



# JANUARY 2022

# UK Customer Satisfaction Index

# The state of customer satisfaction in the UK







# Foreword

Joanna Causon Chief Executive

The January 2022 UKCSI shows that customer satisfaction has improved over the last year. Perhaps this is not surprising given where we were at the start of 2021 – in the very middle of the pandemic, with the vaccination programme only just launched and many organisations still coming to terms with the challenges of having to work in very different ways. I welcome this improvement but we need to be honest with ourselves about what these results really mean and the growing challenges that still need to be addressed. This UKCSI is based on two sets of data, collected in March / April 2021 (after the start of the vaccination programme but before the re-opening of non-essential retail on 12 April 2021) and in September / October 2021 (after the removal of most COVID-19 restrictions in England but before the emergence of the Omicron variant).

Do these UKCSI results indicate a sustained improvement in the customer experience delivered by organisations, or do they simply reflect the particular dynamics and context of the last year? The results demonstrate the complexities of the environment we are working in. They bring into sharp relief issues of greater polarisation in terms of financial and health well-being. They also demonstrate the importance of service to organisations' bottom line performance.

I believe that some of the improvement in customer satisfaction reflects the volatility of the COVID-19 context and its influence on customer expectations, mood and behaviour. The nature of threat posed by COVID-19 has changed and mercifully has been mitigated by the success of the vaccination programme. Many customers enjoyed and valued the re-opening of services during 2021 and have become more confident in interacting with organisations

through digital as well as traditional channels. Overall, organisations have got better at using a blend of technology and human intervention to improve customer experience. Average satisfaction is higher than in January 2021 for experiences conducted in all channels except in writing, with some of the biggest improvements in webchat, text, app and social media experiences. The ability to integrate digital, human and artificial intelligence-enabled experiences will be crucial to maintaining improvements in customer service.

When we look at the top 10 organisations (a different grouping to the same time last year), it's clear that they combine functional efficiency and human care. The highest rated organisations care about their customers, they make it easy to contact the right person to help and they build trust and give reassurance. These organisations are more successful than others in ensuring that experiences are right first time and in preventing problems for their customers.

The positive movement in customer satisfaction should not disguise the impact and potential harm created by the growing number of problems and complaints. The number of customers experiencing a problem with an organisation is at its highest ever level. When things go wrong, they can go very wrong indeed, causing frustration and distress, especially in the context of significant life events, or for customers who are vulnerable or who are less confident about engaging through digital channels.

Many organisations have got better at service recovery but are still not addressing wider service chain issues. This is something we need to address if we are to improve organisational performance and productivity. For organisations, persistent

occurrence of problems causes increased costs, damages productivity and potentially, reputation. The challenges of supply chain disruption, skills shortages and COVID-19 related absences mean that reducing problems and managing their consequences must be critical areas of focus in 2022. Organisations need to ensure that their employees are highly skilled in managing customer relationships and working with colleagues, suppliers and partners to solve problems. Effective training and development and the quality of communications with customers and suppliers will increasingly be key differentiators of customer service and business performance. Organisations also need to look carefully at their processes, supplier relationships, business continuity and resilience in order to reduce problems and develop contingencies. Sustainable improvement in the productivity and performance of the UK economy – as well as customer satisfaction - cannot be achieved without tackling these challenges effectively.

Customer attitudes and behaviour have shifted over the past two years. For me, one of the most striking findings in this UKCSI is that 34% of customers prefer excellent service, even if costs more, an increase of 4.5 percentage points compared to a year ago and 8.1 points more than in the January 2020 UKCSI. Our research also shows that significant numbers of customers deliberately choose an organisation for a range of ethical reasons, especially a focus on customer service, local relevance and or commitment to environmental sustainability. I believe the salience of these issues and their influence on customer attitudes and behaviour will only increase. At the same time, many customers have experienced a deterioration in their financial, physical or mental well-being. Like many others, I'm concerned about

the impact of rising prices and tax increases, especially for customers who are vulnerable or those on relatively low incomes. If we are not careful, there is a risk of increasing polarisation between customers who can pay for excellent service and those who cannot. I therefore believe it's imperative that organisations consider the wider societal relevance and impact of their decisions and actions. Moreover, customers and employees will increasingly expect an organisation's purpose to address broader social issues as well as commercial objectives.

This UKCSI gives grounds for cautious optimism. But I think we need to be honest that the improvement in customer satisfaction reflects the particular dynamics and context of the last year, as well as improved performance by organisations. In the coming year, customers are likely to be more discerning about how and where they spend and to seek relationships with organisations they trust. At the same time, organisations face critical challenges, especially in recruitment and retention of employees, skills and training, supplier relationships, integration of digital and human service experiences, managing problems and disruption and the need to demonstrate ethical behaviour.

I hope this UKCSI will assist you in interpreting the evolving and challenging environment and in identifying where to focus your efforts to achieve greatest impact. As ever, I welcome your feedback and engagement and look forward to working with The Institute's members to improve business performance through customer service.





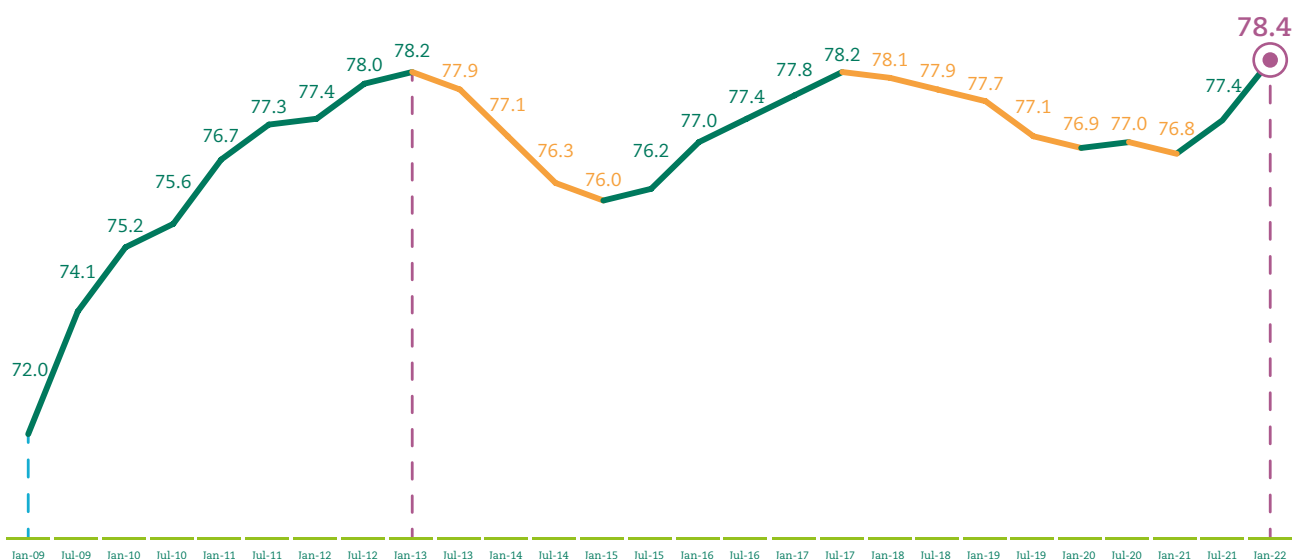
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# Executive Summary



## The January 2022 UK Customer Satisfaction Index (UKCSI) is 78.4 (out of 100), up 1.6 points compared to a year ago



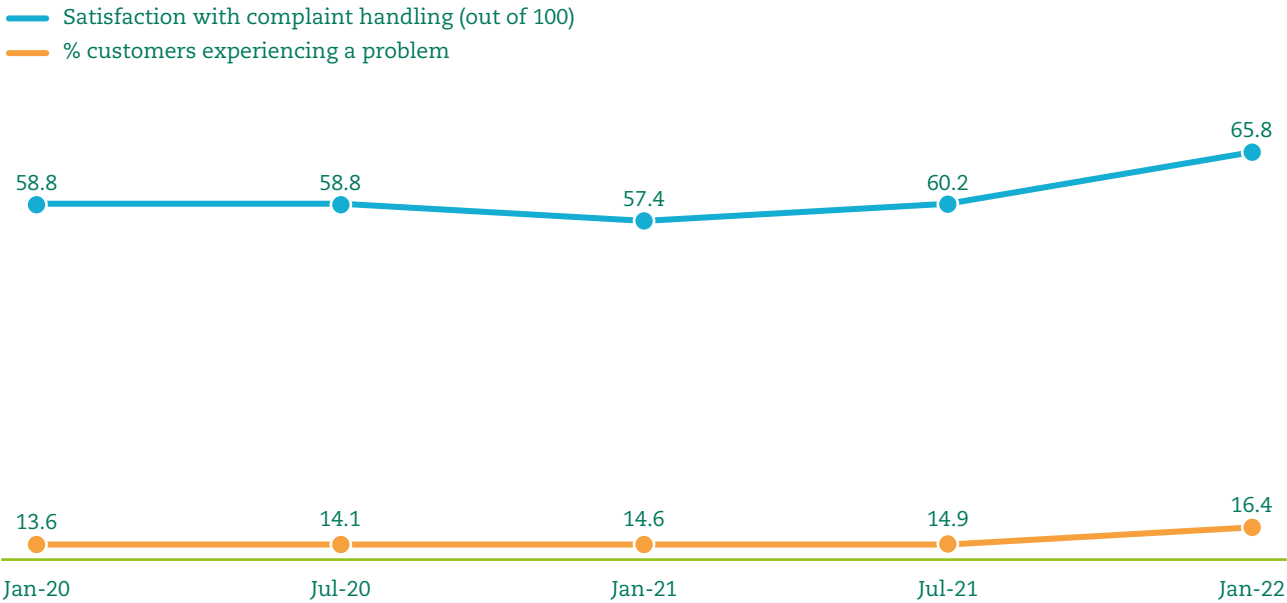
The January 2022 UKCSI is based two sets of data<sup>1</sup>, collected in March / April 2021 (after the start of the vaccination programme but before the re-opening of non-essential retail on 12 April 2021) and in September / October 2021 (after the removal of most COVID-19 restrictions in England but before the emergence of the Omicron variant). The improvement in customer satisfaction is likely to reflect this evolving context as well as the customer experience delivered by organisations.

The biggest improvements are for satisfaction with complaint handling. Despite these improvements, 16.4% of customers experienced a problem, the highest rate ever recorded.

The average score for customer effort rose by 0.3 points, to 5.2 (out of 10). The number of experiences rated as being right first time fell slightly, by 0.6 percentage points, to 79.9%.

<sup>1</sup> For more information on the UKCSI methodology see About the UKCSI, p.94

Satisfaction with complaint handling\* and % of customers experiencing a problem with an organisation



\* The complaint handling dimension is based on four complaint handling measures (outcome of the complaint, handling of the complaint, staff attitude, speed of resolving your complaint)

## Average customer satisfaction is at least 1 point higher than in January 2021 in 10 of the 13 UKCSI sectors

Sector	Jan-22 Score	Jul-21 Score	Jan-21 Score	Change in score Jan-21 to Jan-22	Highest rated organisation in the sector Jan 22	
Leisure	81.7	80.7	80.1	1.6	Greggs	84.3
Retail (Non-food)	81.5	81.2	80.5	1.0	Pets at Home	86.7
Retail (Food)	81.0	80.4	80.0	1.0	M & S (Food)	84.2
Automotive	80.7	79.1	78.4	2.3	Skoda UK	85.2
Insurance	80.5	79.0	78.4	2.1	SAGA Insurance	85.5
Tourism	80.4	78.8	77.7	2.7	Jet2holidays.com	84.6
Banks & Building Societies	80.2	78.8	78.3	1.9	first direct	85.7
Services	77.4	76.6	76.6	0.8	Timpson	85.3
Public Services (National)	76.9	77.3	76.7	0.2	Disclosure and Barring Service	81.4
Telecommunications & Media	76.3	75.2	74.3	2.0	Tesco Mobile	83.7
Transport	75.1	71.5	69.9	5.2	Jet2	84.1
Utilities	74.5	73.5	72.7	1.8	UK Power Networks	85.4
Public Services (Local)	73.4	73.7	74.4	-1.0	Your local Fire Service	81.6

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

Average customer satisfaction in the Transport sector is 75.1, an increase of 5.2 points compared to January 2021 and 3.9 points above its January 2020 level. Average customer satisfaction with Airlines has increased by 6.8 points to 76.6. Satisfaction with train operators is 74.7, up 5.2 points compared to January 2021.

In the Automotive, Insurance, Telecommunications and Media and Tourism sectors, average customer satisfaction is at least 2 points higher than it was in January 2021.

Customer satisfaction in each of the Banks and Building Societies, Leisure, Retail (Food), Retail (Non-food) and Utilities sectors rose by at least 1 point compared to a year ago.

A decline in satisfaction with your GP surgery / health centre has contributed significantly to a fall in average customer satisfaction in the Public Services (Local) sector.

52% of organisations in the UKCSI have improved by at least 2 points (out of 100) compared to a year ago



#### 10 highest rated organisations

Jan-22 Rank	Organisation	Sector	Jan-22 Score	Jan-21 Score	Jan-21 Rank	Change in score Jan-21 to Jan-22
1	Pets at Home	Retail (Non-food)	86.7	83.2	7	3.5
2	first direct	Banks & Building Societies	85.7	85.5	1	0.2
3	SAGA Insurance	Insurance	85.5	81.1	27	4.4
4	UK Power Networks	Utilities	85.4	NO DATA	NO DATA	NO DATA
5	Timpson	Services	85.3	77.0	127	8.3
6	Škoda UK	Automotive	85.2	81.0	30	4.2
7	John Lewis	Retail (Non-food)	84.7	85.1	2	-0.4
8	Jet2holidays.com	Tourism	84.6	81.3	26	3.3
9=	Nissan	Automotive	84.3	81.7	22	2.6
9=	Greggs	Leisure	84.3	81.9	17	2.4

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

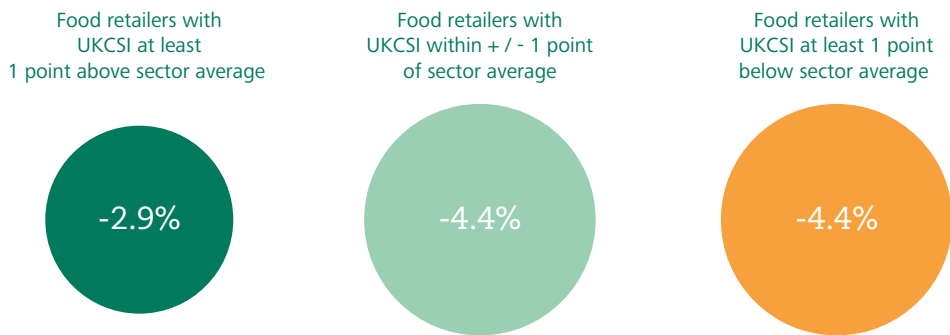
In January 2021, over 50% of the top 50 organisations were from the Retail or Leisure sectors but in January 2022 this has dropped to 33%. There is an increased presence among the top 50 from the Insurance, Banks and Building Societies and Telecommunications and Media sectors.

The highest performing organisations combine functional efficiency and human care. The gap in customer satisfaction between the top 50 and other organisations is widest for complaint handling, speed of service and providing reassurance. These organisations are more successful than others in ensuring that customer experiences are right first time and are less likely than others to generate problems for their customers.

# The UKCSI shows further evidence of a relationship between high levels of customer satisfaction and business performance

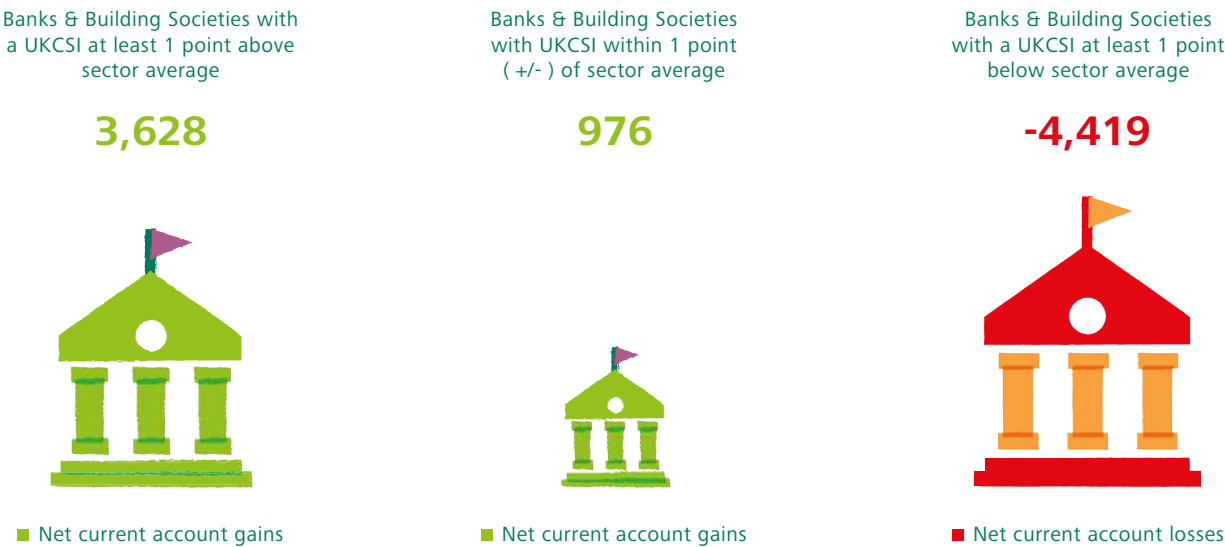
In a climate of falling sales in the Retail (Food) sector, customer satisfaction has helped organisations protect market share. Companies whose customer satisfaction was at least one point below the sector average experienced a 4.4% average fall in sales, compared to a 2.9% decline for companies with a level of customer satisfaction at least one point above the sector average<sup>2</sup>.

## Sales Growth



Banks or building societies that are listed in the Current Account Switch Service dashboard<sup>3</sup> and whose customer satisfaction was at least 1 point better than the sector average recorded an average of 3,628 net current gains, compared to an average of 4,419 net losses for those with a UKCSI score at least 1 point below the sector average.

## Average current account quarterly net gains



<sup>2</sup> Source: Kantar World Panel annual sales growth for the 12 weeks to 28 November 2021

<sup>3</sup> Current Account Switch Service Dashboard Issue 32 is compared to the closest corresponding UKCSI, July 2021

## The leading ethical reasons for preferring an organisation are its focus on customer service, being a local company and commitment to environmental sustainability

Almost 60% of customers chose an organisation for at least one ethical reason. Customers who chose an organisation for an ethical reason have higher levels of satisfaction than other customers. Local relevance appears to be especially salient in the Leisure, Retail (Food), Services, Transport and Automotive sectors. As a result, it will be increasingly important for organisations to demonstrate their engagement with and support for local communities in which they operate.

### Did you choose xx for any of the following ethical reasons?

	UK all sector average	Average customer satisfaction
Their focus on customer service	20.0%	88.3
They are a local company	17.3%	86.5
They help the environment	11.9%	86.4
They are involved in the local community	11.3%	85.8
They treat their staff well	10.6%	85.5
They are financially transparent	10.5%	84.8
They donate to charity	10.4%	84.4
Their Covid-safe measures	10.1%	84.3
Their privacy and data policy	6.8%	84.0
Their equality and diversity	6.1%	83.8
Did not choose an organisation for an ethical reason	39.3%	74.6

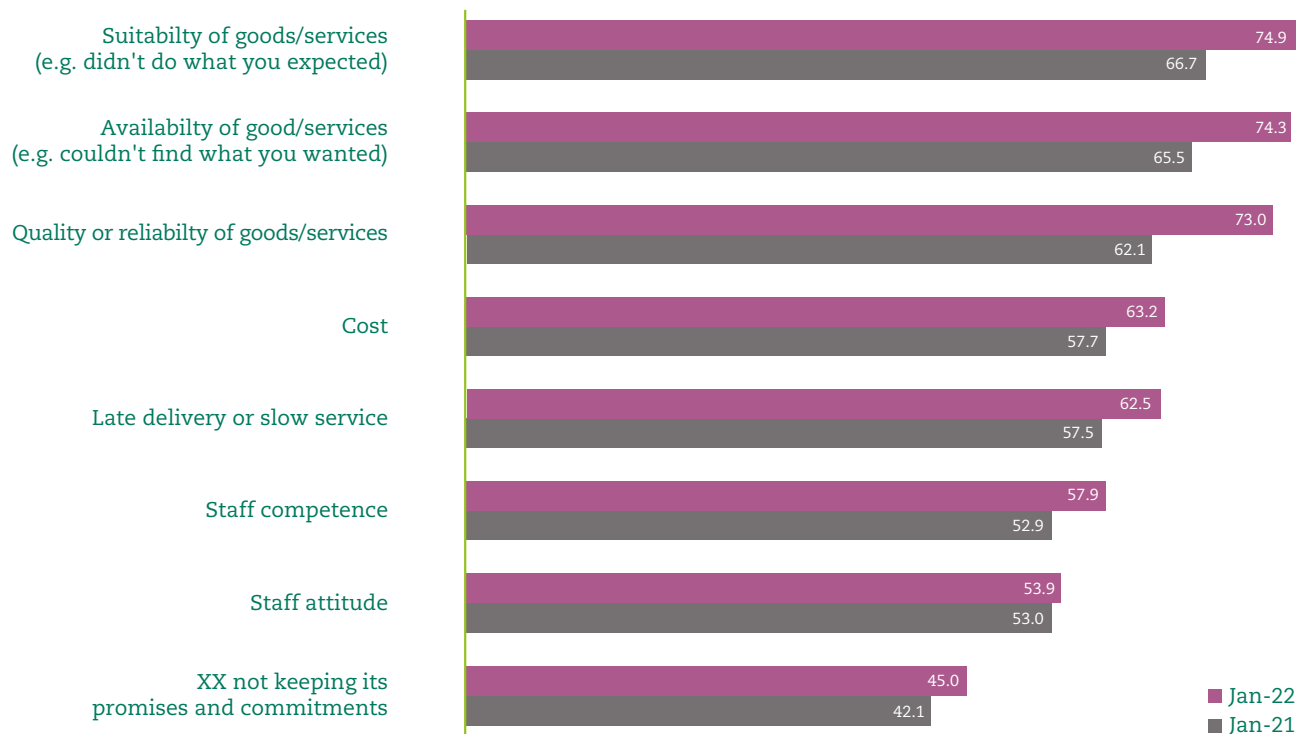
# Why has customer satisfaction improved?

