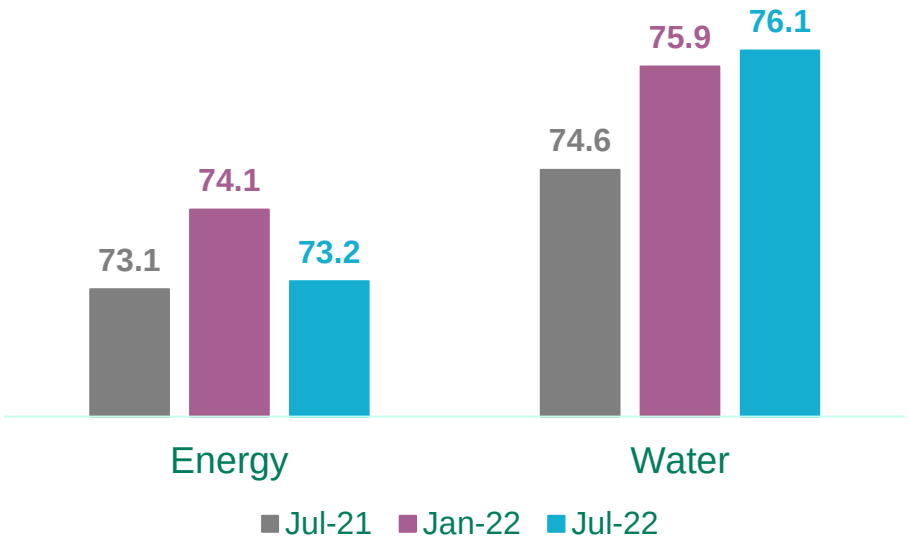
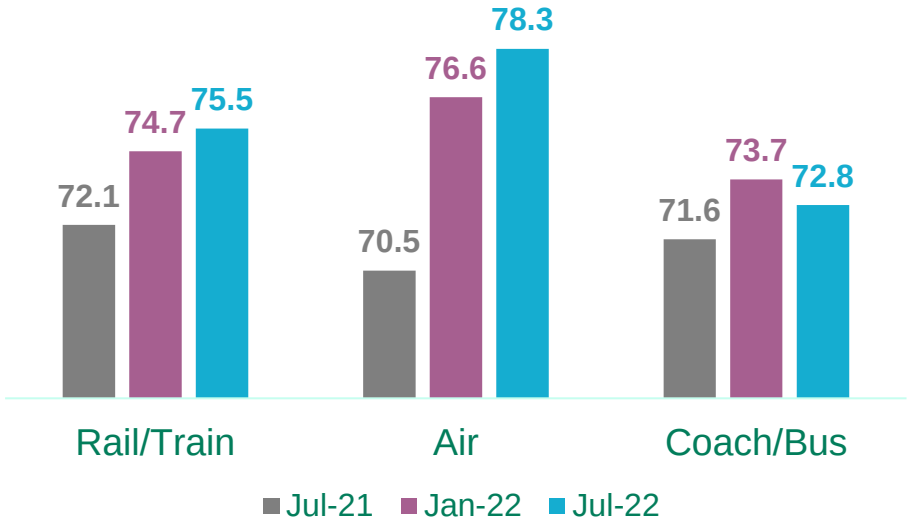
Utilities and Transport sub-sectors



- Average satisfaction with Water companies improved by 1.5 points to 76.1
- Satisfaction with Energy companies is 73.2, almost the same as in July 2021 and 0.9 points lower than Jan 2022
- Satisfaction with price / cost in the Energy sector dropped by 0.3 points compared to a year ago, to 6.6 (out of 10)



- Average satisfaction with airlines showed the biggest drop of any sector / subsector during the height of Covid-19 but in the last year has improved more than any other sector
- However, average satisfaction for the most recent set of customer responses (collected March / April 2022) is slightly lower than for those collected in Sept / Oct 2021. This suggests that ongoing disruption will impact customer satisfaction