In the context of a volatile and uncertain environment for many organisations and customers, we have identified 6 factors that help explain the change in customer satisfaction over the last year.

## 1) Improved satisfaction with complaint handling

Average customer satisfaction has improved for handling of all types of problems and complaints. Compared to January 2021, more problems are about quality, reliability or availability of goods and services. Organisations' responses to these types of issues tends to result in higher customer satisfaction than complaints about staff competence, attitude or an organisation failing to meet commitments.

### Average customer satisfaction by the type of problem experienced



## 2) Improved satisfaction for experiences in digital channels

Average customer satisfaction has improved compared to January 2021 for experiences in all channels except for in writing (letter). Satisfaction for experiences conducted via text, web chat or social media has improved by at least 3 points compared to a year ago. App and in person experiences attract the highest average levels of satisfaction.

### Average satisfaction for customer experiences in each channel

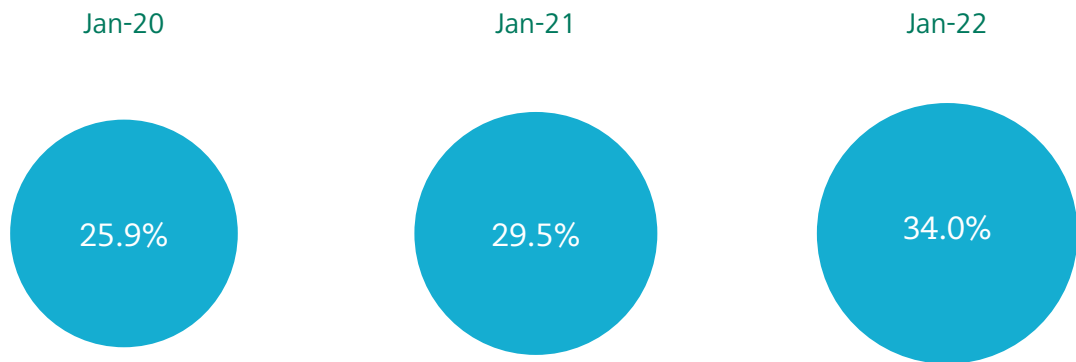
% Most Recent Contact	Jan-21	Jan-22	Year-on-year change
In person (e.g. visited a store/branch/office)	79.3	81.3	2.0
Over the phone (e.g. called a contact centre)	73.8	74.6	0.8
On their website	78.3	79.5	1.2
Email	71.1	73.9	2.8
Text	67.7	73.7	6.0
Web chat	70.9	74.4	3.5
App	80	82.3	2.3
Social media	72.1	77.5	5.4
In writing (letter)	70.1	68.2	-1.9



### 3) Growth in the number of customers who prefer to pay more for excellent service

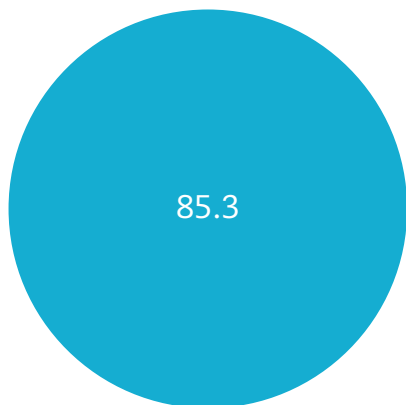
34% of customers would prefer to pay more to receive excellent service, 4.5 percentage points more than a year ago and 8.1 points more than in the January 2020 UKCSI.

#### % customers who prefer excellent service, even if it costs more

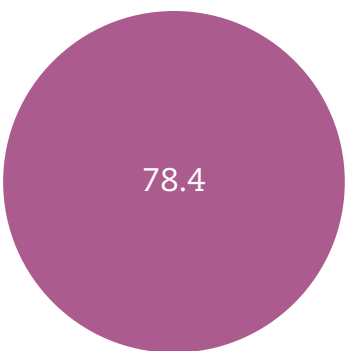


Customers who prefer excellent service, even if it costs more, have higher levels of satisfaction with organisations than other customers.

#### Average satisfaction of customers who prefer excellent service even if it costs more



#### UKCSI average (all customers)



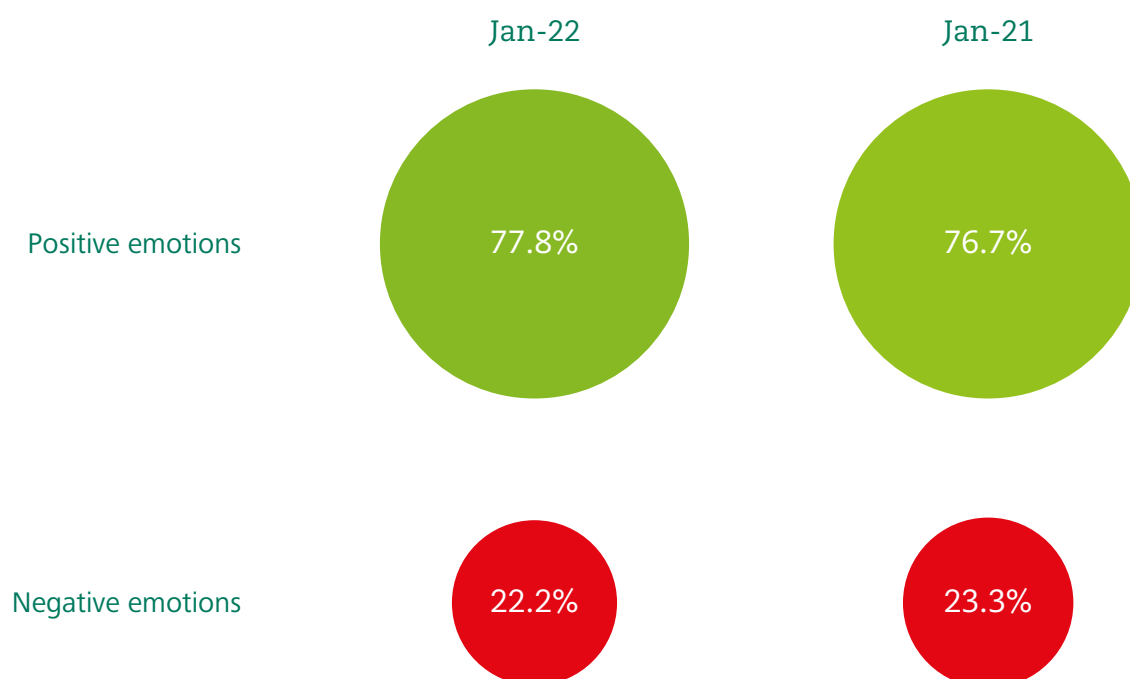
Index scores out of 100

## 4) Customer experiences have generated more positive emotions and fewer negative ones compared to a year ago

In the UKCSI, customers are asked to describe how they feel about their experience with an organisation from a selection of 25 words capturing a range of positive and negative emotions.

Compared to January 2021, more customers chose words such as “hopeful”, “inspired” or “happy” to characterise their experience with an organisation.

### Relative amount of positive and negative emotions used by customers to describe their experiences with organisations



Across most commercial sectors the number of customer experiences related to getting a quote or looking at products and services is higher in the January 2022 UKCSI than it was in January 2021. The positive changes in sentiment may reflect the re-opening of many services – especially in the Transport, Tourism, Leisure and Retail sectors - from summer 2021 as well as specific experiences with organisations.

## 5) The timing of the UKCSI survey and the evolution of the COVID-19 pandemic

The January 2022 UKCSI is based on two sets of data, collected in March / April 2021 (after the start of the vaccination programme but before the re-opening of non-essential retail on 12 April 2021) and in September / October 2021 (after the removal of most COVID-19 restrictions in England but before the emergence of the Omicron variant).

Average customer satisfaction for experiences recorded in September and October 2021 was 78.7 (out of 100), 0.5 points higher than for those recorded in March and April 2021.

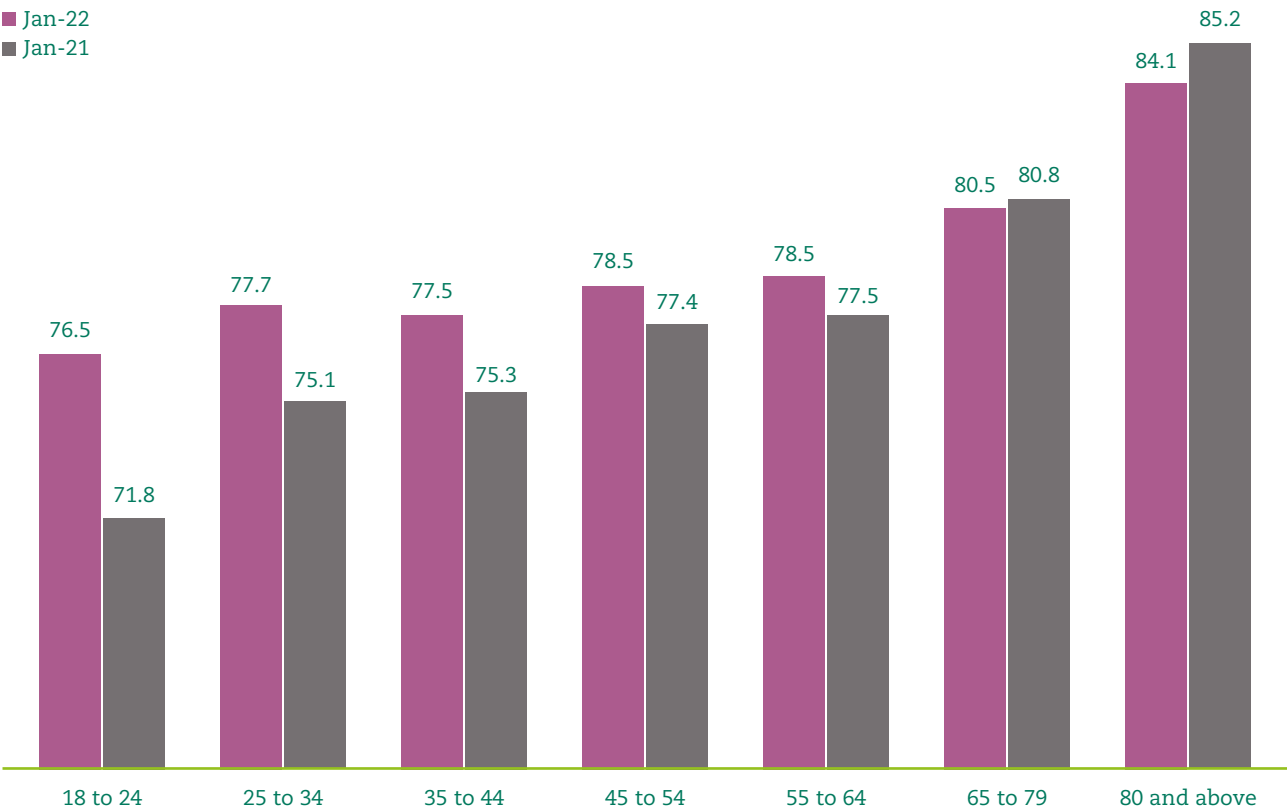
### Average customer satisfaction during the COVID-19 pandemic



## 6) A rise in customer satisfaction of younger age groups

Average satisfaction has improved in all age cohorts between 18 and 64, and especially among customers aged 18 – 24 (up 4.7 points). Customers aged 65 and over continue to exhibit higher levels of satisfaction than other customers but they are less satisfied than they were in January 2021.

Customer satisfaction by age group



# Recommendations for organisations

Based on this UKCSI and the other recent Institute research we have set out 10 key areas of focus to maintain high levels of customer satisfaction, trust, employee engagement, productivity and business performance.

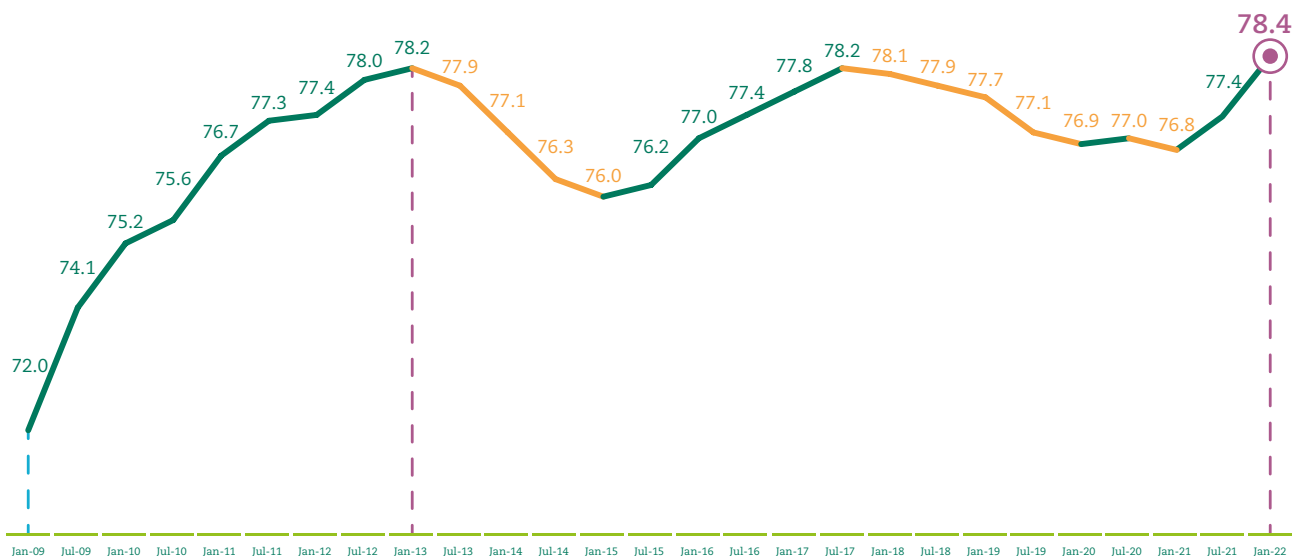
-  **1** Define and communicate a clear organisational purpose
-  **2** Integrate technology and human intervention in service experiences
-  **3** Reduce problems and improve productivity across the supply chain
-  **4** Focus on employee engagement and well-being
-  **5** Develop the skills, capabilities and behaviours required to deliver customer experience objectives
-  **6** Demonstrate local relevance and engagement
-  **7** Integrate ESG (Environmental, Social Governance) and the customer proposition
-  **8** Strengthen risk management, resilience and contingency planning
-  **9** Develop expertise in management of data and cybersecurity
-  **10** Improve capacity for innovation and agility

# 1

The state of  
customer  
satisfaction  
in the UK

Customer satisfaction has improved but more customers experienced a problem with an organisation






## The January 2022 UK Customer Satisfaction Index (UKCSI) is 78.4, up 1.6 points compared to a year ago



The January 2022 UKCSI is based two sets of data, collected in March / April 2021 (after the start of the vaccination programme but before the re-opening of non-essential retail on 12 April 2021) and in September / October 2021 (after the removal of most COVID-19 measures in England and before the emergence of the Omnicrom variant<sup>4</sup>).

<sup>4</sup> For more information on the UKCSI methodology see About the UKCSI, p.94

The UKCSI is based on 26 measures which are categorised in 5 dimensions of customer satisfaction. Satisfaction in each dimension is slightly higher than a year ago, with the largest increase for the Complaint Handling dimension, up 8.4 points to 65.8 (out of 100).

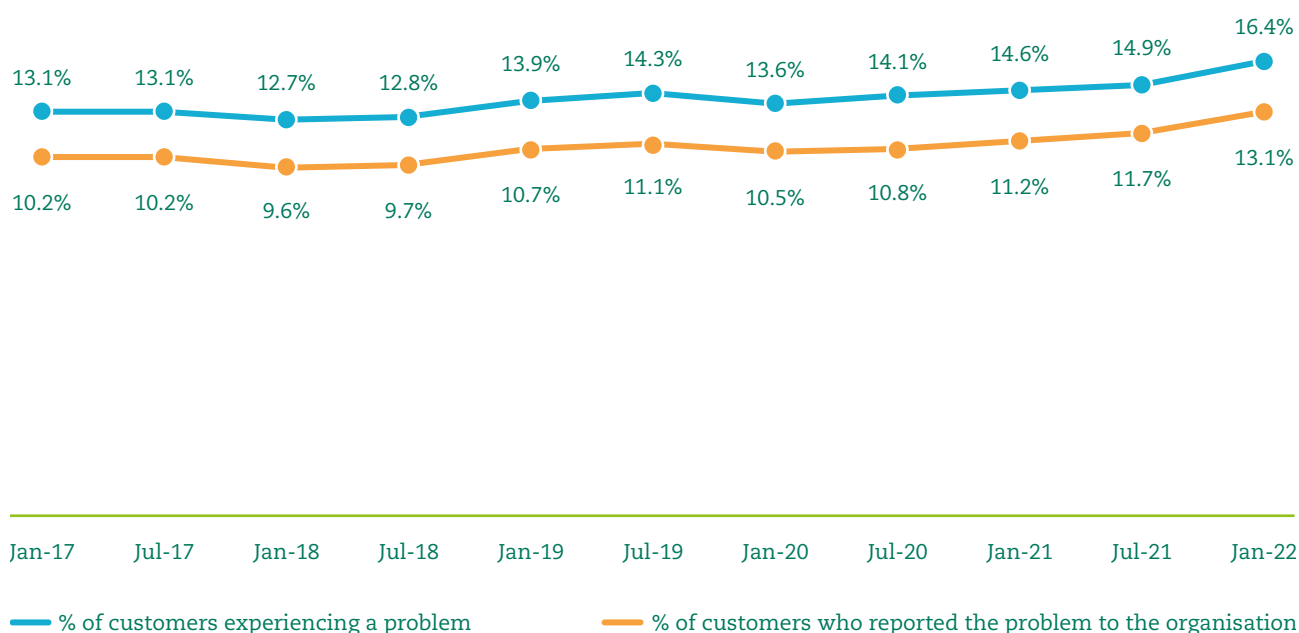
	Dimension (score out of 100)	Jan 2021	Jan 2022	Year-on-year change
	<b>Experience</b> Measures the quality of customers' experiences and interactions with organisations	77.7	79.3	1.6
	<b>Complaint Handling</b> How organisations respond and deal with problems and complaints	57.4	65.8	8.4
	<b>Customer Ethos</b> Extent to which customers perceive that organisations genuinely care about customers and build the experience around their customers' needs	76.2	77.8	1.6
	<b>Emotional Connection</b> The extent to which an organisation engenders feelings of trust and reassurance	76.1	77.8	1.7
	<b>Ethics</b> Reputation, openness and transparency and the extent to which an organisation is deemed to "do the right thing"	75.2	76.8	1.6



## Despite the improvement in satisfaction with complaint handling, 16.4% of customers experienced a problem, the highest rate ever recorded

In parallel, the number of customers who made a complaint (reported their problem to the organisation) increased to 13.1%.

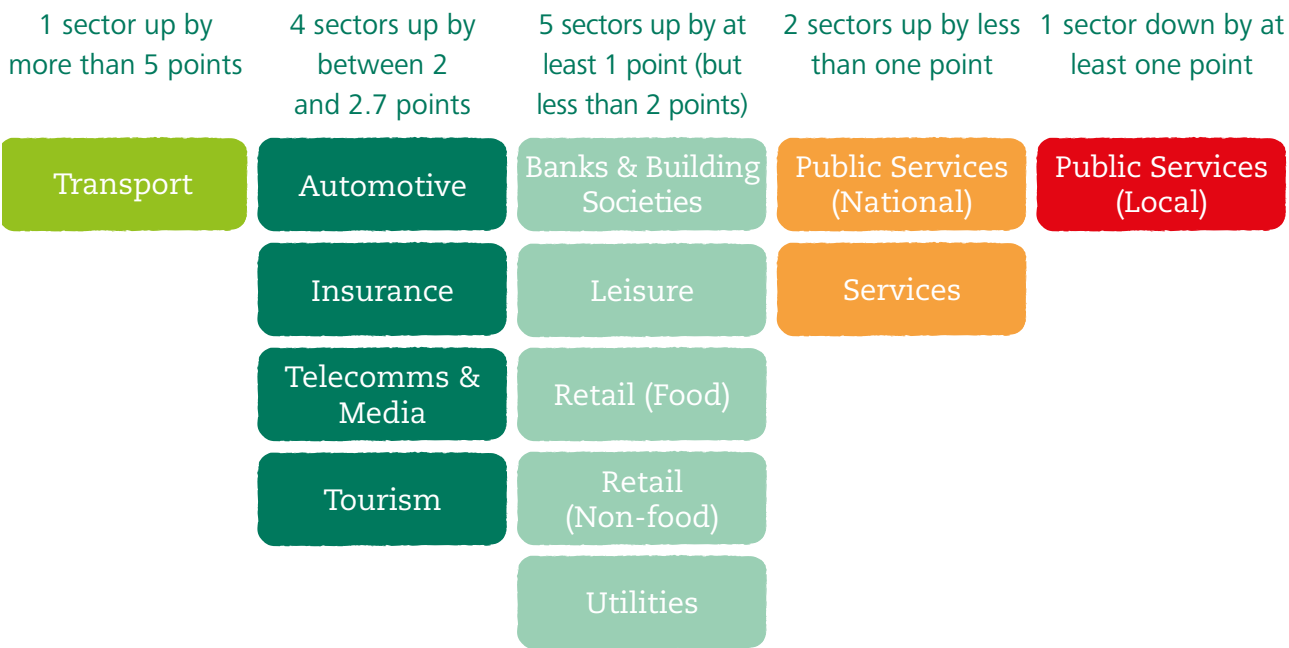
### The frequency of problems and complaints



The average score for customer effort rose by 0.3 points, to 5.2 (out of 10). The number of experiences rated as being right first time fell slightly, by 0.6 percentage points, to 79.9%.