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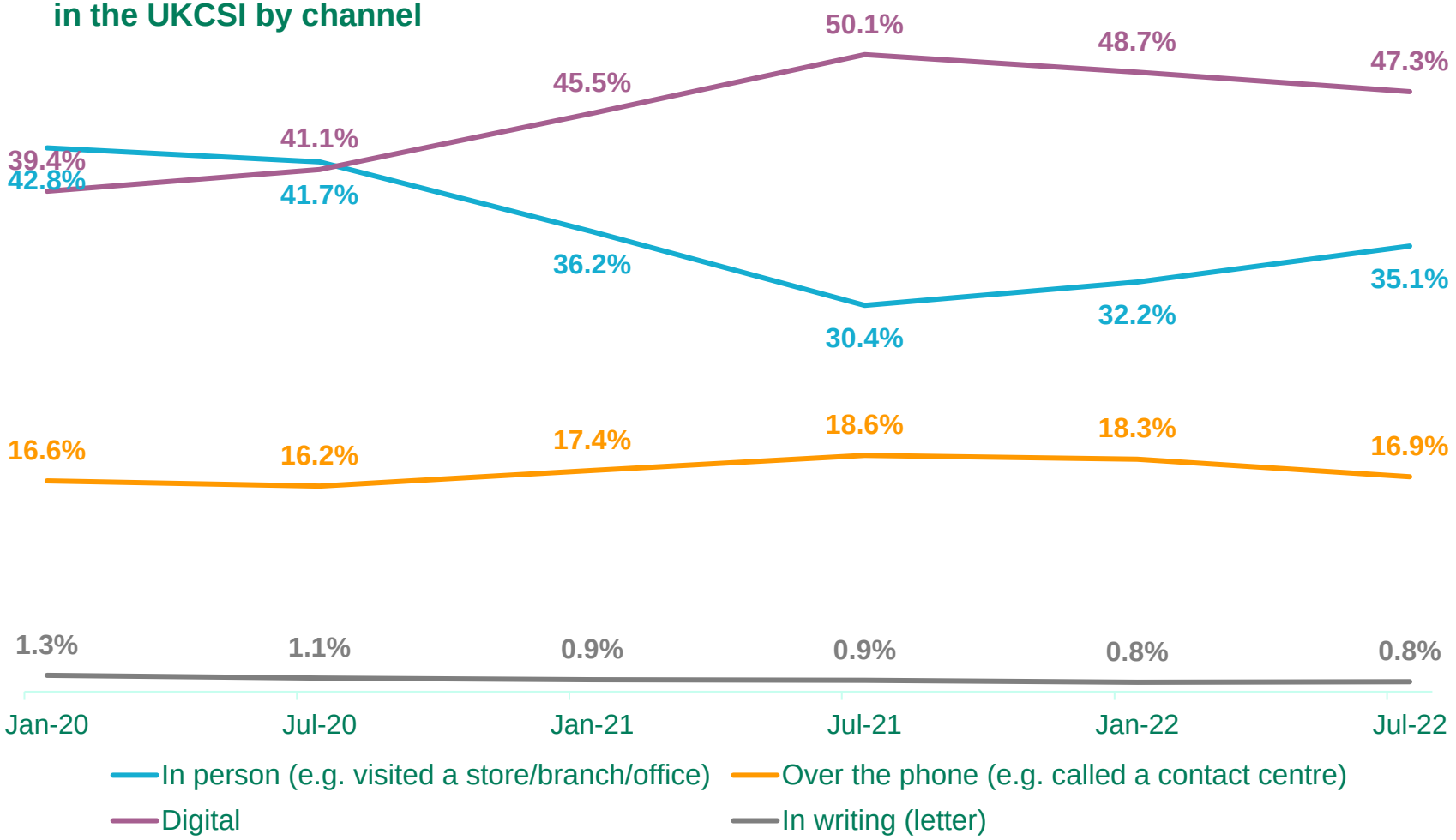
More customer experiences were in person compared to a year ago. Average satisfaction is higher than July 2021 for experiences in all channels except for over the phone and in writing

Breakdown of customer experiences in the UKCSI by channel



Channel	CSI score	YOY change
In person	81.5	1.3
Over the phone	73.9	- 0.5
On their website	79.3	0.4
Email	73.7	1.6
Text	75.8	4.9
Web chat	74.3	0.8
App	81.4	0.1
Social media posts	79.0	5.4
Messaging services	78.3	
In writing (letter)	65.3	- 4.0

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Jul-22 Rank	Organisation	Sector	Jul-22 Score	Jul-21 Score	Jul-21 Rank	Change in score Jul-21 to Jul-22
1	UK Power Networks	Utilities	86.5	78.6	101	7.9
2	Timpson	Services	86.4	77.5	131	8.9
3	John Lewis	Retail (Non-food)	86.3	84.4	2	1.9
4	Tesco Mobile	Telecommunications & Media	86.1	83.9	5	2.2
5=	Suzuki	Automotive	85.9	84.0	3	1.9
5=	M & S	Retail (Non-food)	85.9	82.1	24	3.8
7	Ocado	Retail (Food)	85.8	79.7	70	6.1
8	Waitrose	Retail (Food)	85.6	81.9	26	3.7
9	Apple	Retail (Non-food)	85.4	80.2	62	5.2
10	first direct	Banks & Building Societies	85.3	86.6	1	-1.3
11=	M & S (food)	Retail (Food)	85.1	82.6	18	2.5
11=	Pets at Home	Retail (Non-food)	85.1	83.2	16	1.9
13	Marriott	Tourism	84.8	78.9	91	5.9
14	Costco	Retail (Non-food)	84.7	NO DATA	NO DATA	NO DATA
15=	SAGA Insurance	Insurance	84.6	83.8	7	0.8
15=	Green Flag	Services	84.6	81.2	41	3.4
17	Netflix	Leisure	84.3	83.4	13	0.9
18	M & S Energy	Utilities	84.1	77.9	119	6.2
19=	Holland & Barrett	Retail (Non-food)	84.0	81.6	34	2.4
19=	Greggs	Leisure	84.0	83.5	9	0.5
19=	Amazon Prime Video	Leisure	84.0	81.4	37	2.6
22=	BMW	Automotive	83.7	79.6	73	4.1
22=	Jet2holidays.com	Tourism	83.7	83.5	9	0.2
22=	Amazon.co.uk	Retail (Non-food)	83.7	84.0	3	-0.3
25=	Merseyrail	Transport	83.6	NO DATA	NO DATA	NO DATA
25=	Virgin Money	Insurance	83.6	76.8	148	6.8

▲ Increase in UKCSI score of less than one point ▼ Fall in UKCSI score ▲ Increase in UKCSI score of one point or more

Top 50 organisations

- 23 of the top 50 rated organisations are from the Retail (Non-food), Retail (Food) or Leisure sectors
- 6 are from the Tourism sector: there were none in July 2021
- 28 were amongst the top 50 organisations a year ago

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Top 50 organisations continued

Jul-22 Rank	Organisation	Sector	Jul-22 Score	Jul-21 Score	Jul-21 Rank	Change in score Jul-21 to Jul-22
25=	Pizza Hut	Leisure	83.6	77.8	121	5.8
25=	Ikea	Retail (Non-food)	83.6	81.7	32	1.9
25=	Caffe Nero	Leisure	83.6	79.2	87	4.4
30	Next	Retail (Non-food)	83.5	81.4	37	2.1
31	Honda	Automotive	83.4	77.8	121	5.6
32=	Aldi	Retail (Food)	83.3	83.3	15	0.0
32=	Toby Carvery	Leisure	83.3	78.7	96	4.6
34=	Jet2	Transport	83.2	81.1	44	2.1
34=	Bank of Scotland	Banks & Building Societies	83.2	79.6	73	3.6
36	Yorkshire Bank	Banks & Building Societies	83.1	NO DATA	NO DATA	NO DATA
37	Nationwide	Banks & Building Societies	83.0	82.4	19	0.6
38	The Co-operative Bank	Banks & Building Societies	82.9	83.4	13	-0.5
39=	Kia	Automotive	82.8	79.8	67	3.0
39=	LV=	Insurance	82.8	82.2	23	0.6
39=	Superdrug	Retail (Non-food)	82.8	80.0	64	2.8
42=	Nissan	Automotive	82.7	81.8	29	0.9
42=	booking.com	Tourism	82.7	81.7	32	1.0
42=	Iceland	Retail (Food)	82.7	79.6	73	3.1
42=	Trivago	Tourism	82.7	81.9	26	0.8
42=	Subway	Leisure	82.7	78.5	104	4.2
47=	British Airways Holidays	Tourism	82.6	76.4	159	6.2
47=	Specsavers	Retail (Non-food)	82.6	83.5	9	-0.9
49=	Mercedes-Benz	Automotive	82.4	77.5	131	4.9
49=	Premier Inn	Tourism	82.4	82.0	25	0.4
49=	Audi	Automotive	82.4	78.9	91	3.5
49=	The Co-operative Energy	Utilities	82.4	70.7	238	11.7

▲ Increase in UKCSI score of less than one point ▼ Fall in UKCSI score ▲ Increase in UKCSI score of one point or more

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Key differentiators of the top 50 organisations

	Top 50 Organisations	Remaining Organisations	Difference
UKCSI (out of 100)	83.7	77.7	6.0
Proportion of customers giving a 9 or 10 out of 10	39.5%	28.0%	11.5%
The outcome of the complaint	7.8	6.7	1.1
Speed of resolving your complaint	7.6	6.5	1.1
The handling of the complaint	7.6	6.6	1.0
The attitude of staff (dealing with a complaint)	7.8	6.9	0.9
Reputation of the organisation	8.3	7.6	0.7
XX makes it easy to contact the right person to help	8.3	7.6	0.7
Price/cost	8.2	7.5	0.7
% experiencing a problem	12.9%	17.5%	-4.6%
% of experiences right first time	86.3%	79.6%	6.7%
Effort	4.8	5.4	-0.6

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20 most improved organisations over one year	UKCSI score July 2021	UKCSI score July 2022	YOY Change	Compared to sector average	Sector
Ryanair	54.2	68.2	14.0	-7.6	Transport
The Co-operative Energy	70.7	82.4	11.7	8.3	Utilities
Virgin Atlantic	70.4	82.1	11.7	6.3	Transport
Timpson	77.5	86.4	8.9	9.7	Services
Virgin Holidays	70.9	79.8	8.9	-0.9	Tourism
More Than	73.5	82.1	8.6	1.3	Insurance
Grand Central	71.4	79.9	8.5	4.1	Transport
London North Eastern Railway	73.2	81.5	8.3	5.7	Transport
Great Northern	68.8	77.0	8.2	1.2	Transport
Lastminute.com	71.0	79.1	8.1	-1.6	Tourism
UK Power Networks	78.6	86.5	7.9	12.4	Utilities
Heathrow Express	73.5	80.8	7.3	5.0	Transport
Brittany Ferries	73.6	80.8	7.2	5.0	Transport
Essex and Suffolk Water	71.8	78.8	7.0	4.7	Utilities
Utility Warehouse	74.0	80.9	6.9	6.8	Utilities
Northern Ireland Water	72.7	79.6	6.9	5.5	Utilities
Virgin Money	76.8	83.6	6.8	2.8	Insurance
British Airways	73.7	80.3	6.6	4.5	Transport
TUI Airways	73.4	79.9	6.5	4.1	Transport
South Staffordshire Water	70.1	76.6	6.5	2.5	Utilities

Organisation is at least 1 point higher than the sector average

Organisation is at least 1 point lower than the sector average

20 Most improved organisations

9 of the most improved organisations, compared to July 2021, are from the Transport sector and 6 are from the Utilities sector

Biggest improvements were for:

- Complaint handling
- Makes it easy to contact the right person to help
- Speed of service / response

But more of these organisations' customers experiences a problem and average levels of customer effort rose, suggesting implications for cost and productivity