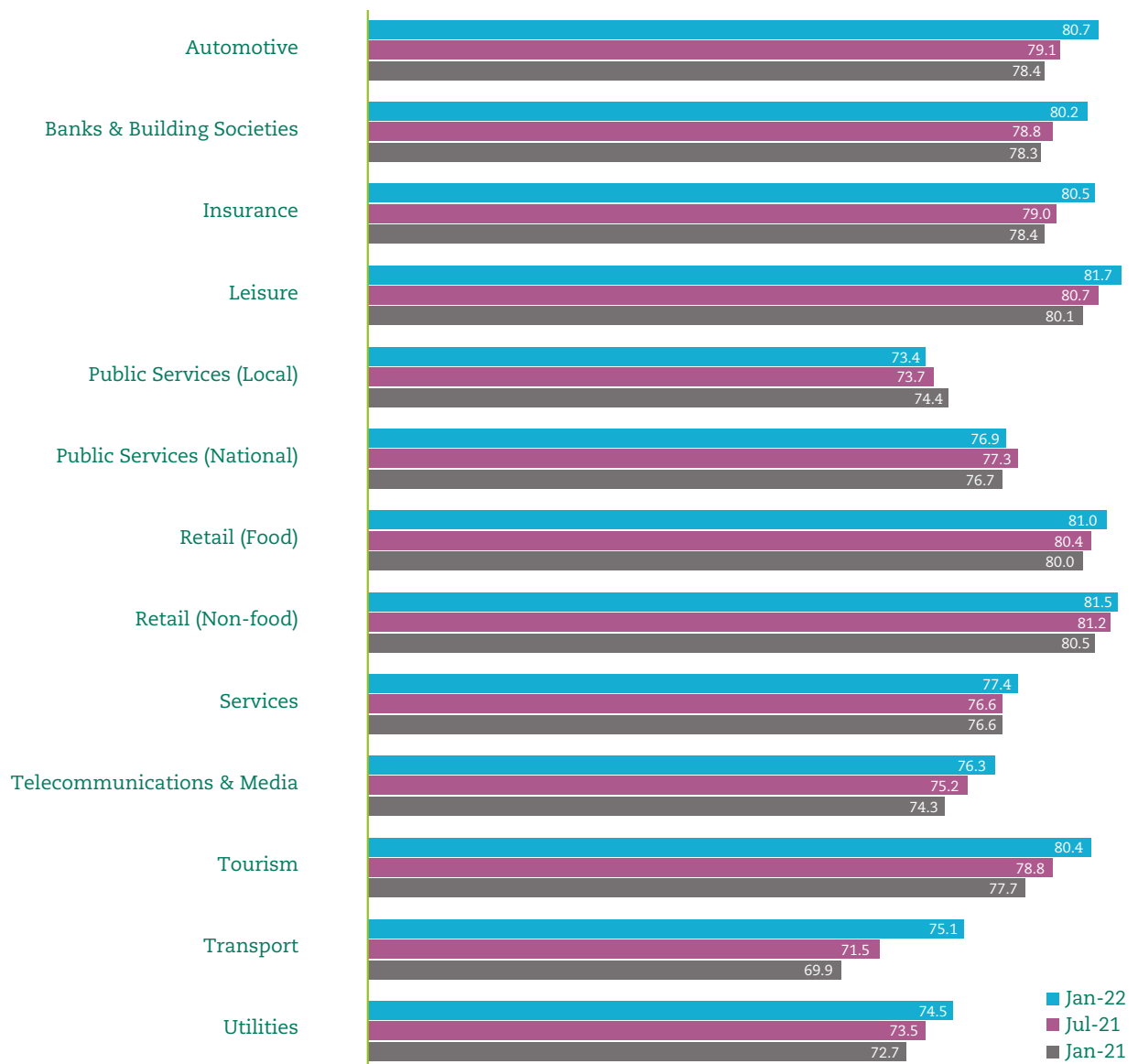
Measure	Jan-21	Jan-22	Year-on-year change
Customer effort	4.9	5.2	+ 0.3
% experiences rated as being right first time	80.5%	79.9%	- 0.6% points

Average customer satisfaction is at least 1 points higher than in January 2021 in 10 of the 13 UKCSI sectors<sup>5</sup>



<sup>5</sup> 13 sector reports containing scores for organisations in each sector are available to Institute member organisations. Eligibility depends of membership level. Sector reports are available for purchase by non-members at [www.instituteofcustomerservice.com/research](http://www.instituteofcustomerservice.com/research)

## Average customer satisfaction by sector Jan 2021 - Jan 2022



Index scores out of 100

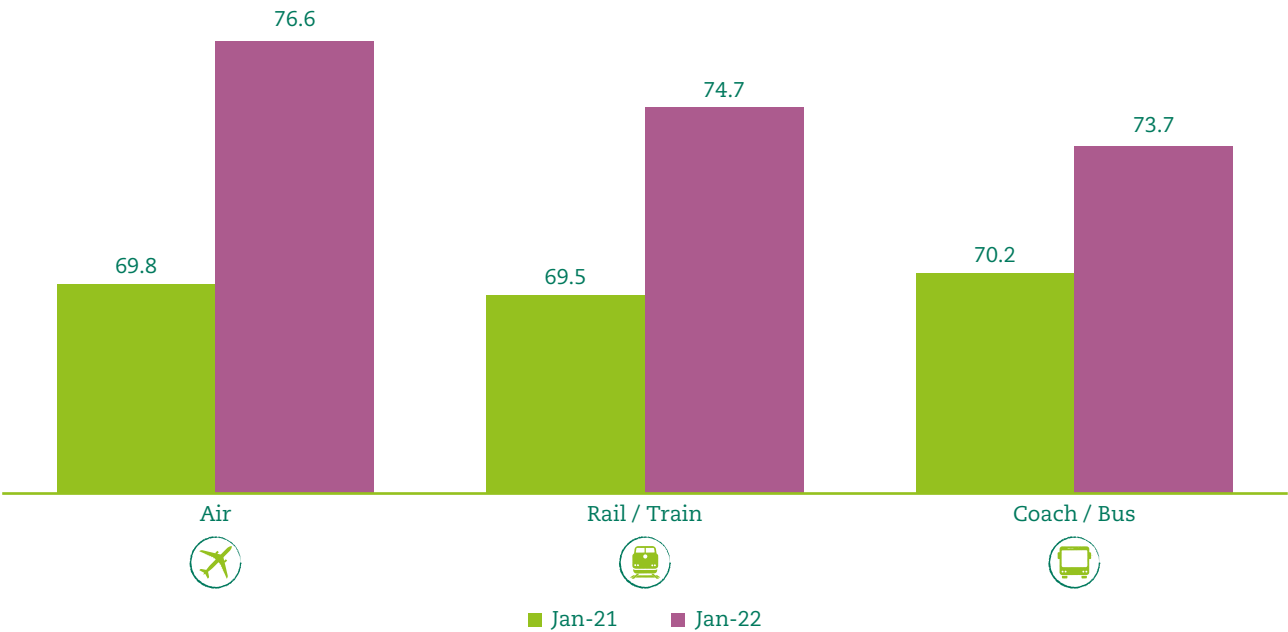
# Average customer satisfaction in the Transport sector is 75.1, an increase of 5.2 points compared to January 2021

The Transport sector’s average score of 69.9 in the January 2021 UKCSI was its lowest since 2009. The sector’s improved score in this UKCSI may therefore reflect greater availability of services during the second half of 2021, although the January 2022 UKCSI score of 75.1 is 3.9 points higher than the last pre-COVID-19 UKCSI, in January 2020. Despite this improvement, average satisfaction in the Transport sector is 3.3 points below the UK all-sector average.

Average customer satisfaction with Airlines has increased by 6.8 points to 76.6. Satisfaction with train operators is 74.7, up 5.2 points compared to January 2021. Each of the 21 train operators in the UKCSI recorded an average customer satisfaction score at least 1 point higher than a year ago and 11 train operators were rated at least 5 points better than in January 2021. Coach / Bus companies’ average level of customer satisfaction rose by 3.5 points to 73.7.

While the biggest improvements were for satisfaction with complaint handling, 22 of the 26 measures that make up the UKCSI increased by at least 0.5 points (out of 10). 35 of the 36 Transport organisations receiving a UKCSI score have improved by at least 2 points compared to a year ago.

## Average Customer satisfaction by mode of transport



Index scores out of 100

## In the Automotive, Insurance, Telecommunications & Media and Tourism sectors, average customer satisfaction is at least 2 points higher than it was in January 2021

The Automotive sector's average customer satisfaction of 80.7 represents its biggest ever year on year increase, of 2.3 points.

Insurance (80.5) and Telecommunications and Media (76.3) have each received their highest ever UKCSI scores.

Average satisfaction with the Tourism sector improved by 2.7 points to 80.4, its highest score since January 2018.

In each of these sectors, the biggest improvements compared to January 2021 are for satisfaction with complaint handling.

## Customer satisfaction in each of the Banks and Building Societies, Leisure, Retail (Food), Retail (Non-food) and Utilities sectors rose by at least 1 point compared to a year ago

In the Banks and Building Societies sector, average customer satisfaction is 80.2, its highest score since January 2019 and up 1.9 points compared to a year ago.

The Leisure sector's UKCSI score of 81.7 is the highest it has ever recorded and is 1.6 points above its January 2021 rating.

In the Retail (Food) sector, average customer satisfaction is 81.0, a 1 point increase compared to a year ago. Retail (Non-food) also rose by 1 point, to 81.5.

Customer satisfaction with Utilities organisations has increased by 1.8 points to 74.5. Although satisfaction has improved across all measures in the UKCSI, the number of customers experiencing a problem rose by 6.2 percentage points to 20.8%, the highest ever level in this sector. Average satisfaction with Energy companies grew by 1.9 points to 74.1. Satisfaction with Water companies increased by 2.1 points to 75.9.

## A decline in satisfaction with your GP surgery / health centre has contributed significantly to a fall in average customer satisfaction in the Public Services (Local) sector

Average satisfaction with Public Services (Local) organisations fell by 1 point to 73.4. This is the sector's lowest score since July 2015. The main cause of the downturn in customer satisfaction in this sector is lower scores for your GP surgery / health centre, down 2.1 points to 73.8. Your local Fire Service and your local Police Service each received a UKCSI score at least 3 points higher than a year ago.

In the Public Services (National) sector average customer satisfaction is 76.9. This is slightly higher (by 0.2 points) than a year ago but is 0.4 points below its July 2021 UKCSI level.

## 52% of organisations in the UKCSI have improved by at least 2 points compared to a year ago

273

Organisations and organisation types in the UKCSI

141↑

Organisations have improved by at least two points

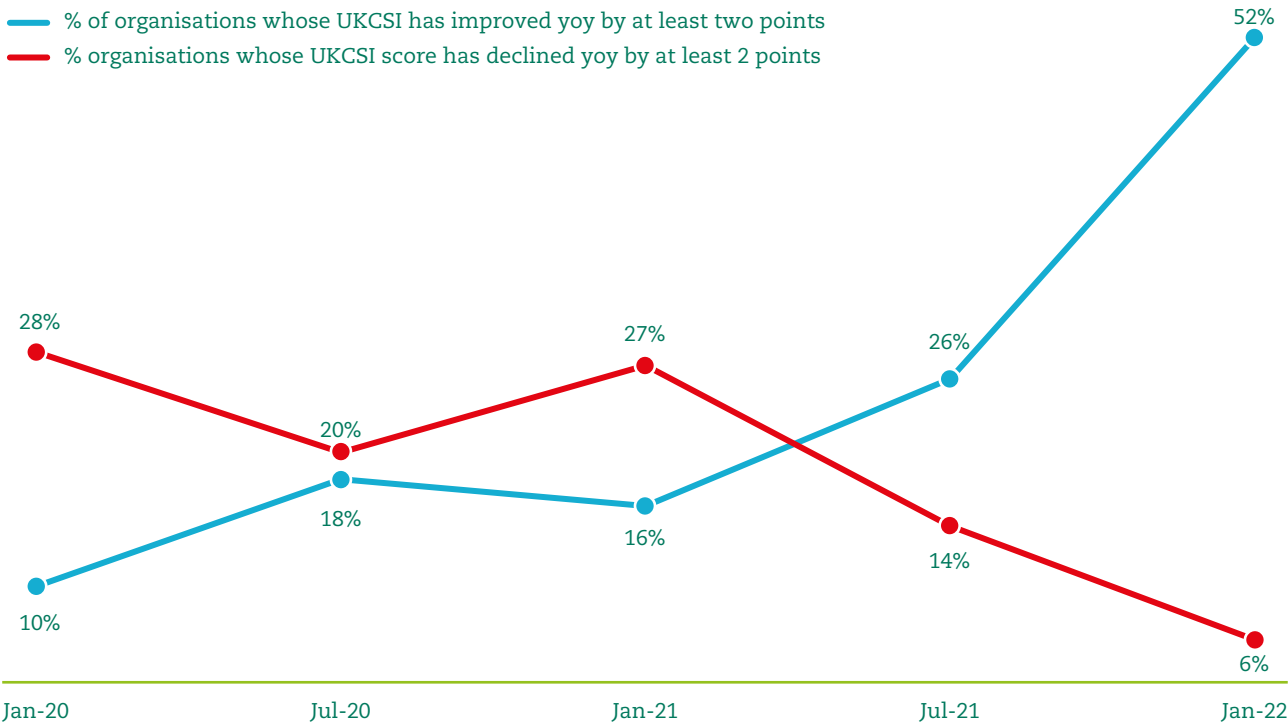
15↓

Organisations have experienced a drop of at least 2 points

In the January 2022 UKCSI, 52% of organisations have improved by at least 2 points compared to a year ago. Just 15 organisations (6% of those receiving a UKCS score) have fallen by 2 points or more.

By contrast, in the January 2021 UKCSI, only 16% of organisations received a UKCSI score that was 2 points or more higher than the previous year and 27% of organisations registered a year on year decline in customer satisfaction of at least 2 points.

**% of organisations that have improved or declined by at least 2 points**



35 of the 36 Transport organisations in this UKCSI have received a UKCSI score at least 2 points higher than a year ago. The gap between the highest and lowest rated organisations, 20.8 points, is greater than in any other sector and 1.2 points more than it was a year ago. In the Automotive, Banks and Building Societies, Insurance, Telecommunications and Media, Tourism and Utilities sectors, at least 50% of organisations in the UKCSI have improved by 2 points or more, compared to the January 2021 UKCSI.

### Number of organisations in each sector whose customer satisfaction has improved or declined, compared, to January 2021

Sector	Total number of organisations	Number of organisations that have improved by 2 points or more	Number of organisations that have dropped by 2 points or more	Number of organisations that have moved by less than 2 points	Gap between highest and lowest organisation
Automotive	27	15	3	8	11.7
Banks & Building Societies	20	10	0	7	11.4
Insurance	27	14	2	10	10.8
Leisure	21	8	3	7	10.2
Public Services (Local)	7	3	1	3	17.2
Public Services (National)	11	5	1	4	14.4
Retail (Food)	11	2	0	9	6.9
Retail (Non-food)	23	6	0	14	7.9
Services	18	5	1	11	15.2
Telecommunications & Media	14	7	0	6	15.0
Tourism	24	14	1	7	17.5
Transport	36	35	0	1	20.8
Utilities	34	17	3	11	16.2



5 organisations have appeared in the UKCSI for the first time.

Tesla (Automotive)	80.1	Your local independent coffee shop (Leisure)	87.4
Costco (Retail Non-food)	81.7	Airbnb (Tourism)	81.4
Environment Agency (Public Services National)	81.0		

## The top 50 organisations

Jan-22 Rank	Organisation	Sector	Jan-22 Score	Jan-21 Score	Jan-21 Rank	Change in score Jan-21 to Jan-22
1	Pets at Home	Retail (Non-food)	86.7	83.2	7	3.5
2	first direct	Banks & Building Societies	85.7	85.5	1	0.2
3	SAGA Insurance	Insurance	85.5	81.1	27	4.4
4	UK Power Networks	Utilities	85.4	NO DATA	NO DATA	NO DATA
5	Timpson	Services	85.3	77.0	127	8.3
6	Škoda UK	Automotive	85.2	81.0	30	4.2
7	John Lewis	Retail (Non-food)	84.7	85.1	2	-0.4
8	Jet2holidays.com	Tourism	84.6	81.3	26	3.3
9=	Nissan	Automotive	84.3	81.7	22	2.6
9=	Greggs	Leisure	84.3	81.9	17	2.4
11=	M & S (food)	Retail (Food)	84.2	83.5	5	0.7
11=	Green Flag	Services	84.2	80.9	31	3.3
13=	M & S Energy	Utilities	84.1	71.2	212	12.9
13=	RAC	Insurance	84.1	79.2	63	4.9
13=	Swinton	Insurance	84.1	76.5	137	7.6
13=	Jet2	Transport	84.1	78.6	79	5.5
17=	Suzuki	Automotive	84.0	81.6	23	2.4
17=	Netflix	Leisure	84.0	83.1	8	0.9
17=	M & S	Retail (Non-food)	84.0	84.1	3	-0.1
20	BMW	Automotive	83.9	78.0	105	5.9
21	Amazon.co.uk	Retail (Non-food)	83.8	83.6	4	0.2
22=	Aldi	Retail (Food)	83.7	82.9	9	0.8
22=	Tesco Mobile	Telecommunications & Media	83.7	83.3	6	0.4
22=	Nationwide	Banks & Building Societies	83.7	82.5	13	1.2
22=	The Co-operative Bank	Banks & Building Societies	83.7	80.3	39	3.4
26	LV=	Insurance	83.6	82.6	12	1.0

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

Jan-22 Rank	Organisation	Sector	Jan-22 Score	Jan-21 Score	Jan-21 Rank	Change in score Jan-21 to Jan-22
27=	Yorkshire Bank	Banks & Building Societies	83.5	74.4	179	9.1
27=	Waitrose	Retail (Food)	83.5	79.6	52	3.9
29=	Home Bargains	Retail (Non-food)	83.4	81.9	17	1.5
29=	Trivago	Tourism	83.4	78.0	105	5.4
29=	Apple	Retail (Non-food)	83.4	78.5	82	4.9
32=	Dacia	Automotive	83.3	80.1	43	3.2
32=	Octopus Energy	Utilities	83.3	81.4	25	1.9
34	SAGA Holidays	Tourism	83.2	76.7	133	6.5
35=	booking.com	Tourism	83.0	80.4	38	2.6
35=	Metro Bank	Banks & Building Societies	83.0	NO DATA	NO DATA	NO DATA
37	Amazon Prime Video	Leisure	82.8	80.3	39	2.5
38	Sky Mobile	Telecommunications & Media	82.7	77.8	110	4.9
39	Specsavers	Retail (Non-food)	82.6	82.7	11	-0.1
40=	NatWest	Banks & Building Societies	82.3	78.2	95	4.1
40=	giffgaff	Telecommunications & Media	82.3	78.2	95	4.1
42	Toby Carvery	Leisure	82.2	79.6	52	2.6
43=	Direct Line	Insurance	82.1	80.8	34	1.3
43=	AXA	Insurance	82.1	77.1	124	5.0
43=	Deliveroo	Leisure	82.1	NO DATA	NO DATA	NO DATA
43=	Aviva	Insurance	82.1	80.9	31	1.2
47	Toyota	Automotive	82.0	80.5	37	1.5
48	Tesco	Retail (Food)	81.9	79.9	48	2.0
49=	Admiral	Insurance	81.8	78.7	77	3.1
49=	Caffe Nero	Leisure	81.8	81.9	17	-0.1
49=	Hyundai	Automotive	81.8	78.1	100	3.7

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

## The sector profile of the top 50 organisations has evolved compared to a year ago

In January 2021, over 50% of the top 50 organisations were from the Retail or Leisure sectors but in January 2022 this has dropped to 33%. There is an increased presence among the top 50 from the Insurance, Banks & Building Societies and Telecommunications & Media sectors. Despite the overall improvement in customer satisfaction in the Transport sector, only one Transport company, Jet2, is among the top 50 organisations.

### Sector profile of the top 50 organisations

Sector	Number of organisations Jan-22	Number of organisations Jan-21	Year-on-year change
Insurance	8	6	+2
Automotive	7	6	+1
Retail (Non-food)	7	12	-5
Banks & Building Societies	6	3	+3
Leisure	6	9	-3
Retail Food	4	5	-1
Tourism	4	4	-
Telecommunications & Media	3	1	+2
Utilities	3	2	+1
Services	2	1	+1
Transport	1	0	+1
Public Services (National)	0	1	-1

9 of the top 50 organisations improved by at least 5 points compared to a year ago. They include Timpson, M & S Energy, Swinton, Jet2, BMW, Yorkshire Bank, Trivago, SAGA Holidays and AXA.

21 organisations did not feature among the top 50 in January 2021. These include UK Power Networks, Metrobank and Deliveroo, each of whom did not receive a sufficient number of customer responses to appear in the January 2021 UKCSI.

## The highest performing organisations combine functional efficiency and human care






The gap in customer satisfaction between the top 50 organisations and other organisations in the UKCSI is widest for complaint handling, speed of service and providing reassurance. These organisations are more successful than others in ensuring that customer experiences are right first time and are less likely than others to generate problems for their customers. Nevertheless, 12% of customers who recorded an interaction with one of the top 50 organisations experienced a problem, 2 percentage points more than in January 2021.

### Key differentiators of the top 50 organisations in the UKCSI

Measure (on a scale of 1 - 10 except where indicated)	Top 50	Other organisations	Gap
UKCSI (Index score out of 100)	83.3	77.3	6.0
Handling of the complaint	7.5	6.4	1.1
Speed of resolving your complaint	7.5	6.4	1.1
Speed of service / response	8.4	7.7	0.7
Makes you feel reassured	8.3	7.6	0.7
% right first time experiences	86.1%	79.2%	6.9% points
% customers experiencing a problem	12.0%	17.2%	5.2% points

## Top rated organisations by customer satisfaction dimension

### UKCSI dimensions

 Experience	 Complaint Handling	 Customer Ethos	 Emotional Connection	 Ethics
Pets at Home	UK Power Networks	Pets at Home	Pets at Home	UK Power Networks
first direct	Trivago	Timpson	Timpson	John Lewis
SAGA Insurance	Apple	UK Power Networks	John Lewis	first direct
Amazon.co.uk	Northumbrian Water	SAGA Insurance	UK Power Networks	M &S (food)
Škoda UK	CrossCountry	first direct	Green Flag	Timpson
UK Power Networks	M & S Energy	M & S Energy	first direct	Pets at Home
Swinton	London North Eastern Railway	Škoda UK	SAGA Insurance	Waitrose
Greggs	Aldi	Jet2holidays.com	The Co-operative Bank	Green Flag
Netflix	Brittany Ferries	Yorkshire Bank	M & S (food)	M & S Energy
Home Bargains	Bristol Water	RAC	Nissan	Jet2holidays.com

UK Power Networks is the only organisation rated amongst the top 10 for all five dimensions of customer satisfaction.