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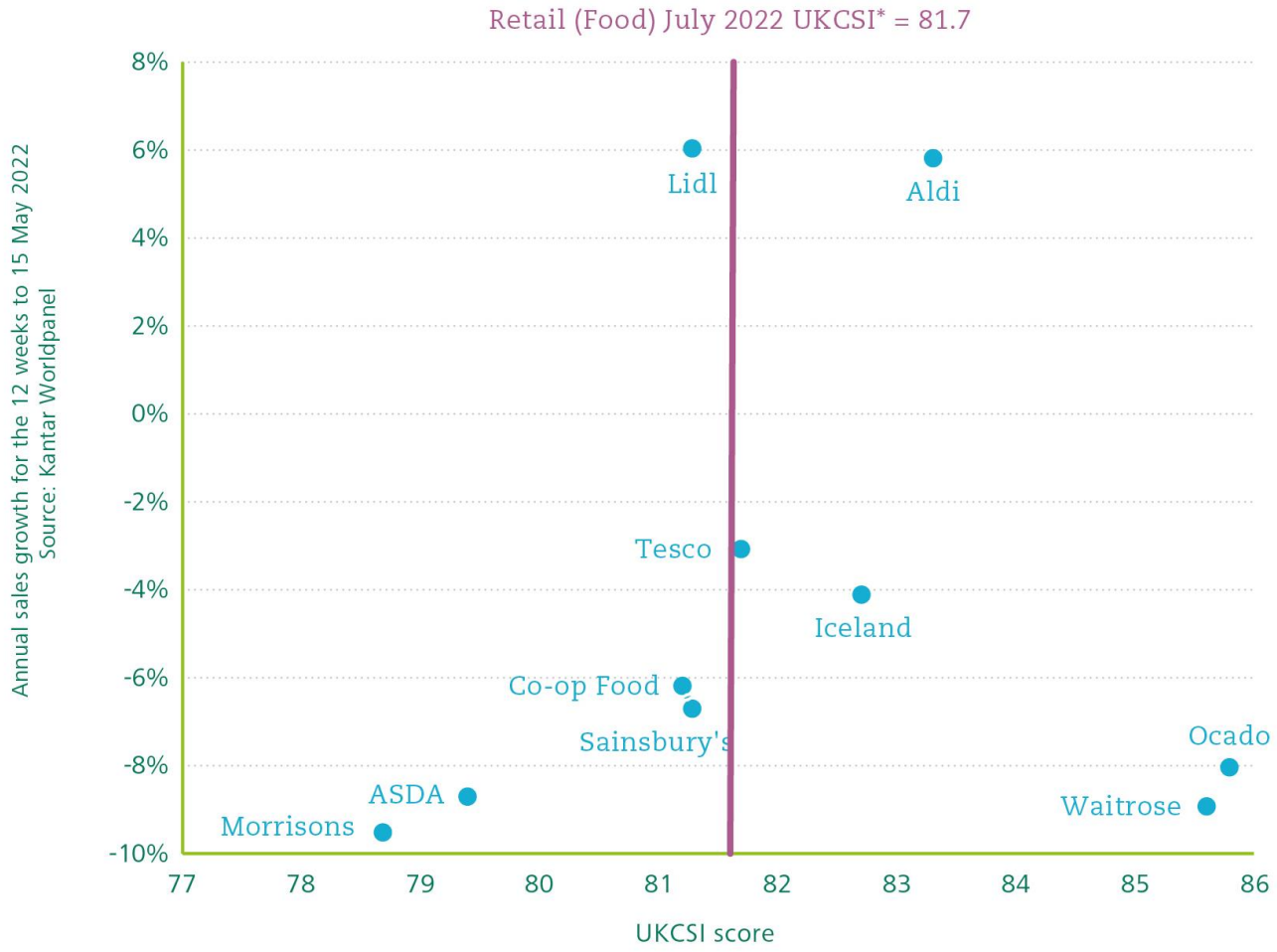
Supermarket sales have fallen year on year: supermarkets with customer satisfaction below the sector average have suffered the biggest drop in sales

Customer satisfaction and sales growth: the Retail (Food) sector



Annual sales growth for the 12 weeks to 15 May 2022

- 3.8%

Food retailers with UKCSI at least 1 point above sector average

- 9.1%

Food retailers with UKCSI at least 1 point below sector average

Note that M & S (food), which has a UKCSI score of 85.1 is not included in Kantar's research so does not appear here.

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The volume of current account switching in the final quarter of 2021 was 32% more than in 2020 and close to its pre Covid-19 level