Pets at Home and first direct are amongst the most highly rated organisations across the Experience, Customer Ethos, Emotional Connection and Ethics dimensions of customer satisfaction. Saga Insurance is one of the top 10 organisations for three dimensions – Experience, Customer Ethos and Emotional Connection.

The Complaint Handling dimension features a wider spread of organisations amongst the top performers than the other dimensions. For Complaint Handling, only organisations for whom at least 10 complaints were recorded receive a published score. This means that, whereas for the Experience, Customer Ethos, Emotional Connection and Ethics dimensions every organisation receives a score, organisations generating particularly low levels of complaints may not receive published ratings for satisfaction with complaint handling.

## 20 most improved organisations

20 most improved organisations over one year	UKCSI score Jan 2021	UKCSI score Jan 2022	YOY Change	Compared to sector average	Sector	Sector average UKCSI score
M & S Energy	71.2	84.1	12.9	9.6	Utilities	74.5
Virgin Atlantic	68.2	80.1	11.9	5.0	Transport	75.1
Lastminute.com	67.1	78.1	11.0	-2.3	Tourism	80.4
The Co-operative Energy	69.1	79.6	10.5	5.1	Utilities	74.5
Brittany Ferries	69.7	79.9	10.2	4.8	Transport	75.1
Northern / Northern Trains	62.5	72.4	9.9	-2.7	Transport	75.1
South Staffordshire Water	69.0	78.6	9.6	4.1	Utilities	74.5
Utilita	70.1	79.5	9.4	5.0	Utilities	74.5
Yorkshire Bank	74.4	83.5	9.1	3.3	Banks & Building Societies	80.2
Disclosure and Barring Service	72.4	81.4	9.0	4.5	Public Services (National)	76.9
Lexus	70.8	79.7	8.9	-1.0	Automotive	80.7
Great Northern	66.0	74.9	8.9	-0.2	Transport	75.1
Essex and Suffolk Water	68.0	76.7	8.7	2.2	Utilities	74.5
Timpson	77.0	85.3	8.3	7.9	Services	77.4
Southeastern (train operating company)	64.9	73.2	8.3	-1.9	Transport	75.1
British Airways	71.7	79.9	8.2	4.8	Transport	75.1
Virgin Holidays	70.8	78.8	8.0	-1.6	Tourism	80.4
Avanti West Coast	66.9	74.7	7.8	-0.4	Transport	75.1
Swinton	76.5	84.1	7.6	3.6	Insurance	80.5
BUPA	73.4	80.6	7.2	0.1	Insurance	80.5

■ Organisation is at least 1 point higher than the sector average

■ Organisation is at least 1 point lower than the sector average



The 20 most improved organisations received higher scores compared to a year ago on the full range of customer satisfaction measures, especially complaint handling, being kept informed, speed of service, xx makes it easy to contact the right person to help, xx keeps their promises and trust. However, on average 22.7% of these organisations' customers experienced a problem, almost the same level as in the January 2021 UKCSI (22.6%) and 6.3 percentage points more than the UK average (16.4%). This suggests that organisations have got better at complaint handling rather than reducing the incidence of problems experienced by customers.

7 of the most improved organisations are Transport companies, reflecting the widespread increase in customer satisfaction in the sector. 5 of the most improved organisations are from the Utilities sector (3 energy companies and 2 water companies).

Timpsons and Disclosure and Barring Service are the highest rated organisations in their sectors, Services and Public Services (National) respectively.

# 2

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## Customer satisfaction and business performance

# Retail (Food): the relationship between customer satisfaction sales growth and market share in a rapidly evolving environment

**Grocery sales declined in the 12 weeks to 28 November 2021 because of more visits to pubs and restaurants and more employees attending the office**

The two previous UKCSI reports, in July 2021 and January 2021, witnessed conspicuous sales growth for most food retailers, driven by an increase in food and drink consumption at home. However, the latest UKCSI data, collected in September and October 2021 reflects changes in customer behaviour with more people returning to the office for at least some of the working week and increased visits to pubs and restaurants. As a result, Kantar's data on grocery sales shows a fall of 3.8% over the 12 weeks to 28 November 2021, compared with the same period in 2020. Nevertheless, sales are relatively strong compared to before the pandemic. Grocery spend in the 12 weeks to 28 November 2021 was 7% higher than spend in the equivalent period in 2019.

**Most Retail (Food) customer experiences are in person but more than a quarter of experiences in the January 2022 UKCSI were conducted through digital channels**

66.9% of Retail (Food) customer experiences recorded in the January 2022 UKCSI were in person, 5.4 points lower than a year ago but slightly more than in July 2021 (which was based on experiences recorded in both March and April 2021 and September and October 2020).

Similarly, 17.4% of customer experiences were conducted on an organisation's website, 2.7 percentage points more than in the January 2021 UKCSI but slightly fewer than in July 2021 (18.3%). The number of experiences through digital channels (website, email, text, web chat or social media combined) was 28.2%, an increase of 10.4 percentage points on the last pre-COVID-19 UKCSI report, in January 2020.

## Jan 2020 - Jan 2021 channel breakdown of Retail (Food) customer experiences

	Jan-20	Jul-20	Jan-21	Jul-21	Jan-22
In person (e.g. visited a store/branch/office)	77.7%	77.9%	72.3%	65.7%	66.9%
Over the phone (e.g. called a contact centre)	4.4%	3.7%	4.1%	5.0%	4.7%
On their website	11.3%	11.3%	14.7%	18.3%	17.4%
Email	3.8%	3.8%	4.9%	6.2%	5.5%
Text	0.6%	0.5%	0.7%	1.0%	0.9%
Web chat	0.5%	0.6%	0.7%	1.0%	1.0%
App	1.2%	1.4%	1.7%	1.8%	2.4%
Social media	0.5%	0.6%	0.8%	0.9%	1.0%
In writing (letter)	0.1%	0.1%	0.1%	0.1%	0.2%

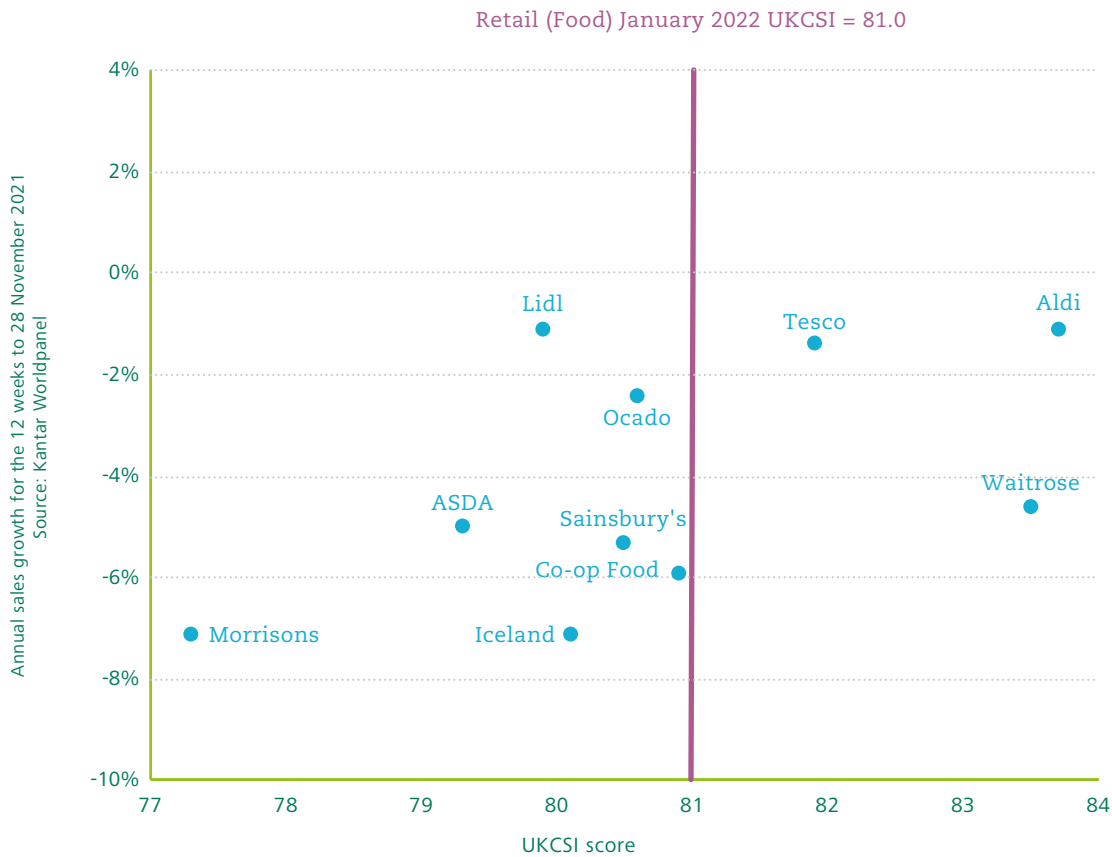
## The state of COVID-19 and inflation are likely to influence customer behaviour deep into 2022

Even before the government invoked Plan B COVID-19 safe measures, hospitality businesses had begun to see a rise in cancellations. Reduced rates of COVID-19 are likely to encourage more visits to cafes, restaurants and hotels whereas continuing concerns about COVID-19 may lead to more food and drink consumption at home.

Rising food prices mean many customers are likely to be more careful and selective about what they buy and which organisations they use. However, our research suggests that the number of Retail (Food) customers who would prefer to pay more for excellent quality of service has grown. We asked customers to prioritise the relative importance of service and price on a scale one to ten, where one indicates a preference for lowest price no frills service and ten expresses a preference for excellent service, even if it means paying more. 29.2% of Retail (Food) customers expressed a preference to pay more for excellent quality of service, up 2 percentage points compared to January 2021. The key reasons for this preference are trusting the organisation (38%) and the desire for support and advice (23%).

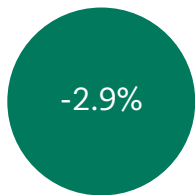
A juxtaposition of the January 2022 UKCSI and Kantar's data on sales growth and market share suggests that, in a climate of falling revenues, customer satisfaction has helped organisations protect market share

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

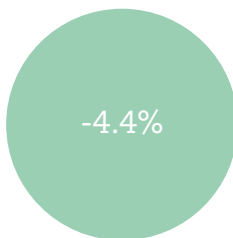


Sales Growth

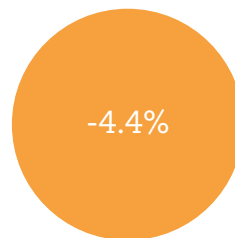
Food retailers with UKCSI at least 1 point above sector average



Food retailers with UKCSI within + / - 1 point of sector average



Food retailers with UKCSI at least 1 point below sector average



Aldi received a UKCSI score of 83.7, 0.8 points higher than a year ago and 2.7 points above the Retail (Food) sector average. Aldi's market share rose by 0.2 percentage points to 7.9%. It is the second highest food retailer for customer satisfaction, after M & S<sup>6</sup>.

Waitrose's customer satisfaction improved by 3.9 points to 83.5, its highest score since January 2018. Waitrose's market share was unchanged at 4.9%.

Tesco's UKCSI score of 81.9 is 2 points higher than in January 2021 and 0.9 points above the sector average. This is also Tesco's highest ever UKCSI score. Tesco achieved 27.7% market share, a growth of 0.7 percentage points, its highest level of market share since February 2019.

Lidl's average customer satisfaction, 79.9, is 1.1 points below the sector average but it has improved by 1.5 points compared to a year ago. Lidl's market share reached its highest ever level, 6.4%.

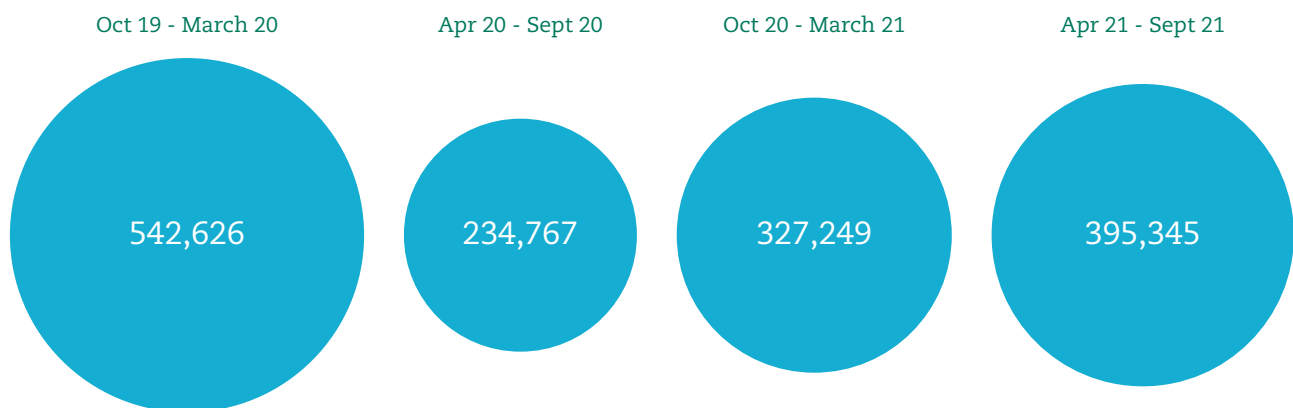
<sup>6</sup> M & S is the highest rated Retail (Food) organisation for customer satisfaction but it is not included in Kantar's sales and market share research

# Banks and Building Societies: customer satisfaction in the context of a reduction current account switches

In this UKCSI we have reviewed data from the latest Current Account Switch Service (CASS) dashboard<sup>7</sup>, covering switches completed between 1 April and 30 June 2021, alongside the corresponding UKCSI period, July 2021.

The number of current account switches dropped from April 2020 following the first Covid-19 lockdown but shows a growth trend through most of 2021.

## Volume of current account switches



Banks or building societies that are listed in the CASS dashboard and whose customer satisfaction was at least 1 point better than the sector average (Barclays, Co-operative Bank, Nationwide and Starling Bank<sup>8</sup>) recorded an average of 3,628 net current gains, compared to an average of 4,419 net losses for those with a UKCSI score at least 1 point below the sector average (RBS, TSB, HSBC<sup>9</sup>, Tesco, Ulster Bank and Virgin Money).

Organisations whose UKCSI score is within 1 point of the sector average recorded an average of 976 net current account gains. This average contains a range of performance including Halifax, which achieved the highest volume of net account gains (16,684) as well as Natwest and Santander, who experienced 7,451 and 11,176 net current account losses, respectively.

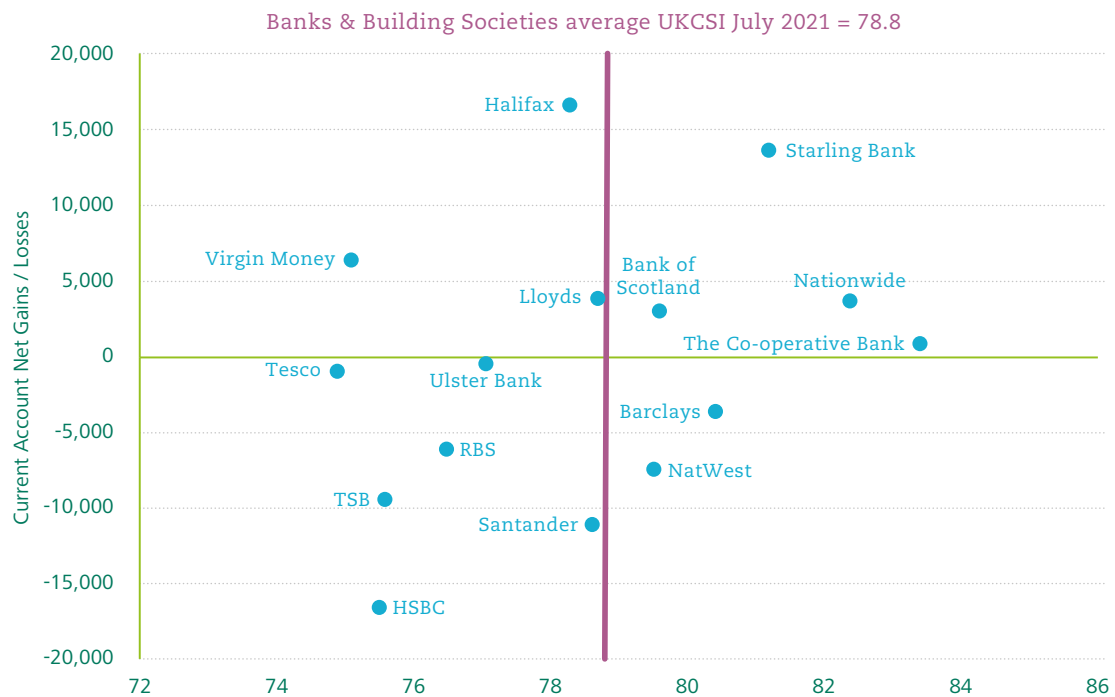
The CASS dashboard reports online banking (51%), customer service (42%), mobile banking/banking app (40%) and interest rates (23%) as being the top reasons for people preferring their new current account.

<sup>7</sup> See Current Account Switch Service Dashboard Issue 32. Note that data about total volume of switches is available up to September 2021 but company data is available for April – June 2021

<sup>8</sup> Starling Bank appeared in the July 2021 UKCSI but has not received sufficient responses to be included in the January 2022 UKCSI

<sup>9</sup> HSBC includes first direct and Marks & Spencer brand switches

## Customer satisfaction and current account net gains and losses



## Average current account quarterly net gains

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

**3,628**



■ Net current account gains

Banks & Building Societies with UKCSI within 1 point ( +/- ) of sector average

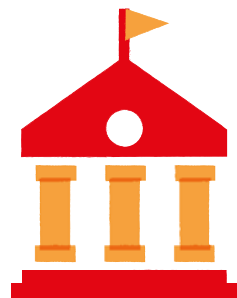
**976**



■ Net current account gains

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

**-4,419**

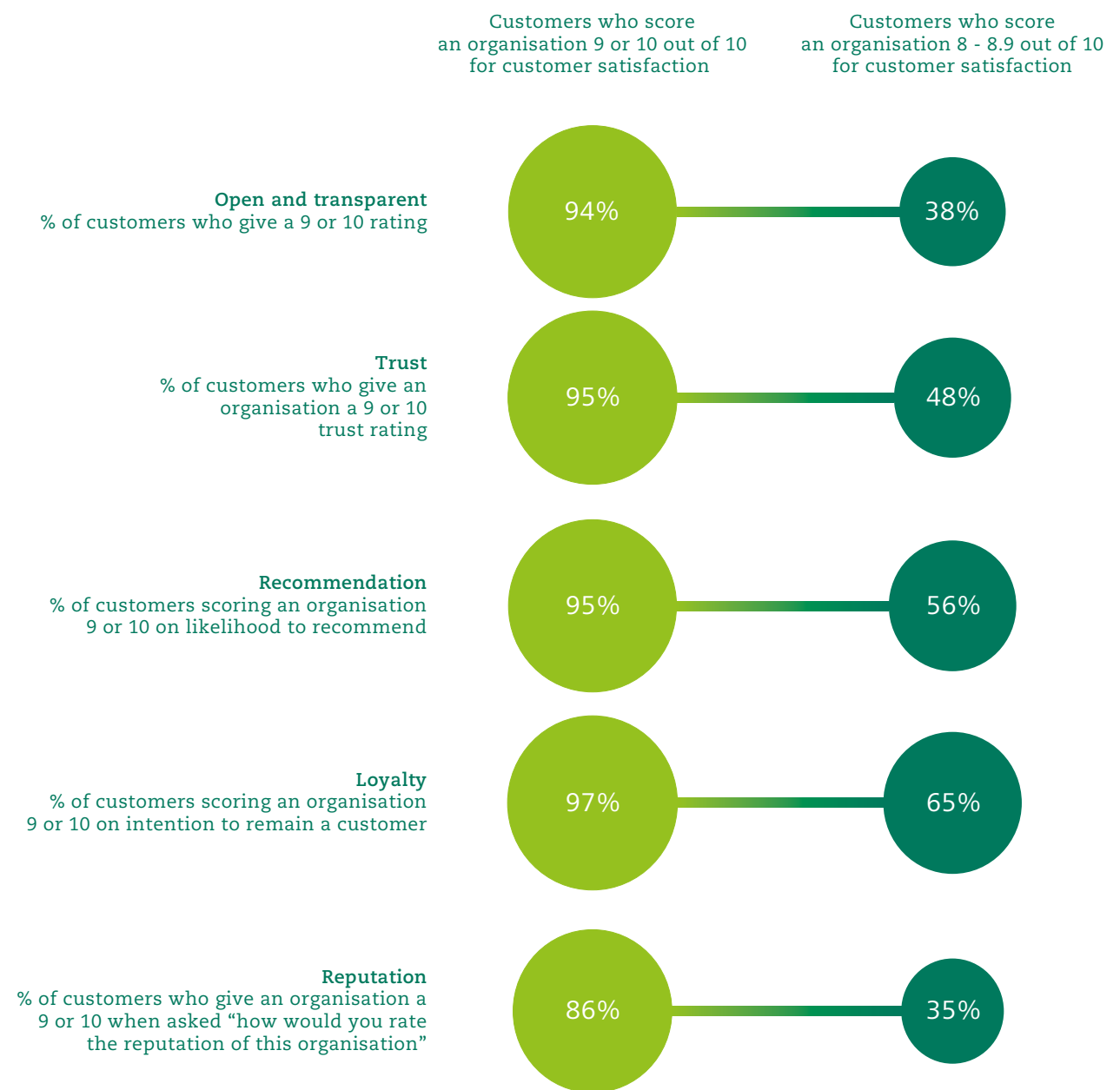


■ Net current account losses



# A 9 or 10 out of 10 for customer satisfaction drives greater loyalty, recommendation and trust

Across the average of all organisations in the UKCSI, achieving a 9 or 10 (out of 10) for customer satisfaction has a much stronger effect even than an 8 out of 10 in generating the highest levels of trust, recommendation, loyalty and reputation. These levels have remained consistent throughout the COVID-19 pandemic.



# 3

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## The importance of ethical factors in choosing an organisation

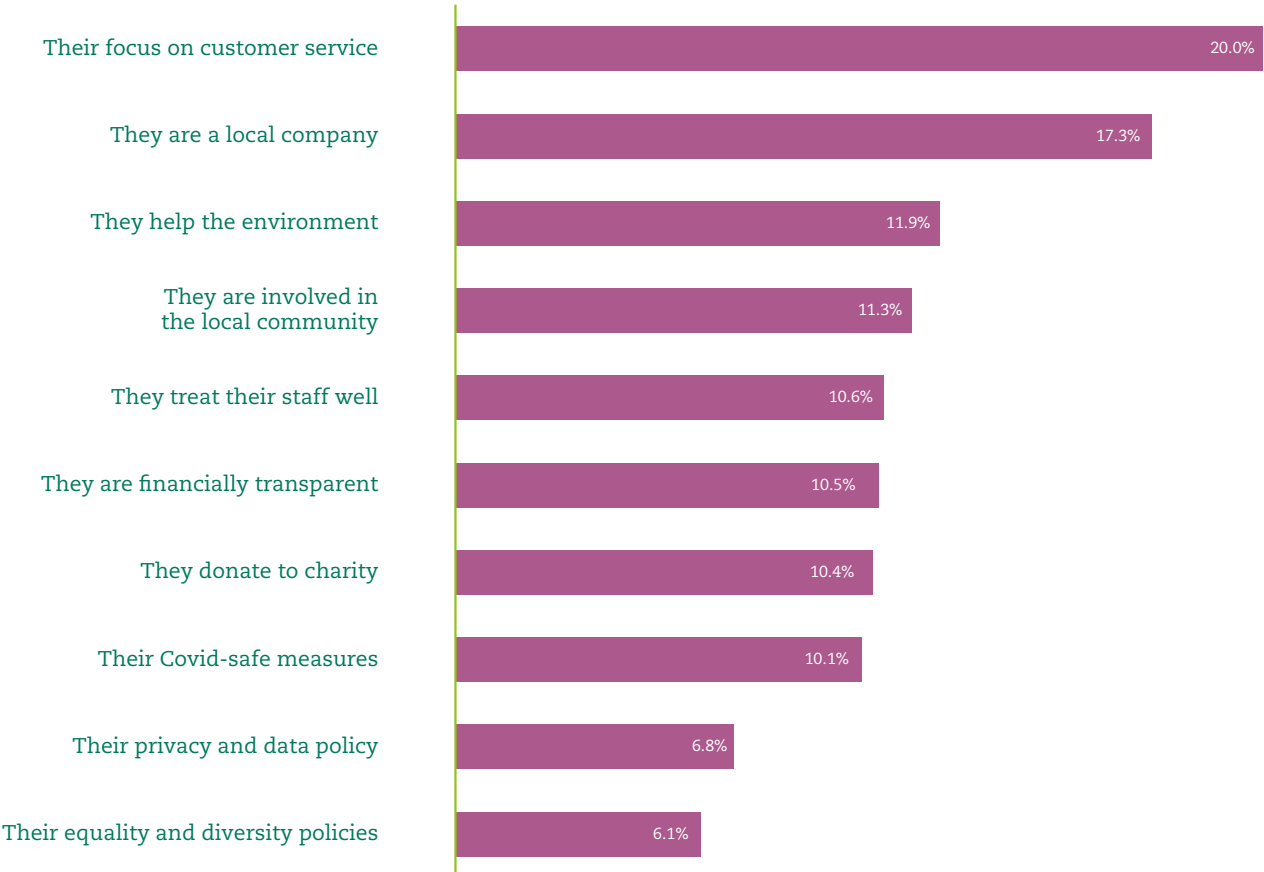
The ESG (Environmental, Social and Governance) agenda – the concept that, as well as financial or shareholder return objectives, organisations have broader, long-term responsibilities for the well-being of society – has a growing significance for customers, investors and other stakeholders. Recent Institute research has highlighted the influence of environmental sustainability and the way organisations treat their employees on customers' attitudes towards organisations and their buying behaviour<sup>10</sup>. This UKCSI investigates further the extent that customers choose organisations for ethical reasons and which ethical factors are most influential in customers' choice of organisation.

<sup>10</sup> See The Customer and the Green Agenda (2021) and Who Do You Trust ? (2021) available at [www.instituteofcustomerservice.com/research](http://www.instituteofcustomerservice.com/research)

# The leading ethical reasons for preferring an organisation are its focus on customer service, being a local company and a commitment to environmental sustainability

We asked customers to indicate if they had chosen to use an organisation because of the importance of one, or a range of ethical issues. The leading ethical reasons for preferring an organisation are its focus on customer service (cited by 20% of customers), being a local company (17.3%) and a commitment to environmental sustainability (11.9%). Other factors influencing at least 10% of customers include an organisation’s involvement in the local community, the way staff are treated, financial transparency, support for a charity and Covid-19 safety measures.

% of customers who chose to use an organisation for one of the following ethical reasons



### Sector perspectives: Did you choose an organisation for any of the following reasons?

	UK all sector average	Automotive	Banks & Building Societies	Insurance	Leisure	Retail (Food)
Their focus on customer service	20.0%	25.0%	21.9%	23.3%	22.1%	21.3%
They are a local company	17.3%	20.5%	16.5%	9.7%	21.1%	24.6%
They help the environment	11.9%	14.4%	9.8%	10.7%	10.4%	13.7%
They are involved in the local community	11.3%	11.5%	12.8%	9.9%	12.5%	14.8%
They treat their staff well	10.6%	11.9%	10.7%	10.1%	10.7%	14.5%
They are financially transparent	10.5%	12.8%	15.0%	12.5%	7.7%	7.9%
They donate to charity	10.4%	10.1%	11.3%	10.1%	9.7%	16.0%
Their Covid-safe measures	10.1%	11.1%	7.1%	7.1%	13.5%	14.4%
Their privacy and data policy	6.8%	8.5%	9.1%	8.9%	4.3%	4.6%
Their equality and diversity	6.1%	7.5%	6.6%	6.1%	6.4%	6.3%

At least 3 percentage points more than the UK all-sector average

At least 3 percentage points lower than the UK all-sector average

	Retail (Non-food)	Services	Telecoms & Media	Tourism	Transport	Utilities
Their focus on customer service	20.4%	20.1%	17.7%	24.0%	12.5%	12.0%
They are a local company	14.6%	21.0%	9.3%	8.6%	26.5%	17.2%
They help the environment	9.9%	8.9%	10.1%	10.3%	14.9%	18.3%
They are involved in the local community	9.0%	11.8%	8.9%	9.2%	13.1%	10.9%
They treat their staff well	10.7%	10.0%	9.3%	9.5%	11.4%	8.2%
They are financially transparent	7.8%	9.3%	9.1%	10.9%	11.6%	10.4%
They donate to charity	10.2%	7.6%	8.3%	10.1%	11.2%	9.9%
Their Covid-safe measures	8.6%	9.4%	5.1%	13.1%	14.1%	7.7%
Their privacy and data policy	5.7%	5.0%	7.3%	8.3%	7.3%	6.3%
Their equality and diversity	4.5%	6.3%	4.8%	6.8%	6.3%	5.2%

■ At least 3 percentage points more than the UK all-sector average

■ At least 3 percentage points lower than the UK all-sector average

## The importance to customers of different ethical issues varies by sector

A focus on customer service appears to be especially important, from an ethical perspective, in the Automotive, Insurance and Tourism sectors.

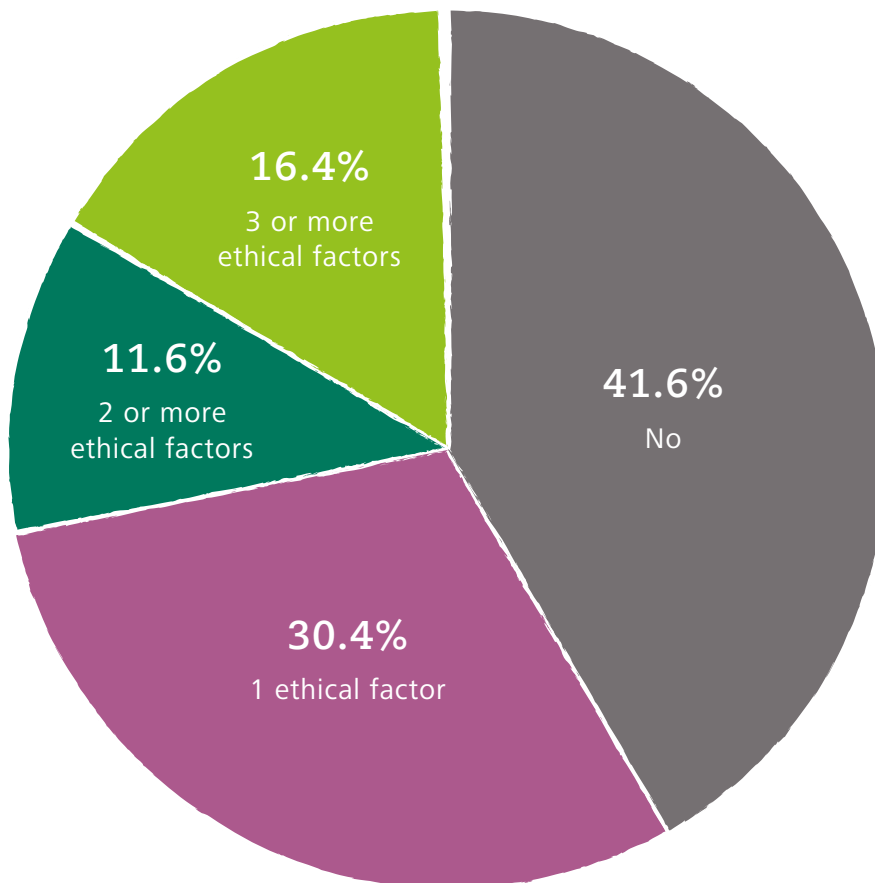
The perception of an organisation's local relevance is the most important ethical factor influencing customers' buying behaviour in the Leisure, Retail (Food), Services and Transport sectors.

In the Utilities sector, helping the environment is the most influential ethical factor. Covid-19 safety measures are particularly prominent in the Retail (Food), Tourism and Transport sectors.

## Almost 60% of customers chose an organisation for an ethical reason

58.2% of customers confirmed that they had chosen to use an organisation for at least one of a range of 10 ethical attributes. Amongst these customers, 30.4% customers highlighted one ethical factor that influenced their decision. 11.6% of customers were swayed by 2 different ethical factors and 16.4% cited 3 separate factors.

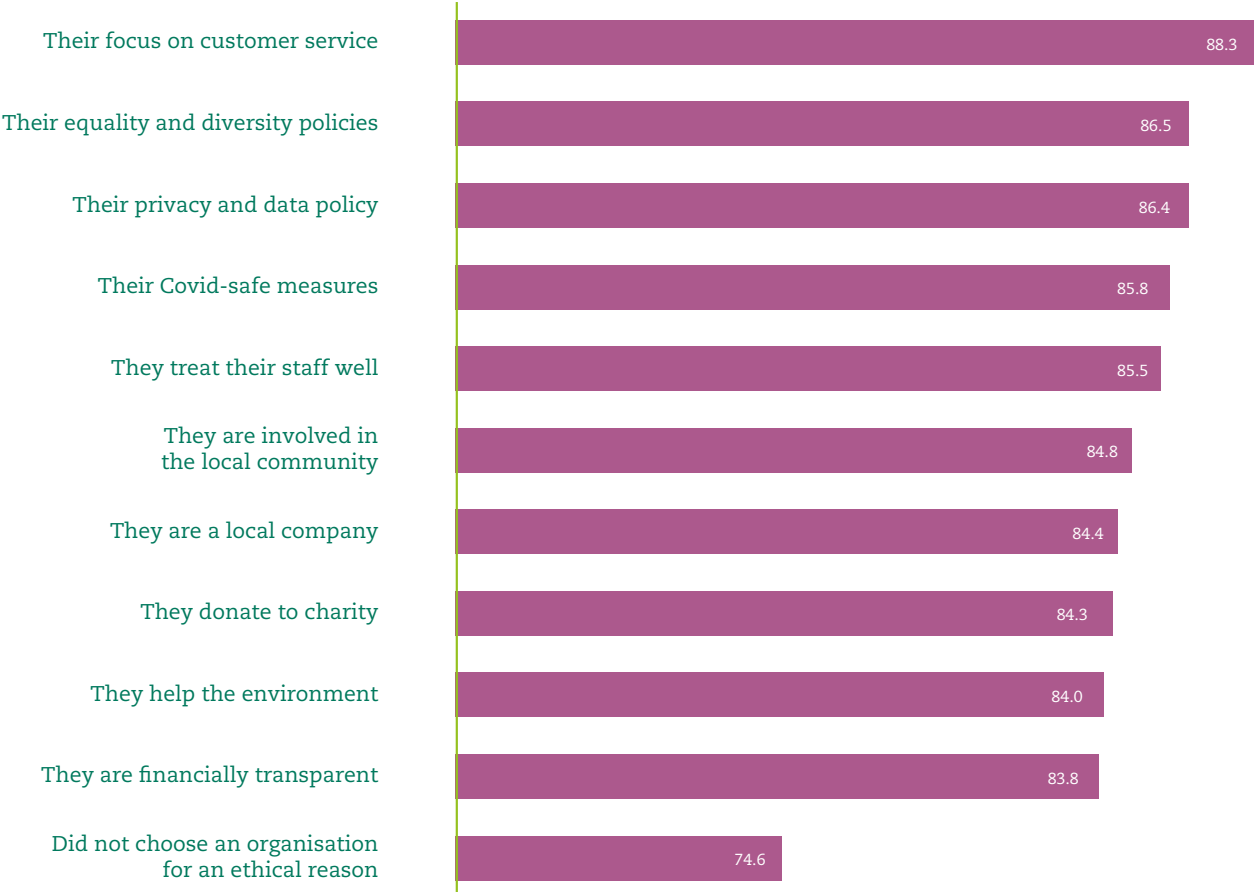
**Did you choose xx for any of the following ethical reasons?**



# Customers who chose an organisation for an ethical reason have higher levels of satisfaction than other customers

There appears to be a strong link between choosing an organisation reason or reasons and high levels of customer satisfaction. Customers who selected an organisation for an ethical reason or reasons are much more satisfied than those who were not influenced by ethical factors. Customers who chose an organisation for its focus on customer service have particularly strong levels of satisfaction. In addition, customers who favoured an organisation because its equality and diversity commitment, privacy and data policies, Covid-19 safety measures or fair treatment of their employees have an average level of customer satisfaction index score exceeding 85 (out of 100).

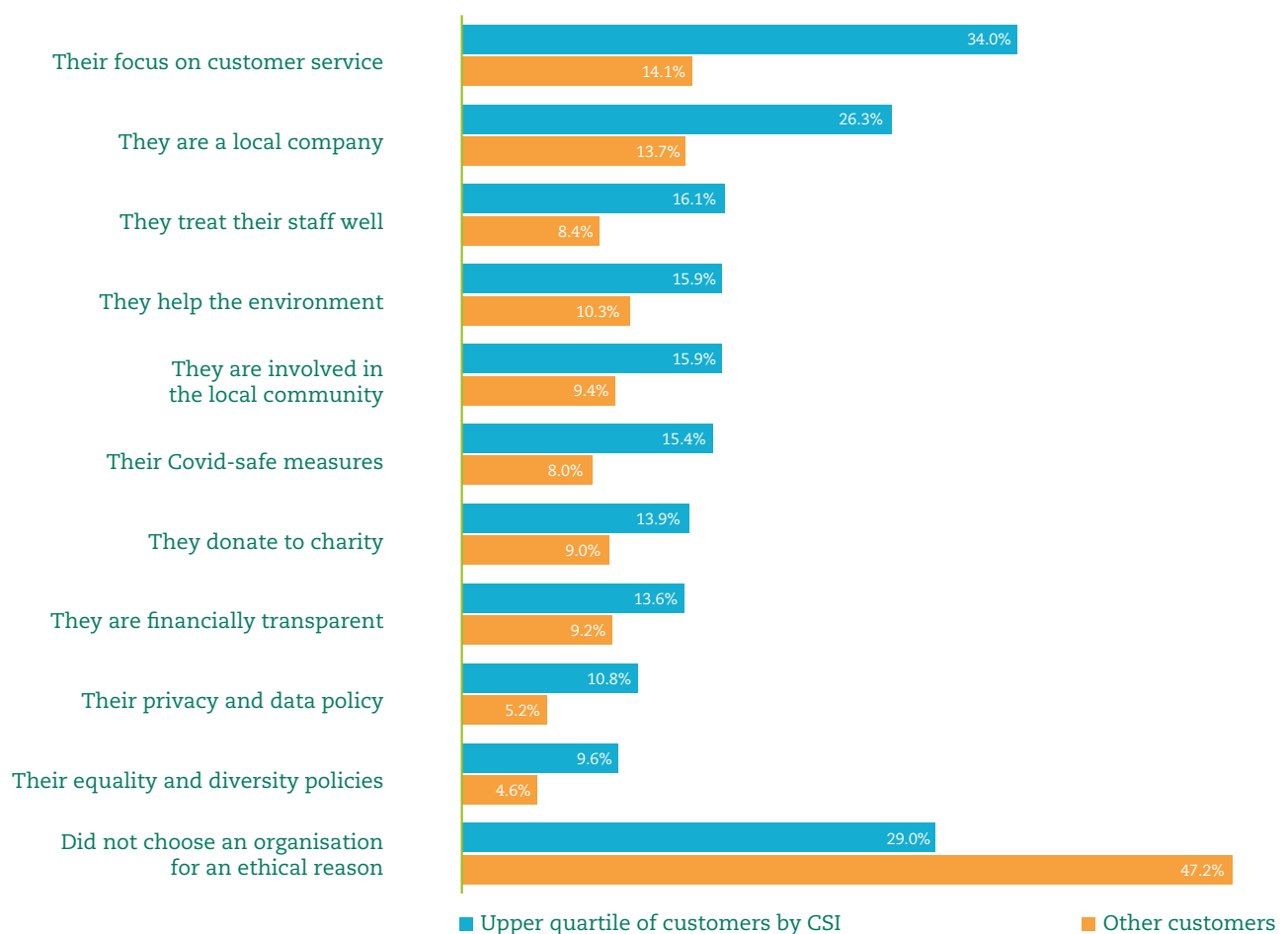
## Customer satisfaction index score of customers who chose an organisation for ethical reasons



Index scores out of 100

Similarly, the most satisfied customers are much more likely than others to be influenced by ethical factors. 71% of the most satisfied customers (the top quartile of UKCSI scores) chose an organisation for an ethical reason, compared to 53% of other customers. Perceptions about an organisation's focus on customer service and its local relevance are amongst the most distinct differences between the most satisfied customers and other customers.

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





## Local relevance will increasingly influence customer attitudes and buying behaviour

The experience of lockdowns and the growth in home working have prompted many people to re-evaluate how they feel about their community and environment. The January 2022 and July 2021 UKCSI reports showed that more customers are choosing to spend with local, independent companies. This trend is reflected by the emergence of your local / independent coffee shop as the highest rated organisation type (with a UKCSI score of 87.4) in the Leisure sector.

Evidence in this UKCSI further demonstrates that many customers actively choose organisations that are perceived as local, employ local people and support local communities. Local relevance appears to be especially salient in the Leisure, Retail (Food), Services, Transport and Automotive sectors. As a result, it will be increasingly important for organisations to demonstrate their engagement with and support for local communities in which they operate.

## Understanding the relative importance to customers of different ethical issues and the trade-offs people are willing to make between different requirements will become more important

This evidence shows that many customers care about organisations' ethical standards and behaviour, alongside core capabilities of quality and reliability of products and services, competitive prices and standards of customer service. It will become increasingly important for organisations to understand the relative importance of a range of ethical issues from their customers' perspective, the trade-offs customers are prepared to make between different requirements and the extent to which people will pay more for credible guarantees of high ethical standards. Above all, organisations will need to evidence their ethical standards and behaviour with credibility and authenticity, demonstrating long-term environmental, social and governance commitment that is consistent with and supports the organisation's purpose and customer proposition.

# 4

Why has  
customer  
satisfaction  
improved?

In January 2022 the UKCSI has recorded the highest ever level of customer satisfaction, in the context of a volatile and uncertain environment for many organisations and customers. In this section we examine 6 factors that help explain the change in customer satisfaction.

**1** Improved satisfaction with complaint handling

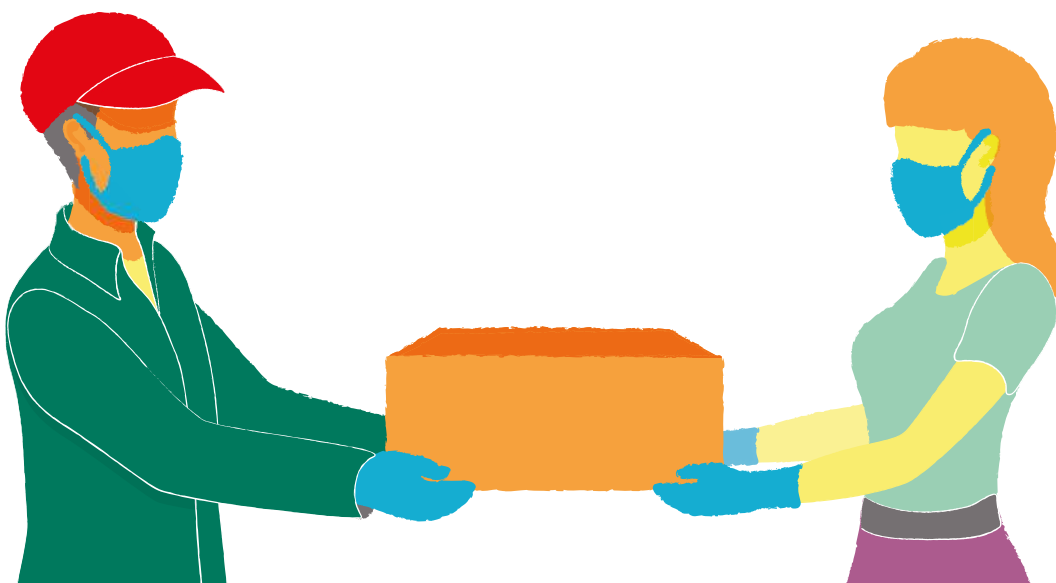
**2** Improved satisfaction for experiences in digital channels

**3** Growth in the number of customers who prefer to pay more for excellent service

**4** Customer experiences have generated more positive emotions and fewer negative ones compared to a year ago

**5** The timing of the UKCSI survey and the evolution of the COVID-19 pandemic

**6** A rise in customer satisfaction of younger age groups



# 1) Improved satisfaction with complaint handling

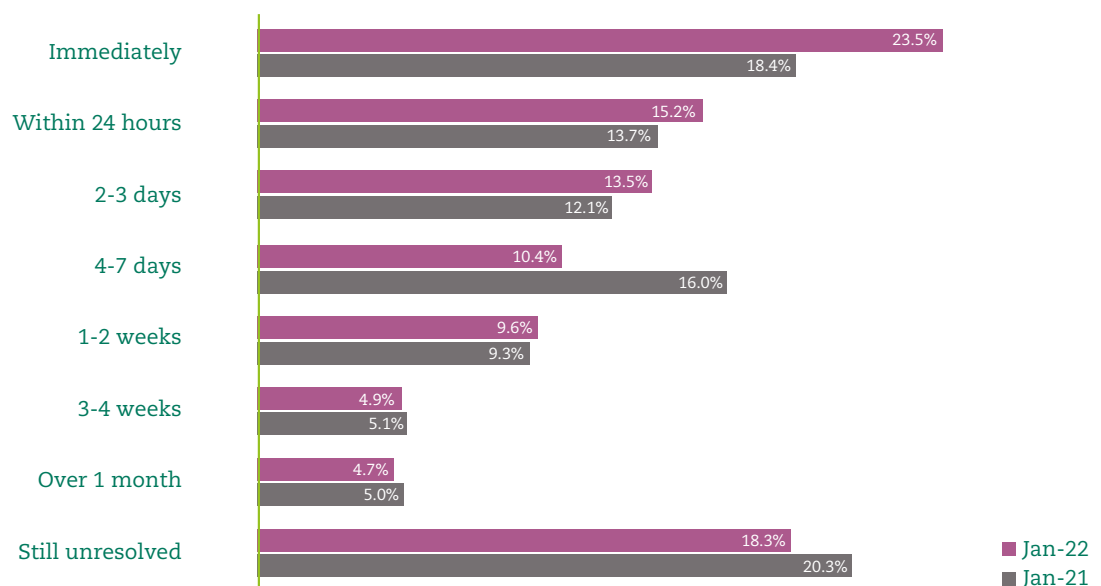
Across the 26 measures that make up the UKCSI, the biggest improvements compared to January 2021 are for complaint handling. Each of the four complaint handling measures is at least 0.8 points (out of 10) higher than a year ago.