Customer satisfaction and current account net gains and losses

Net current account gains

Banks & Building Societies with a UKCSI at least 1 point above sector average

6,878

Banks & Building Societies with a UKCSI at least 1 point below sector average

- 8,811

Note: HSBC switching data includes first direct

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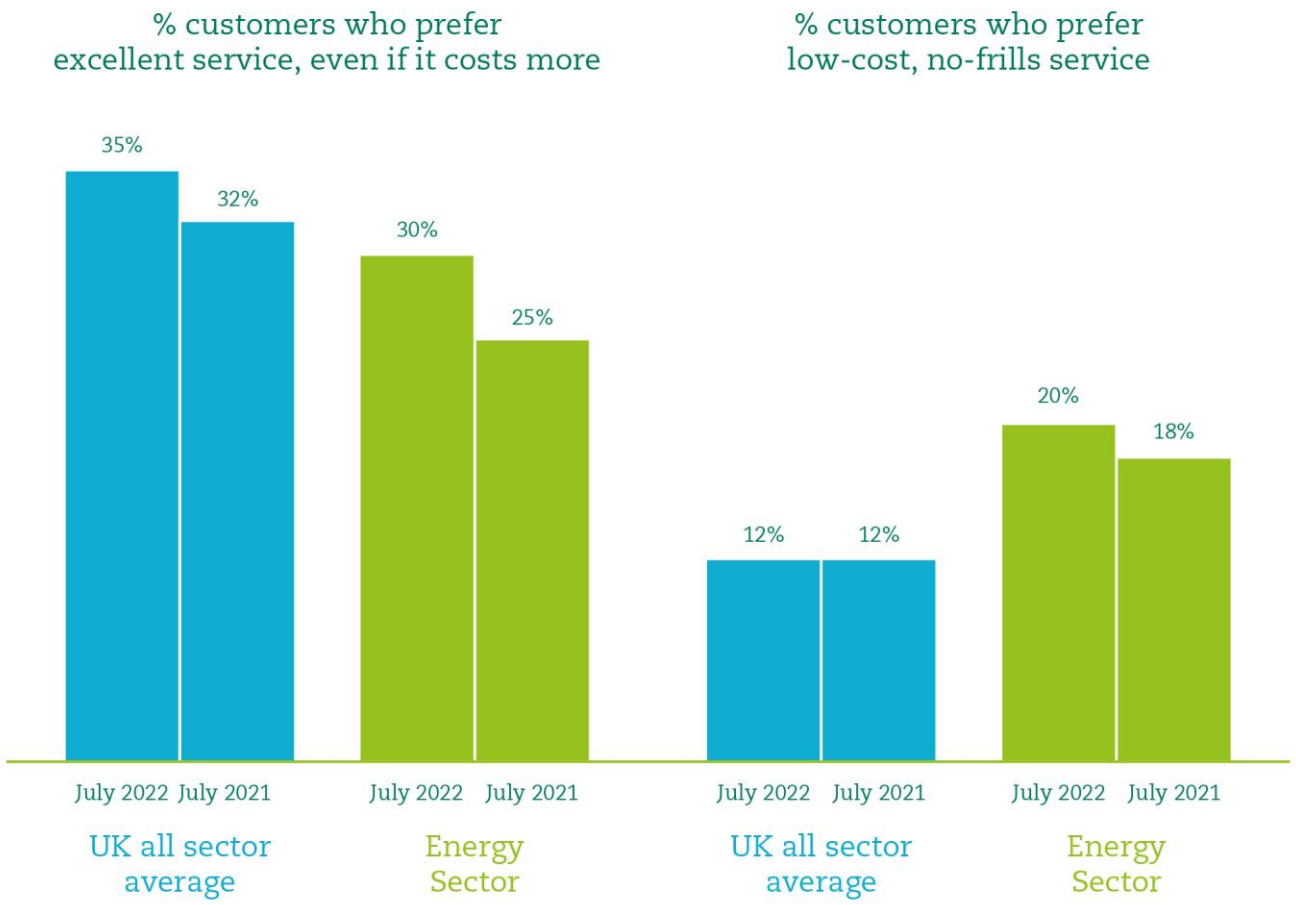
Evidence of a widening polarisation in expectations about affordability of excellent service



75%

Customers rated quality as one of their top 3 priorities for choosing an organisation, followed by convenience (53%) and low cost (42%)*

58%

% customers for whom low prices will be *more* important when choosing an organisation, product or service, in the next 2 years

* From The Institute's May 2022 research, Customer Behaviour: Evolution or Watershed ?