## Problems and complaints

Measure	Jan 2021 UKCSI	Jan 2022 UKCSI	Change (on a scale of 1 – 10)
Outcome of the complaint	5.8	6.7	+ 0.9
Handling of the complaint	5.7	6.5	+ 0.8
Staff attitude	6.0	6.8	+ 0.8
Speed of resolving the complaint	5.6	6.5	+ 0.9
% customers experiencing a problem	14.6%	16.4%	+ 1.8

Compared to January 2021, more customers reported that their problem was resolved quickly. 23.5% of problems were resolved immediately, compared to 18.4% a year ago.

## How long did it take to resolve your problem?



Compared to January 2021, more problems were about quality, reliability or availability of goods and services. Organisations' responses to these issues tend to result in higher customer satisfaction than complaints concerned with staff competence, attitude or an organisation failing to meet commitments.

	% problems citing each issue			Average satisfaction (out of 100) of customers who experienced this problem		
	Jan-21	Jan-22	yoy change	Jan-21	Jan-22	yoy change
Quality or reliability of goods/services	31.8%	41.2%	9.4%	62.1	73.0	10.9
Suitability of goods/services (e.g. didn't do what you expected)	20.4%	25.1%	4.7%	66.7	74.9	8.2
Availability of good/services (e.g. couldn't find what you wanted)	19.5%	23.4%	3.9%	65.5	74.3	8.8
Late delivery / slow service	21.9%	19.4%	-2.5%	57.5	62.5	5.0
Staff competence	20.2%	18.5%	-1.7%	52.9	57.9	5.0
Staff attitude	17.4%	15.1%	-2.3%	53.0	53.9	0.9
Cost	11.7%	11.2%	-0.5%	57.7	63.2	5.5
XX not keeping its promises and commitments	16.9%	13.9%	-3.0%	42.1	45.0	2.9
Other	10.3%	10.0%	-0.3%	58.2	56.9	-1.3

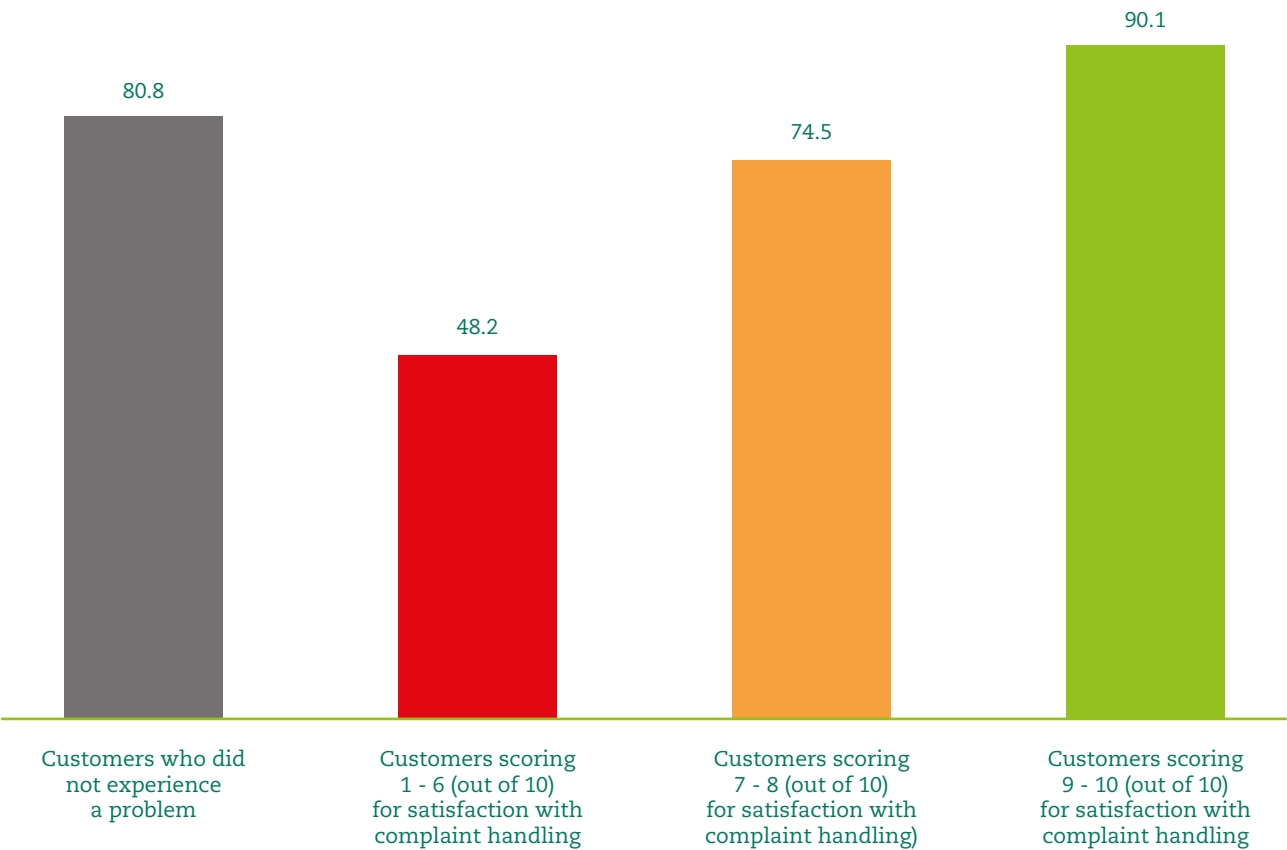
Average customer satisfaction is higher than in January 2021 in relation to almost all types of problem, especially for quality, reliability, suitability or availability of goods and services. A combination of the relatively high proportion of customers' problems citing quality, reliability, suitability or availability of goods and services and improved customer satisfaction with the

way these issues were handled are salient factors explaining the increase in average customer satisfaction with complaint handling. The likelihood of persisting supply chain disruption in 2022 will require continued focus on proactive communication with customers, complaint handling, risk and contingency management.

# Despite the gains in satisfaction with complaint handling, customers who have experienced a problem tend to be less satisfied than other customers

Only exceptional levels of complaint handling – resulting in a 9 or 10 (out of 10) rating – result in higher than average overall levels of customer satisfaction. This means that for organisations to achieve sustained high levels of customer satisfaction they need to focus on preventing problems as well as rectifying them.

## Impact of problems and complaint handling on overall customer satisfaction



Index scores out of 100

## 2) Improved satisfaction for experiences in digital channels

The latest UKCSI provides further evidence of customers' evolving channel use during the COVID-19 pandemic. In the last year, the proportion of customer experiences conducted via digital channels has grown and the number of in person experiences has fallen, though it is slightly higher in January 2022 than it was in July 2021.

### Customer experiences by channel recorded in the UKCSI

% Most Recent Contact	Jan-20	Jul-20	Jan-21	Jul-21	Jan-22
In person (e.g. visited a store/branch/office)	42.8%	41.7%	36.2%	30.4%	32.2%
Over the phone (e.g. called a contact centre)	16.6%	16.2%	17.4%	18.6%	18.3%
On their website	26.4%	26.3%	27.1%	29.0%	28.6%
Email	6.5%	7.6%	10.1%	11.8%	10.6%
Text	1.0%	1.3%	1.5%	1.4%	1.2%
Web chat	1.5%	1.8%	2.2%	2.6%	2.4%
App	3.2%	3.5%	4.0%	4.5%	5.0%
Social media	0.6%	0.6%	0.7%	0.8%	0.9%
In writing (letter)	1.3%	1.1%	0.9%	0.9%	0.8%

## Satisfaction for experiences conducted via text, webchat or social media has improved by at least 3 points compared to a year ago

Average customer satisfaction in July 2021 is higher than in January 2021 for experiences in all channels except for in writing (letter), which accounts for less than 1% of all experiences. In particular satisfaction for experiences conducted via text, web chat or social media has improved by at least 3 points compared to a year ago. Satisfaction for experiences via email or an app rose on average by more than 2 points. App and in person experiences attract the highest average levels of satisfaction.

This evidence suggests that many organisations have got better at managing transactions and relationships through digital channels and perhaps also that more customers have adapted successfully to different methods of dealing with organisations. At the same time, satisfaction with in person experiences has increased in every sector compared to January, especially in the Utilities, Telecommunications & Media, Transport, Tourism, Insurance and Automotive sectors.

### Average customer satisfaction by channel

	Jan-21	Jul-21	Jan-22	Jan 2022 compared to Jan 2021
In person (e.g. visited a store/branch/office)	79.3	80.2	81.3	2.0
Over the phone (e.g. called a contact centre)	73.8	74.4	74.6	0.8
On their website	78.3	78.9	79.5	1.2
Email	71.1	72.1	73.9	2.8
Text	67.7	70.9	73.7	6.0
Web chat	70.9	73.5	74.4	3.5
App	80.0	81.3	82.3	2.3
Social media	72.1	73.6	77.5	5.4
In writing (letter)	70.1	69.3	68.2	-1.9

Index scores out of 100

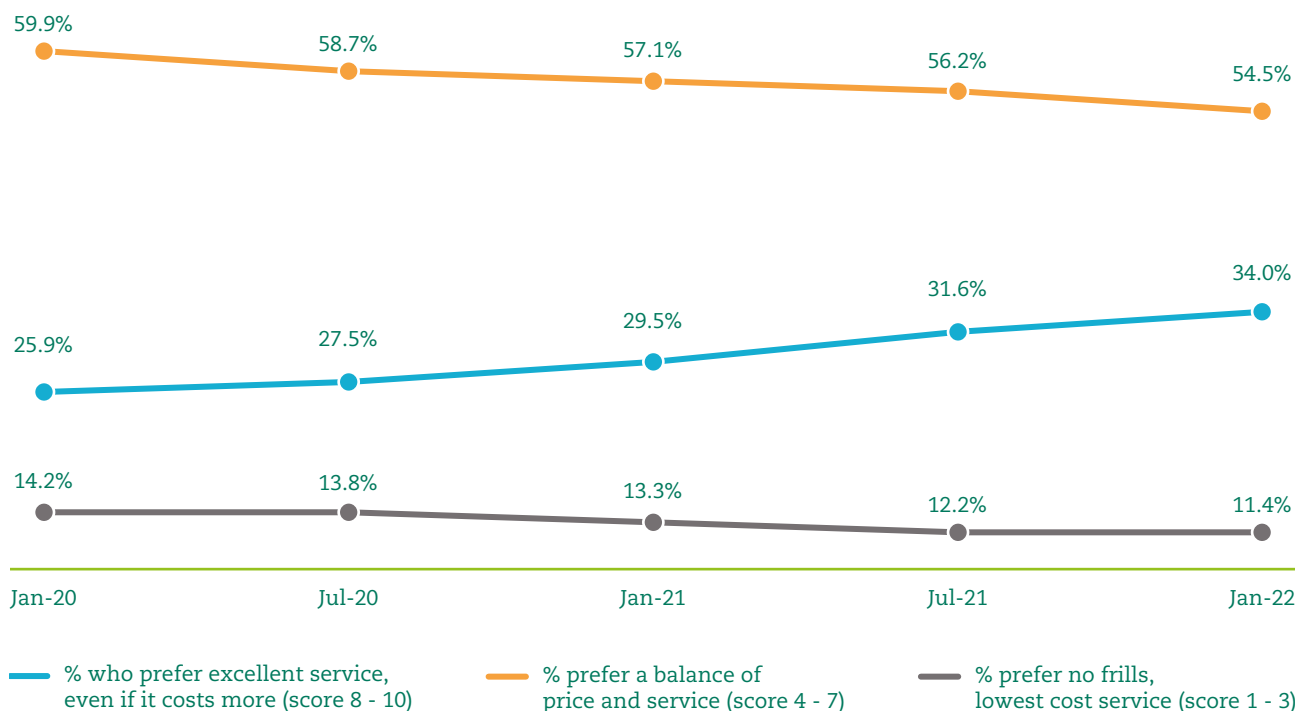


### 3) Growth in the number of customers who prefer to pay more for excellent service

We asked customers to prioritise the relative importance of service and price on a scale of one to ten, where one indicates a preference for lowest price, no frills service and ten expresses a preference for excellent or “premium” service, even if it means paying more.

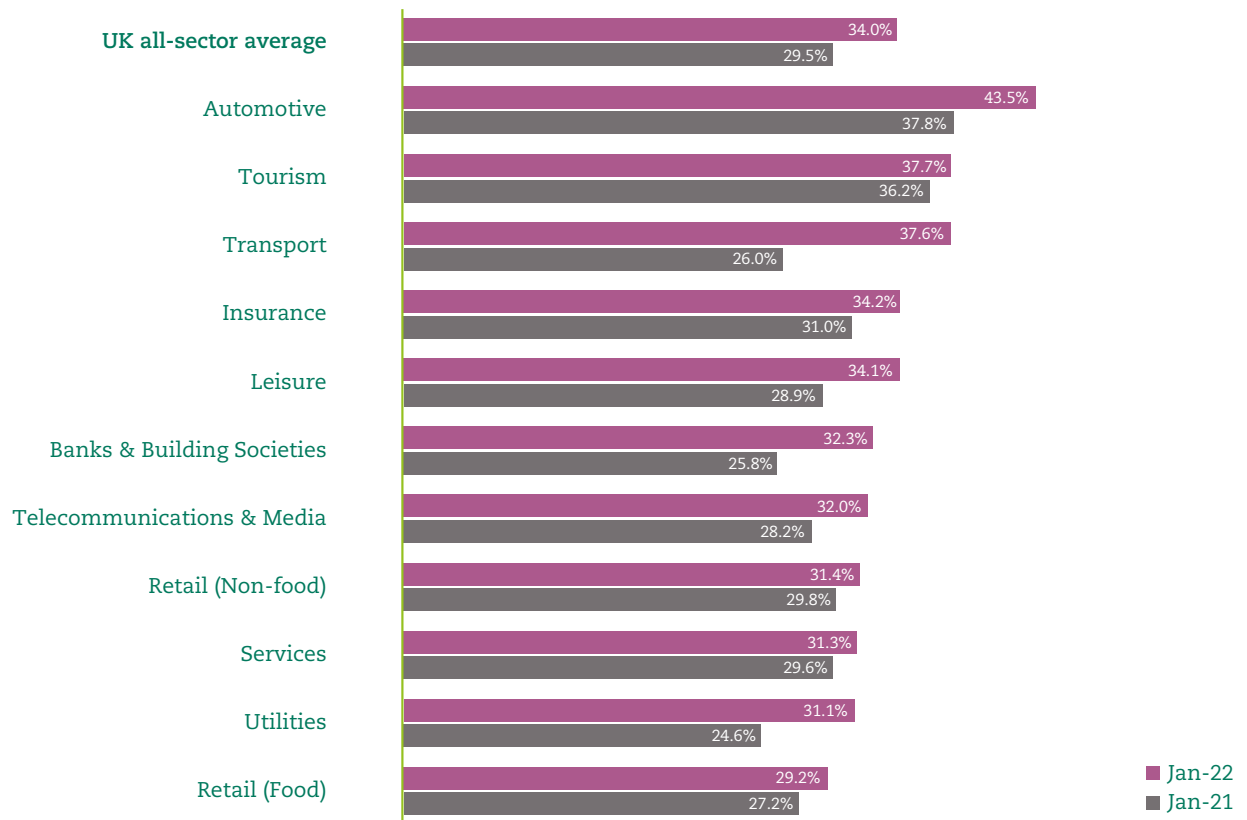
Our research indicates that 34% of customers would prefer to pay more to receive excellent service, 4.5 percentage points more than year ago and 8.1 points more than in the January 2020 UKCSI. At the same time, the number of customers who prefer no frills, lowest cost service has declined from 13.3% a year ago to 11.4%.

#### Service preferences: excellent service even if it costs more, or no frills lowest cost?



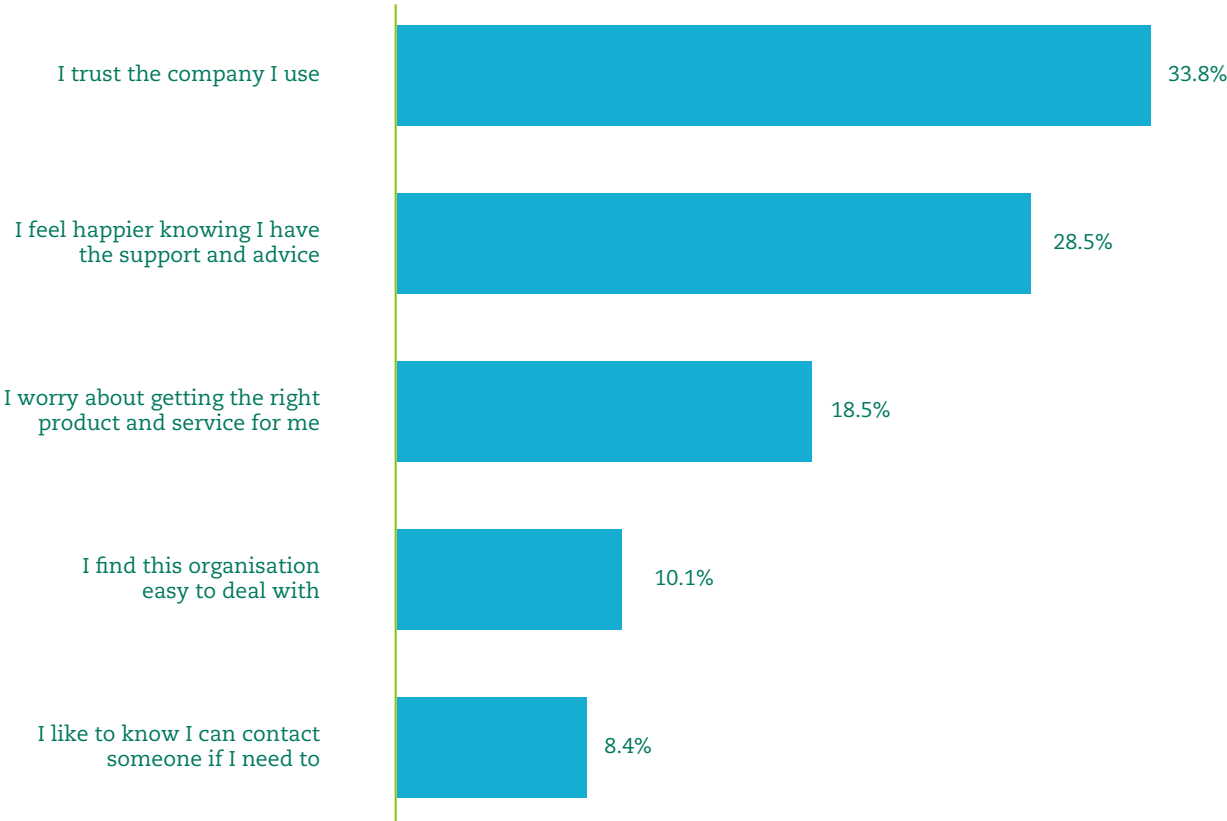
The preference for excellent service even if it costs more is particularly evident in the Automotive, Tourism and Transport sectors. The number of customers who are willing to pay more for excellent service has increased in every sector compared to a year ago, most obviously in the Transport sector.

### % customers who would prefer to pay more for excellent service



The leading reasons for customers to prefer excellent service, even if it costs more, are because they trust an organisation, or feel reassured that they are able to access support and advice.