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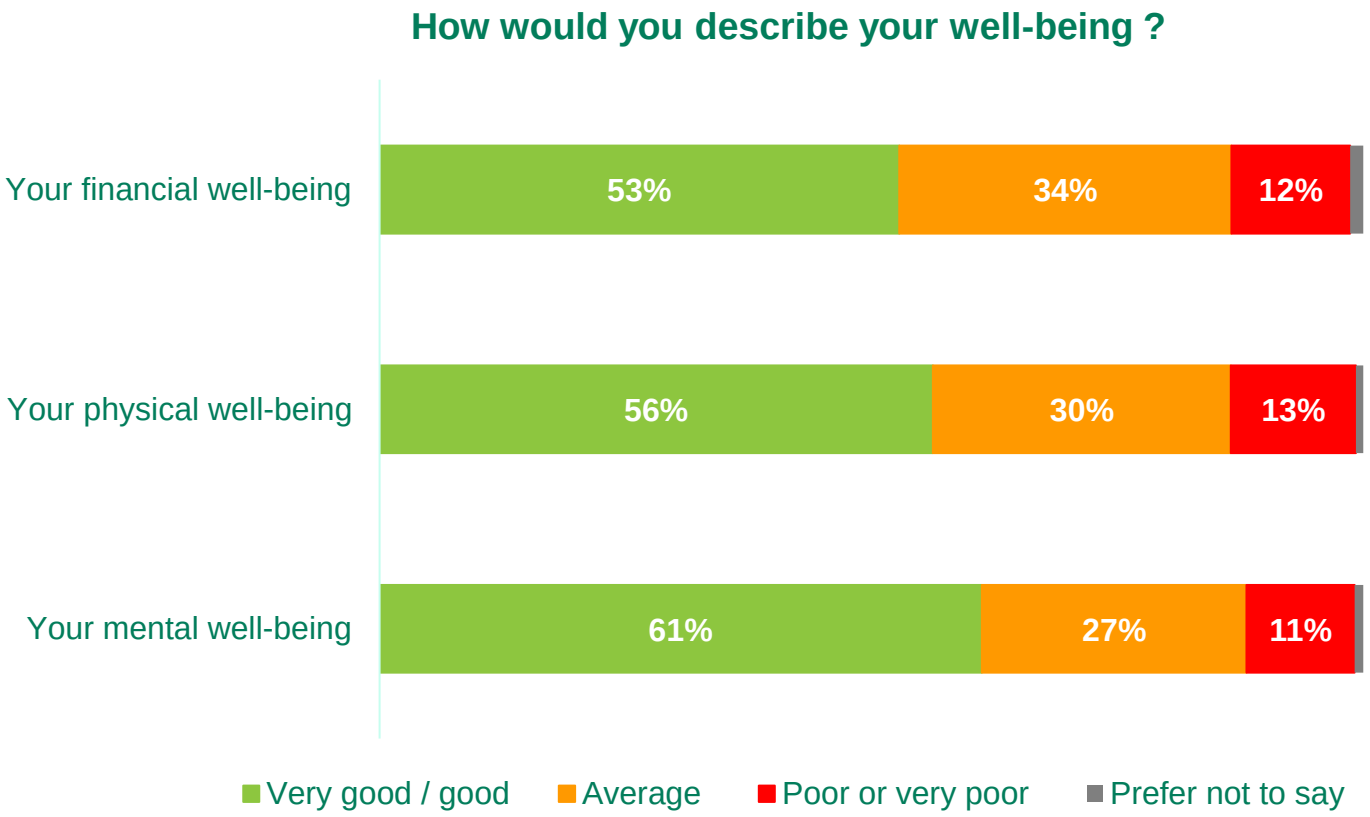
Increased risk of vulnerability means it has become more important to respond to a customer's personal situation and needs



Across all customers, 60% of people felt an organisation responded to their personal needs and situation

But 11% said an organisation failed to do so

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For customers who suffer from poor financial, mental or physical well-being, the impact of an organisation failing to respond to personal needs and context is stark

Index scores out of 100

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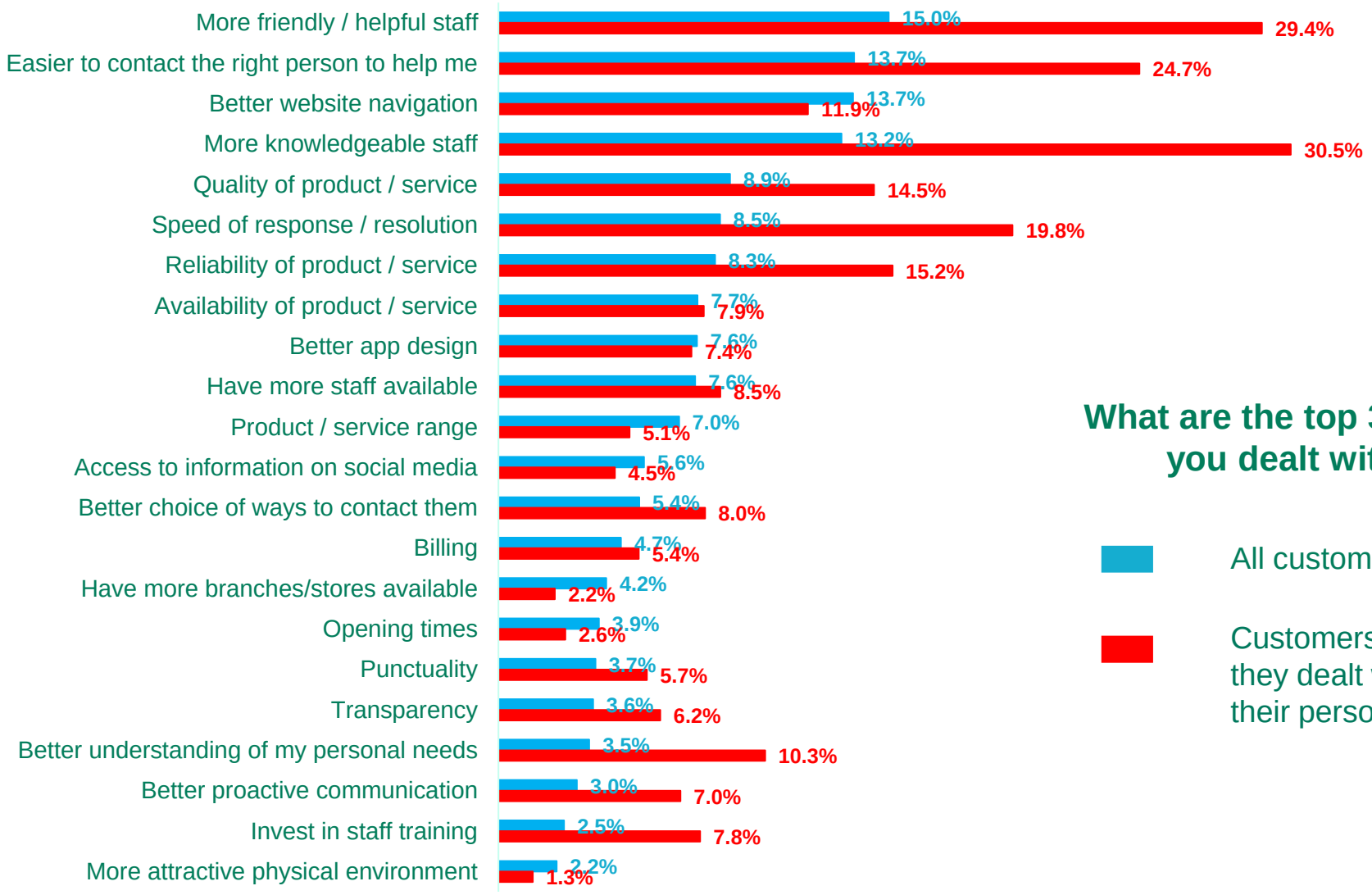
Customers who felt that an organisation did not respond to their personal needs and situation were especially likely to cite more friendly, helpful, knowledgeable staff, ease of contacting the right person to help and speed of response as key priorities for organisations to improve



What are the top 3 things the organisation you dealt with should improve ?

All customers

Customers who feel the organisation they dealt with did not respond to their personal situation and needs

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45% of customers chose an organisation because of at least one aspect of its local relevance or commitment

They employ local people

They support and are active in the local community

I feel a personal connection to them

Customers are most likely to choose an organisation because of its local relevance in the Automotive, Retail (Food), Tourism and Transport sectors

Did you choose an organisation for any of the following reasons?

Sector	% customers who chose an organisation for at least 1 aspect of its local engagement	They employ local people	They support and are active in the local community	I feel a personal connection to them
UK all-sector average	**45.4%**	**21.7%**	**19.9%**	**16.5%**
Automotive	54.6%	25.7%	19.1%	20.0%
Banks & Building Societies	45.1%	20.0%	18.3%	18.3%
Insurance	43.0%	19.5%	17.9%	16.3%
Leisure	47.3%	25.5%	19.2%	16.1%
Retail (Food)	49.5%	26.1%	25.1%	16.9%
Retail (Non-food)	44.4%	19.4%	19.0%	20.5%
Services	46.2%	25.9%	19.1%	12.7%
Telecommunications & Media	37.0%	14.2%	17.4%	16.3%
Tourism	49.1%	21.0%	21.2%	18.9%
Transport	49.1%	26.0%	24.0%	14.3%
Utilities	34.6%	15.7%	18.5%	11.6%

At least 5 percentage points more than the UK all-sector average

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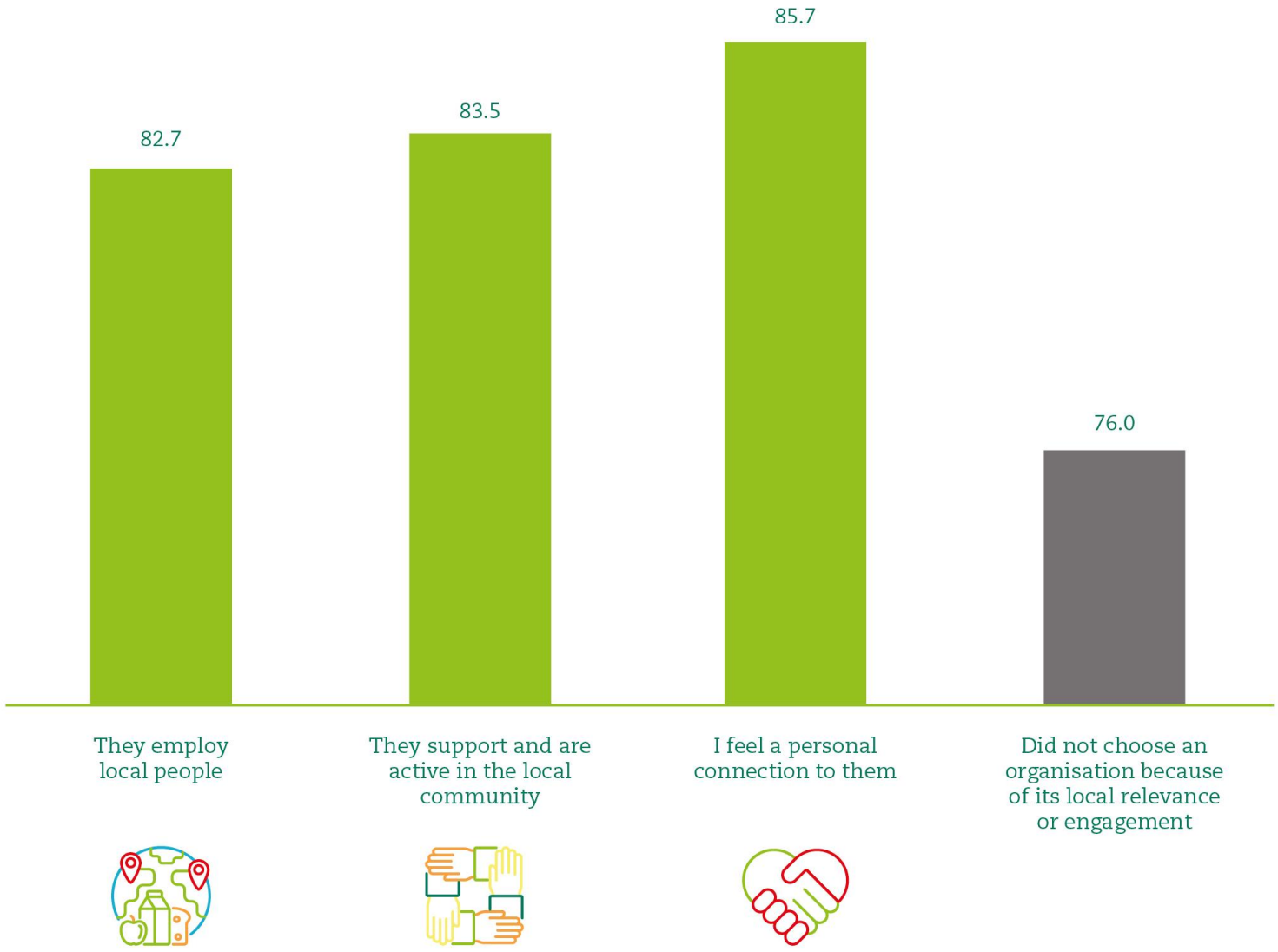
Did you choose an organisation for any of the following reasons?