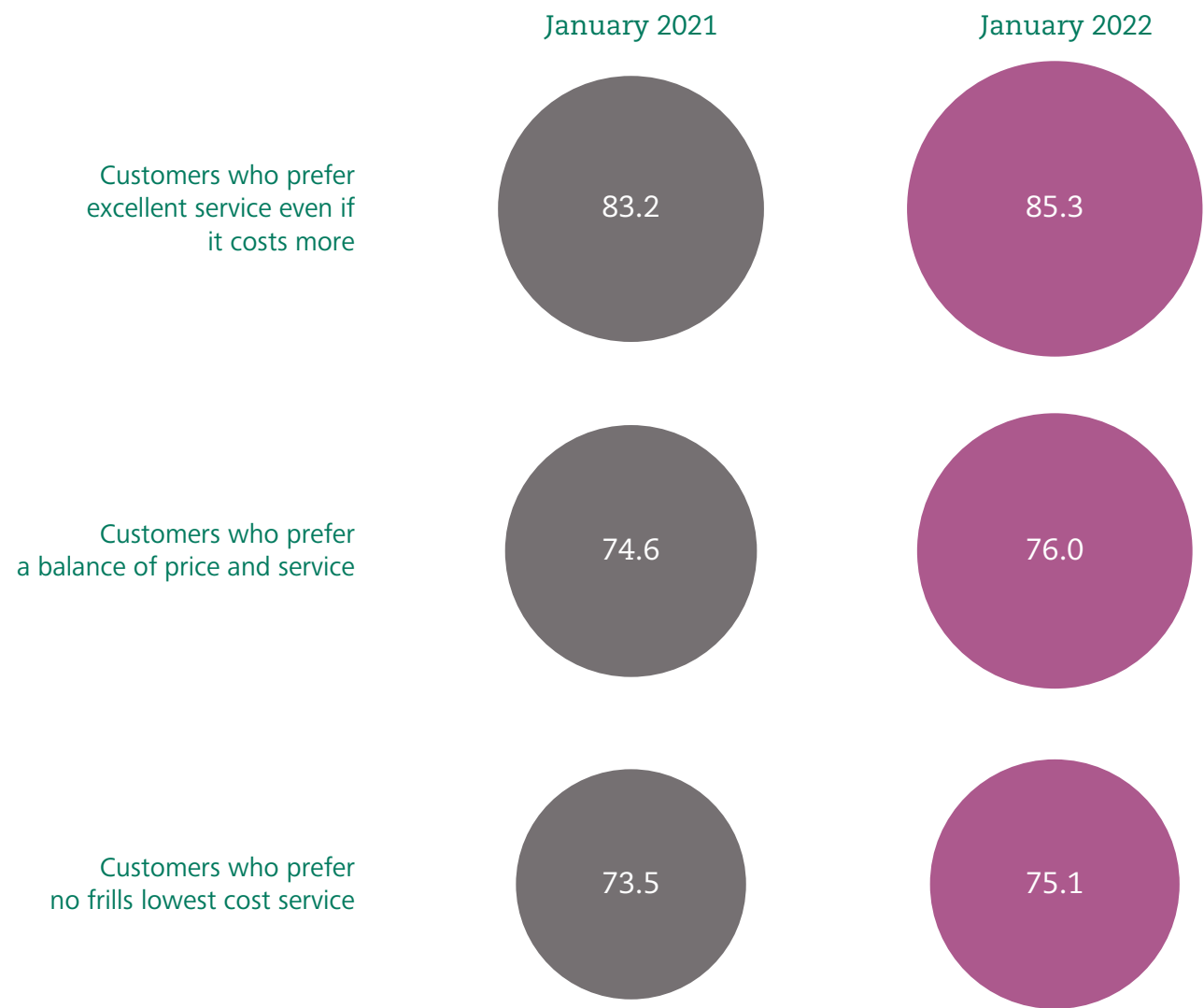
**Why do you prefer excellent service, even if costs more?**



# Customers who prefer excellent service, even if it costs more, have higher levels of satisfaction with organisations than other customers

The increase in the proportion of customers expressing this preference may therefore be one of factors contributing to the overall rise in customer satisfaction in the January 2022 UKCSI.

## Average customer satisfaction by service preference



Index scores out of 100

The difference in average satisfaction between customers who prefer to pay more for excellent service, and other customers, is most marked in the Utilities, Transport, Telecommunications and Media and Services sectors.

### Average customer satisfaction by service preference

Sector	Customers who prefer excellent service, even if it costs more	All customers	Gap
<b>All-sector average</b>	<b>85.3</b>	<b>78.4</b>	<b>6.9</b>
Automotive	85.1	80.7	4.4
Banks & Building Societies	85.2	80.2	5.0
Insurance	85.3	80.5	4.8
Leisure	86.5	81.7	4.8
Retail (Food)	85.1	81.0	4.1
Retail (Non-food)	85.9	81.5	4.4
Services	84.6	77.4	7.2
Telecommunications & Media	84.1	76.3	7.8
Tourism	85.5	80.4	5.1
Transport	85.2	75.1	10.1
Utilities	85.3	74.5	10.8

Index scores out of 100

#### 4) Customer experiences have generated more positive emotions and fewer negative ones compared to a year ago

In the UKCSI, customers are asked to describe how they feel about their experience with an organisation from a selection of 25 words capturing a range of positive and negative emotions. In January 2022, there has been a small but noticeable increase in the number of customers describing their experiences in positive terms and a lesser incidence of negative sentiments. Compared to January, more customers chose words such as “hopeful”, “inspired” or “happy” to characterise their experience with an organisation. Slightly fewer customers used words like “frustrated”, “bored” or “indifferent”. The positive changes in sentiment may reflect the re-opening of many services from summer 2021 as well as specific experiences with organisations. Future UKCSI surveys will show whether the uplift in sentiment is particular to the specific context of 2021 or is a sustained trend.

##### Relative amount of positive and negative emotions used by customers to describe their experiences with organisations

###### Positive emotions



Jan-22

77.8%

Jan-21

76.7%

###### Negative emotions



Jan-22

22.2%

Jan-21

23.3%

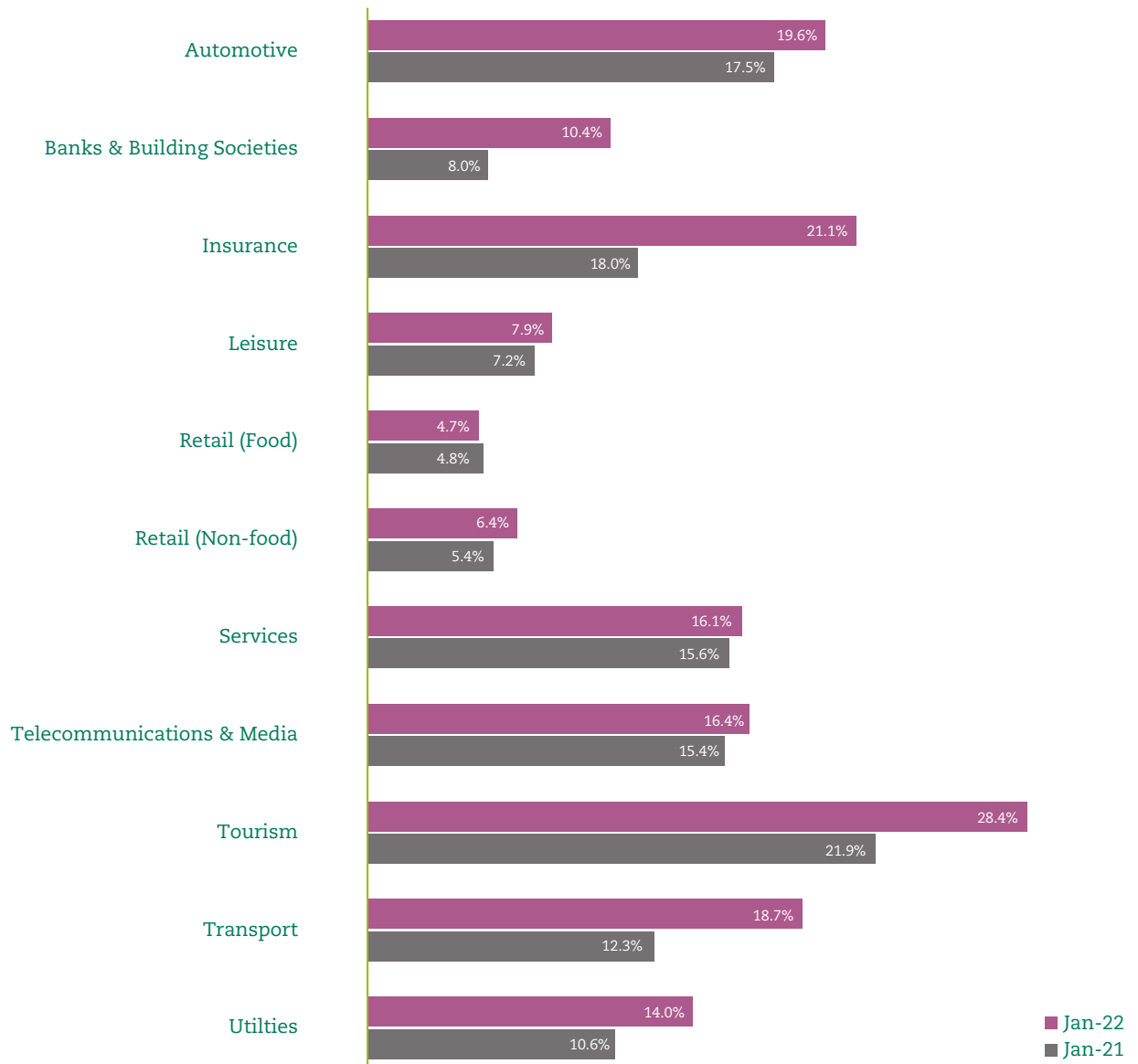
The increase in positive sentiment was most apparent in the Tourism, Transport and Leisure sectors and is reflected in the improvement in customer satisfaction in these and other sectors. By contrast, in the Public Services sectors (Local and National) sectors, the frequency of positive emotions was less and there has been a growth in negative sentiment compared to a year ago.

### Relative amount of positive and negative emotions used by customers to describe their experiences with organisations: change between Jan 2021 and Jan 2022

Sector	Positive emotions	Negative emotions
<b>All-sector average</b>	<b>1.1%</b>	<b>-1.1%</b>
Automotive	2.0%	-6.3%
Banks & Building Societies	-0.2%	1.1%
Insurance	0.7%	-0.2%
Leisure	2.0%	-6.7%
Public Services (Local)	-2.8%	18.8%
Public Services (National)	-0.8%	-3.7%
Retail (Food)	2.5%	-11.1%
Retail (Non-food)	0.0%	-3.5%
Services	-0.2%	7.9%
Telecommunications & Media	1.0%	5.2%
Tourism	5.1%	-13.3%
Transport	5.7%	6.4%
Utilities	-0.7%	-1.7%

Across almost all the commercial sectors the number of people getting a quote or looking at products and services has increased in the July 2021 UKCSI, compared to January 2021. This may reflect a both renewed desire in many customers to resume activity after the lifting of Covid-19 restrictions from summer 2021, especially in the Retail, Tourism and Transport sectors and a growing trend that customers think carefully about whether, how and where they spend.

**Getting a quotation / looking at products or services  
on offer as a % of customer experiences in the UKCSI**

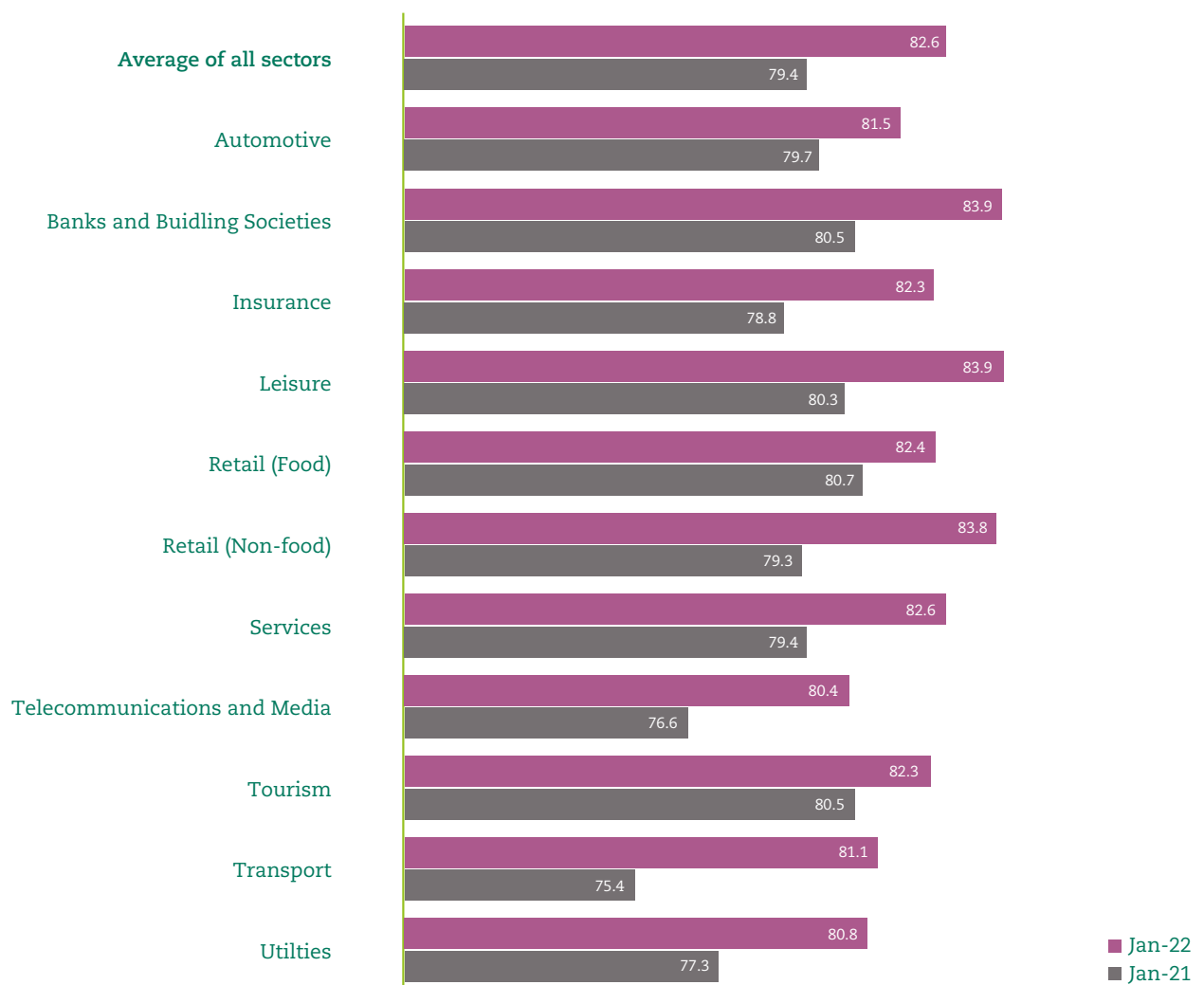




# Customer satisfaction has improved across most types of contact and experiences and especially for getting a quote / looking at products and services

Average satisfaction for this type of contact rose by 3.4 points to 82.6. The rise was most marked in the Transport, Retail (Non-food), Telecommunications & Media, Leisure, Insurance, Utilities and Banks and Building Societies sectors.

## Average satisfaction with getting a quote / looking at products and services on offer



Index scores out of 100

## 5) The timing of the UKCSI survey and the evolution of the COVID-19 pandemic

The UKCSI usually focuses on year on year comparisons and trends in customer satisfaction. Since the July 2020 UKCSI, we have also reviewed how customer satisfaction has evolved through the COVID-19 pandemic by examining data about customer experiences from the specific time periods in which the research was conducted.

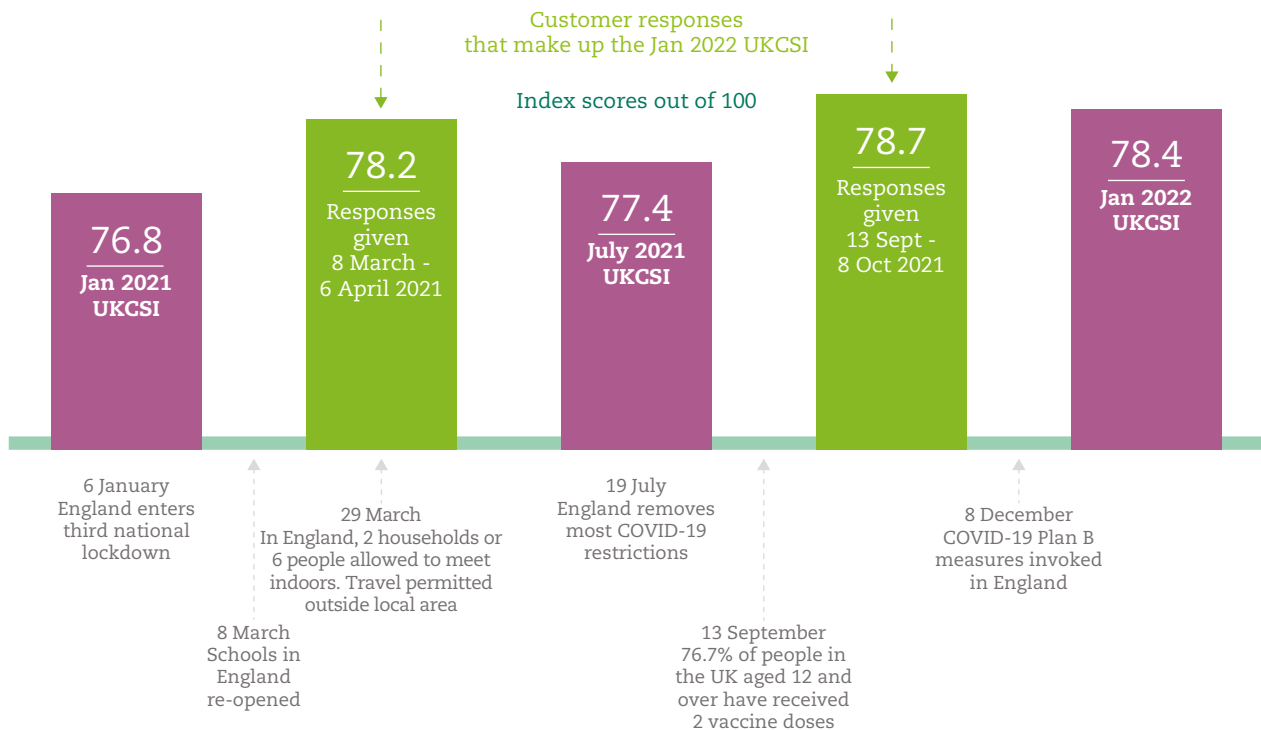
This UKCSI is based on customer experiences recorded in distinct phases of the COVID-19 pandemic.

- The first dataset was collected between 8 March and 6 April 2021, after the start of the vaccination programme but before the re-opening of non-essential retail on 12 April 2021
- The most recent dataset was collected between 13 September and 8 October 2021, after the removal of most COVID-19 restrictions (in England) in July 2021 and before the invocation of COVID Plan B measures in December 2021.

## Average customer satisfaction increased for experiences recorded in both March and April and September and October 2021

Average customer satisfaction for experiences recorded in September and October 2021 was 78.7 (out of 100), 0.5 points higher than those recorded in March and April 2021 and 1.9 points above the January 2021 UKCSI.

### Average customer satisfaction during the COVID-19 pandemic



In the Automotive sector, average satisfaction for experiences recorded in September and October 2021 was 2.8 points higher than those recorded the preceding March and April. Average satisfaction in the Insurance and Retail (Food sectors) increased by 1.8 and 1.7 points respectively when comparing September and October 2021 to March and April.

The Transport sector continued to earn increased customer satisfaction for experiences in September and October but the level of growth was less than in March and April and is more evident for Air travel than for other modes of transport. Experience from earlier phases of the COVID-19 pandemic have shown that the Transport and Tourism sectors are particularly affected by changes in customer behaviour caused by COVID-19 rules or safety concerns.

Customer satisfaction in both Public Services sectors is at least 2 points lower for experiences recorded in September and October 2021 than it was in the preceding March and April.

Jan-22 Rank	Jan 2021 UKCSI	Responses given 8 March - 6 April 2021	July 2021 UKCSI	Responses given Sept / Oct 2021	Jan 2022 UKCSI	yoy change	Change between Sept / Oct and March / April 2021 responses
<b>UK all-sector average</b>	<b>76.8</b>	<b>78.2</b>	<b>77.4</b>	<b>78.7</b>	<b>78.4</b>	<b>1.6</b>	<b>0.5</b>
Automotive	78.4	79.3	79.1	82.1	80.7	2.3	2.8
Banks & Building Societies	78.3	79.6	78.8	80.8	80.2	1.9	1.2
Insurance	78.4	79.6	79.0	81.4	80.5	2.1	1.8
Leisure	80.1	81.4	80.7	82.0	81.7	1.6	0.6
Public Services (Local)	74.4	74.6	73.7	72.3	73.4	-1.0	-2.3
Public Services (National)	76.7	78.2	77.3	75.6	76.9	0.2	-2.6
Retail (Food)	80.0	80.1	80.4	81.8	81.0	1.0	1.7
Retail (Non-food)	80.5	81.5	81.2	81.5	81.5	1.0	0.0
Services	76.6	77.3	76.6	77.5	77.4	0.8	0.2
Telecommunications & Media	74.3	75.9	75.2	76.7	76.3	2.0	0.8
Tourism	77.7	80.3	78.8	80.6	80.4	2.7	0.3
Transport	69.9	74.3	71.5	75.9	75.1	5.2	1.6
Utilities	72.7	73.9	73.5	75.1	74.5	1.8	1.2



Positive movement of at least 1 point

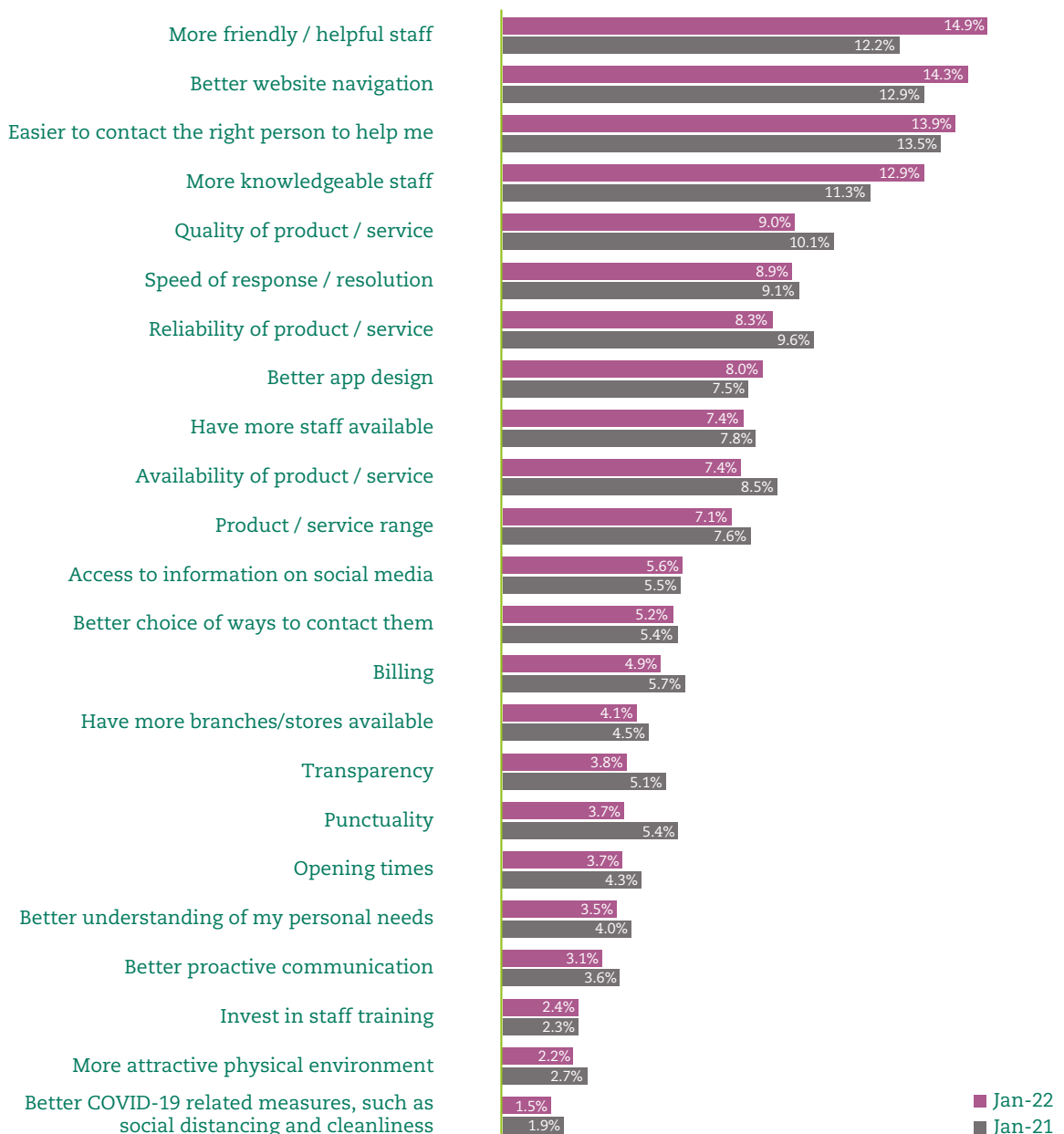


Negative movement of at least 1 point

# More friendly and helpful staff, website navigation and making it easier to contact the right person to help are the leading issues customers want organisations to improve

The UKCSI asks customers what they believe the organisation they dealt with should improve. More friendly, helpful and knowledgeable staff and better website navigation have been raised more frequently than in the January 2021 UKCSI as issues organisations should improve.