Customer satisfaction index scores out of 100

Customers who chose an organisation because of its localness have higher levels of satisfaction than those who did not

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10 areas of focus for organisations

1. Make a personal connection and respond to individual customer needs
2. Demonstrate transparency, ethical governance and practice
3. Understand and respond to the impact of the cost of living crisis on your employees and customers
4. Deliver efficiency in key transactions and interactions
5. Develop strategies to prevent problems from occurring
6. Maintain focus on problem and complaint handling
7. Invest in developing the skills, capabilities and behaviours for excellent service
8. Enable customers to make environmentally sustainable choices
9. Demonstrate local relevance and engagement
10. A sustained commitment to customer service

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1 Make a personal connection and respond to individual customer needs

- Demonstrate empathy and emotional intelligence in interactions with customers and colleagues
- Enable customers to speak to an employee when it is needed
- Give relevant, practical advice and recommendations to help customers get the most from products and services
- Demonstrate flexibility in policies or processes to respond appropriately to changes in a customer's personal circumstances
- Proactively communicate relevant information and advice to support well-being
- Train employees to identify potential indicators of vulnerability and respond with appropriate behaviours, advice, action
- Enable employees to access key information about a customer's previous interactions or product usage, so they can offer informed, personal service
- Invite customers to give personal information that will enable better service and explain how the information will be used
- Respond to customers' channel preferences for different types of contact and experience
- Provide offers that recognise and reward customer commitment and loyalty
- Invite feedback from customers and communicate about action taken as a result of feedback
- Provide guidance to employees delivering service or designing customer experiences to help them consider the expectations and needs of diverse customers

3 Understand and respond to the impact of the cost of living crisis on your employees and customers

- Assess the financial, physical and mental well-being of your employees
- Provide advice and support to help employees manage the impact of inflation in their personal lives
- Understand the extent of vulnerability and your customers' exposure to the cost of living crisis
- Review debt management policy and processes for customers who are experiencing financial challenges because of rising costs
- Accelerate activity to identify cost savings
- Review pricing of all products and services in order to limit the need for increased pricing of essential services
- Train employees to respond with empathy, appropriate communication and procedures for customers who are experiencing financial challenges
- Ensure resource planning takes into account increased need for customer contact caused by the impact of the cost of living crisis
- Review risk management planning to take into the impact of inflation and potential economic and geopolitical shocks
- Develop a public policy position about how best organisations, government and other stakeholders should help customers manage the impact of the cost of living crisis
- Share best practice about managing the needs of vulnerable customers, to help raise standards

10 A sustained commitment to service

- Define clear customer service objectives and ensure they are communicated across the organisation
- Set clear accountability for customer service, with specific customer objectives and incentives for leaders across the organisation
- Measure, benchmark and report on customer satisfaction across key elements of the customer experience
- Use customer insight to inform strategy development
- Ensure there is customer service experience in the boardroom

Key themes in this UKCSI

- Overall customer satisfaction in the UK is flat: any improvement we saw in the latter part of 2021 has stalled since January 2022
- The trend for improved complaint handling, alongside more customers experiencing a problem with an organisation, has continued
- Estimated monthly cost to organisations in time spent by employees dealing with problems dealing with problems and complaints is £9.24 billion
- Growing expectations for service and price: 35% of customers would be prepared to pay more to guarantee excellent service but 58% say low prices will be more important in choosing an organisation
- Increased risk of vulnerability means it has become more important to respond to a customer's personal situation and needs
- For customers who suffer from poor financial, mental or physical well-being, the impact of an organisation failing to respond to personal needs and situation is stark
- Customers who felt that an organisation did not respond to their personal needs and situation highlighted friendly, helpful, knowledgeable staff, ease of contacting the right person to help and speed of response and resolution as key priorities for improvement
- 45% of customers chose an organisation because of at least one aspect of its local relevance or commitment, such as employing local people, supporting the community, feeling a personal connection

The Institute of Customer Service

Thank you

Questions ?