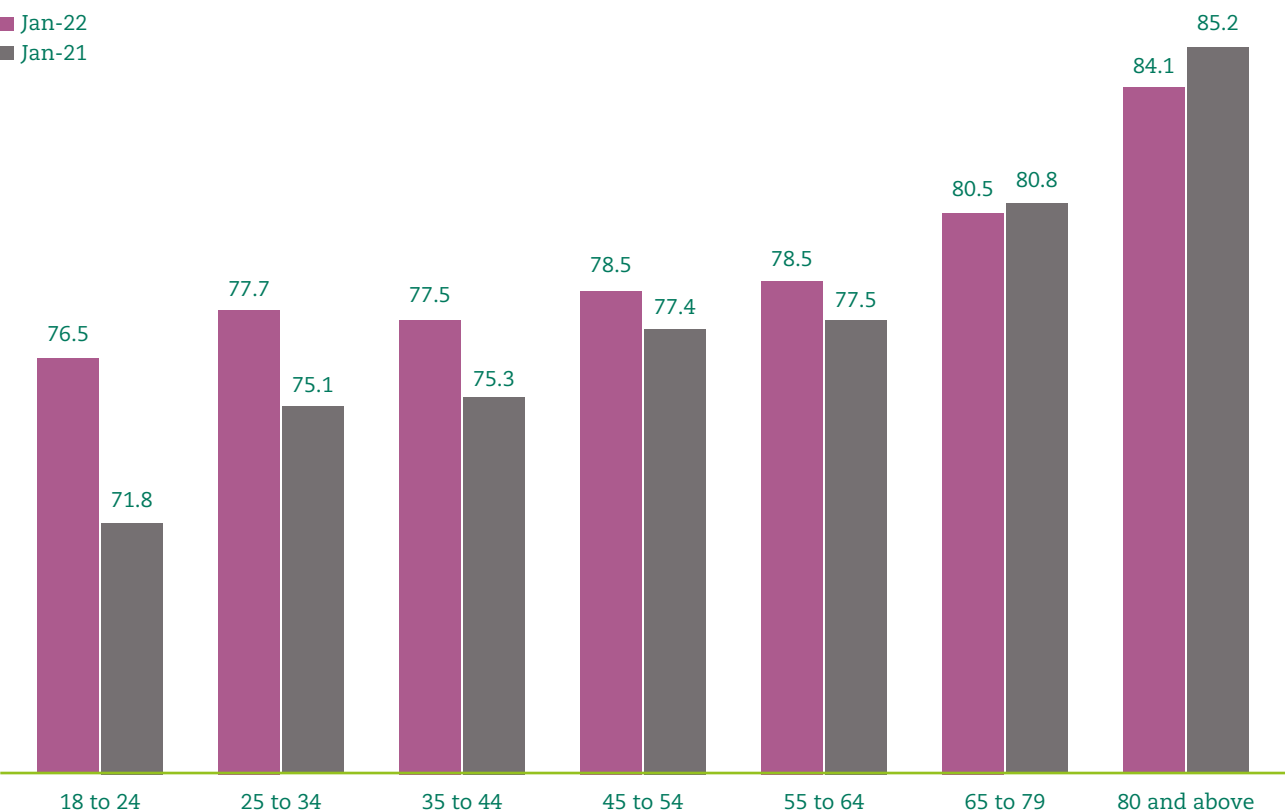
## What should xx do to improve its service?



## 6) A rise in customer satisfaction of younger age groups

In general, average customer satisfaction by age group has shown a consistent pattern since the UKCSI began in 2008. Customer satisfaction tends to be lower than average for younger customers (aged 18 – 44) and above average for older customers (those aged 45 or over and especially customers aged 65 and over). The January 2022 follows this trend but there are marked variations in the year on year change in customer satisfaction for different age groups.

### Customer satisfaction by age group



## Average satisfaction has improved in all age cohorts between 18 and 64, and especially amongst customers aged 18 - 34

These customers are more satisfied than a year ago on the range of measures that make up the UKCSI, especially for satisfaction with complaint handling. Despite this improvement, more of these relatively younger customers have experienced a problem with an organisation than a year ago and the average level of customer effort has risen.

Although customers aged 65 and over continue to exhibit higher levels of satisfaction than other customers, they are less satisfied than they were in January 2021. They are less likely than younger customers to experience a problem with an organisation although complaint handling is the only area in which people over 65 have lower satisfaction than customers aged 18 – 34. However, even customers aged 65 and over are more satisfied with complaint handling than they were a year ago.

### Customer satisfaction measures by age group

Measures on a scale of 1 – 10 except where indicated	Average of customers aged 18 – 34	yoy change	Average of customers aged 65 and over	yoy change
UKCSI (out of 100)	77.1	+ 3.6	82.3	- 0.7
% customers experiencing a problem	23.2%	+ 4.1% points	10.6%	+ 0.6 % points
Satisfaction with handling of the complaint	7.4	+ 1.5	5.3	+ 0.6
Customer effort	6.4	+ 0.7	3.6	+ 0.2

# 5

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## Recommendations for organisations



Based on this UKCSI and the other recent Institute research we have set out 10 key areas of focus to maintain high levels of customer satisfaction, trust, employee engagement, productivity and business performance.

-  **1** Define and communicate a clear organisational purpose
-  **2** Integrate technology and human intervention in service experiences
-  **3** Reduce problems and improve productivity across the supply chain
-  **4** Focus on employee engagement and well-being
-  **5** Develop the skills, capabilities and behaviours required to deliver customer experience objectives
-  **6** Demonstrate local relevance and engagement
-  **7** Integrate ESG (Environmental, Social Governance) and the customer proposition
-  **8** Strengthen risk management, resilience and contingency planning
-  **9** Develop expertise in management of data and cybersecurity
-  **10** Improve capacity for innovation and agility

# 1) Define and communicate a clear organisational purpose

We believe that organisations with a clear purpose are more likely to create meaningful work for their employees, generate higher levels of employee engagement and productivity and achieve better business outcomes. In the coming year, many organisations will need to review which customers they serve, the range of products, services and channels they offer and the levels of service they can deliver. A clear purpose will be essential in enabling organisations to align people, stakeholders and resources to respond quickly and effectively to disruptive change. Redefining or restating organisational purpose is also an opportunity to re-engage and re-energise employees around a shared vision and values.

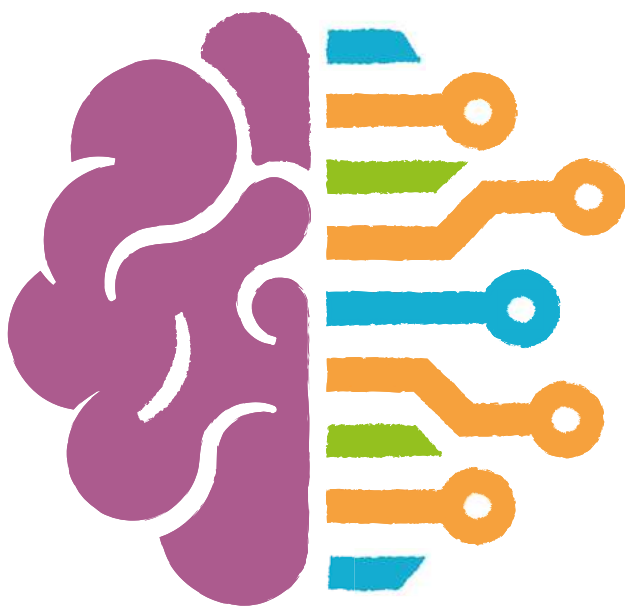
## Key actions for organisations

- Define an organisational purpose that is clear, relevant and engaging to customers and employees
- Ensure that the organisation's purpose articulates why the organisation exists, which customers it serves, the value the organisation creates for its customers and the difference it makes
- Communicate the purpose across the organisation and to suppliers and partners
- Where appropriate, position the organisation's purpose in the context of its societal impact and responsibilities



## 2) Integrate technology and human intervention in service experiences

The growing use of digital channels in the past 2 years has heightened the importance delivering a consistent quality of experience across channels and understanding the context in which human or digital interventions achieve the greatest benefits. The ability to integrate human, digital and artificial intelligence-enabled experiences will increasingly be a key differentiator in customer service.

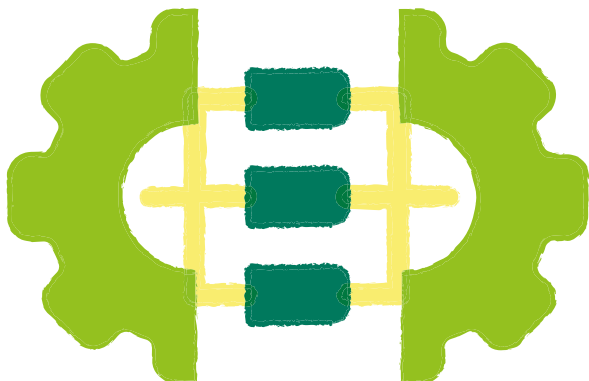


### Key actions for organisations

- Understand customers' preferences for interacting through different channels, according to the type of experience and personal context
- Identify opportunities to improve service through use of digital technologies, automation or artificial intelligence
- In designing customer journeys, identify key phases of customer experience where human intervention generates significant benefits
- Involve customers and employees in the concept, design and testing of new technologies
- Enable customers to speak to a person when they feel it is required
- Recruit and develop employees who demonstrate skills in customer relationship management and the ability to use and demonstrate technology to customers
- Provide coaching and support to help customers interact using digital or artificial intelligence technologies and to demonstrate the benefits
- Forecast and measure the impact of evolving channel use on costs, revenue and customer satisfaction

### 3) Reduce problems and improve productivity across the supply chain

Supply chain disruption, rising costs, difficulties in recruiting people with the required skills and COVID-19 related absences are causing unprecedented pressures for many organisations. The number of customers who have experienced a problem with an organisation is at its highest level since the UKCSI began measuring customer satisfaction in 2008. But satisfaction with complaint handling has improved and customers often recognise that supply chain issues and COVID-19 absences are macro problems that cannot be easily controlled or rectified. Nevertheless, persistent occurrence of problems causes increased costs and damages productivity. It remains the case that for most customers, in most situations, experiencing a problem will result in lower satisfaction than if a problem did not occur. Reducing problems – especially those that are avoidable - will therefore be critical to improving productivity and customer satisfaction.



#### Key actions for organisations

- Focus on getting things right first time, reducing errors and rework
- Map the customer journey focusing on where employees are spending time and effort; the impact of internal hand-offs and supplier relationships; and the extent of problems, repeat contacts and rework
- Identify root causes of problems and complaints and develop plans to address them
- Develop collaborative relationships with suppliers and partners
- Make it easy for customers to access key information and services
- Harness artificial intelligence, automation and process reviews to improve efficiency of back office processes and routine customer interactions
- Encourage employees to collaborate to solve problems and produce ideas to improve productivity and customer satisfaction
- Align individual performance measures and the organisation's customer satisfaction and financial objectives in order to promote desired employee behaviours and competences

## 4) Focus on employee engagement and well-being

Engaged employees demonstrate discretionary effort and empathy, deliver consistent performance and generate new ideas to improve processes or customer experience. These behaviours lead to better customer satisfaction, productivity, agility and business performance.

Our research has shown that the leading drivers of employee engagement are being recognised and thanked by managers, the opportunity to develop skills and a career, being consulted about relevant issues, quality of an employee's relationship with a line manager and regular and timely communications<sup>10</sup>. Experiences during COVID-19 have heightened awareness about the importance of caring for the well-being of employees, including those who have attended physical locations or visited customers' premises throughout the pandemic; people working at home or practising a hybrid of home and office working; and employees who have suffered illness or loss. In an environment of widespread skills shortages,

organisations increasingly recognise a need to ensure that working arrangements, employee benefits and support for career development reflect the diverse needs and aspirations of employees, as well as enabling organisational culture and purpose.



<sup>10</sup> See The Customer Knows (2016) available at [www.instituteofcustomerservice.com/research](http://www.instituteofcustomerservice.com/research)

### Key actions for organisations

- Ensure all employees understand the organisation's purpose and strategy and how their role helps deliver it
- Develop the ability of line managers to communicate and engage with employees through different channels
- Ensure every employee has a personal development plan tailored to their needs and aspirations
- Ensure that one to one meetings include a focus on personal development and well-being as well as operational performance
- Use a range of methods including webinars, video content and face to face meetings to enable timely, relevant and authentic communications between senior leaders and employees
- Consult with, and give employees a voice, on practical issues that affect them
- Empower employees to make appropriate decisions that support customer experience objectives
- Give recognition to outstanding contribution and performance, especially for employees in frontline service roles
- Encourage employees proactively to manage their mental health and well-being and make sure they are aware of the support your organisation provides including line manager support, information resources, an employee helpline or counselling service
- Review flexibility of working arrangements and employee benefits to ensure they support recruitment and retention objectives
- Maintain a continuing risk assessment and focus on the threat of COVID-19
- Measure employee engagement through a variety of methods including employees meeting with senior leaders, focus groups, informal feedback, uptake of training and development, regular short surveys

## 5) Develop the skills, capabilities and behaviours required to deliver customer experience objectives

Changes in customer behaviour, technology, regulation and the impact of COVID-19 mean that organisations increasingly require a diverse range of skills, capabilities and behaviours.

The growing use of automation and artificial intelligence for routine transactions means that many employees will spend more of their time dealing with complex customer issues, requiring heightened skills in problem-solving, communications and managing customer relationships. The growth in digital customer experiences and the broader omnichannel environment has created greater need for skills in customer experience design, data management, cybersecurity and for employees who can work across channels. Successful deployment of automation and artificial intelligence requires individuals with a blend of skills in applications design and implementation, data analytics and customer experience design.

Many organisations face difficulties in recruiting, developing or retaining employees with key skills and capabilities. Our recent research suggests that for most organisations, existing employees will be the most important source for evolving skills and capabilities. This means there is a greater need to focus on effective recruitment and induction, training and development and retention of employees.

### Key actions for organisations

- Create a sustainable, long-term skills, training and development plan that is regularly reviewed and appropriately resourced
- Deploy a range of training methods appropriate to learning content and diverse learning styles
- Measure the effectiveness and return on investment of training and development
- Use a variety of recruitment channels and methods appropriate to the roles being recruited
- Recruit from diverse backgrounds, and for an appropriate mix of technical skills, attitude and personal integrity
- Consider developing informal or formal relationships with education providers to position the organisation as a credible employer and raise awareness about skills needs
- Ensure every individual has a personal development plan and is encouraged to take responsibility for their development
- Review the effectiveness of employee induction and onboarding programmes, ensuring that they support the organisation's purpose and customer experience objectives
- Ensure resource planning takes into account time for one-to-one meetings, training and development activity

### Key skills, capabilities and behaviours required to deliver customer experience objectives

- Individuals who combine skills in interpersonal relationships and technology to manage customer relationships
- Coaching, managing and engaging colleagues
- Communication and managing customer relationships
- Customer experience design
- Problem-solving
- Artificial intelligence and applications development
- Empathy
- Data analytics
- Ability to guide customers through technical applications
- Cybersecurity
- Employees with a blend of technical, commercial and customer management skills



## 6) Demonstrate local relevance and engagement

Evidence in this UKCSI further demonstrates that many customers actively choose organisations that are perceived as local, employ local people and support local communities. This salience on “localness” appears to be especially strong in the Leisure, Retail (Food), Services, Transport and Automotive sectors. As a result, it will be increasingly important for organisations to demonstrate their engagement with and support for local communities in which they operate.

### Key actions for organisations

- Support local charities and community engagement
- Give employees the opportunity to volunteer to support local community initiatives
- Develop relationships with local schools and colleges to support students’ education performance and motivation and give them a greater understanding of employment opportunities
- Ensure that the make-up of the workforce reflects the communities in which the organisation operates
- Engage local suppliers where possible



## 7) Integrate ESG (Environmental, Social Governance) and the customer proposition

This UKCSI has provided fresh evidence about the importance customers attach to ethical factors when choosing an organisation. It will become increasingly important for organisations to understand the relative importance of a range of ethical issues from their customers' perspective, the trade-offs customers are prepared to make between different requirements and the extent to which people will pay more for high ethical standards.

Organisations will need to evidence their ethical standards and behaviour with credibility and authenticity, demonstrating that ESG is a long-term commitment that is consistent with and supports the organisation's purpose and customer proposition.

### Key actions for organisations

- Develop a strategy setting out ESG standards and practice, especially in relation to the way employees are treated, environmental sustainability, support for vulnerable customers, engagement with communities in which the organisation operates and governance standards
- Define a consistent framework of ESG measures and publish performance against defined measures
- Encourage suppliers and stakeholders to adopt the organisation's approach to ESG
- Embed ESG principles in the organisation's business processes and operations
- Ensure there is board-level accountability for ESG performance
- Publish transparent policies and guidance about the help available to vulnerable customers
- Take into account the needs of vulnerable customers in designing customer journeys
- Work with partner organisations, regulators and third sector organisations to identify opportunities to improve support for vulnerable customers
- Create and publish a diversity and inclusiveness strategy, setting out principles, objectives and measures

## 8) Strengthen risk management, resilience and contingency planning

Organisations face multiple risks that potentially affect customer service including supply chain delays, staff shortages, changes in COVID-19 safety measures, extreme weather events and cybersecurity breaches. As a result, resilience and risk management have become critical in planning and delivery of customer experience.

### Key actions for organisations

- Review resilience of operations and supply chains; identify potential risks and contingency
- Assess and monitor potential vulnerabilities in key infrastructure and data
- Develop collaborative partnership relationships with key suppliers
- Review and update demand and resource forecasts to align resource to meet changes in customer needs
- Continually monitor reliability of delivery of key products and services, identify issues and take rapid remedial action
- Ensure processes are in place for accurate and timely updating of customer data
- Ensure employees' training in issues affecting resilience and risk management is current
- Develop recruitment, training and development plans based on evaluation of the organisation's current and future resource needs
- Integrate risk management into project and business improvement processes
- Ensure that there is senior management accountability for defined risks

## 9) Develop expertise in management of data and cybersecurity

Customer data and cybersecurity have become key disciplines of customer experience. Management of customer data – how it is collected, stored and deployed – is essential to enabling the potential benefits of personalisation, artificial intelligence and customer engagement in an omnichannel context. The growing threat of online scams and concerns about the impact of data breaches have further highlighted the critical importance of data management and cybersecurity.

### Key actions for organisations

- Define the key datasets required to enable customer experience and commercial objectives
- Review how employees across the organisation access knowledge and data resources that enable customer service
- Engage proactively with customers to test new ideas that offer enhanced personalisation of service
- Ensure there is a clear responsibility for the organisation's data management, through a designated Chief Data Officer and / or clearly defined responsibilities of operational units
- Define standards and governance about how customer data is collected, recorded, updated and used
- Ensure employees and other parties involved in delivering the organisation's customer experience are trained in data management and security
- Develop a strategy to integrate data and systems to support the organisation's customer experience objectives
- Conduct risk assessment to identify potential vulnerability and reduce the risk of data breaches
- Develop contingency plans to communicate and engage with customers, employees and other stakeholders in the event of data losses or security incidents

## 10) Improve capacity for innovation and agility

Recent research by The Institute suggests that the capacity for innovation will be increasingly important in delivering organisation's customer experience objectives. During the COVID-19 pandemic many organisations have found new ways of delivering service or enabling collaboration. Customers have appreciated innovation or new practice such as better scheduling of appointments, support and advice for well-being and improved app design. Organisations have learnt more about the potential of collaborative technologies to share knowledge and speed up project and business improvement activity.

Often, organisations' innovation and agility has tended to focus on technology, processes and product development. In the future, innovation will also become crucial in the context of customer experience design, especially in developing the optimum blend of experiences combining digital, artificial intelligence and human elements. Organisations will need to develop the culture, capacity and capabilities to generate ideas, qualify and operationalise them to deliver service and financial benefits, whilst maintaining a focus on core activities.

### Key actions for organisations

- Recruit employees from diverse backgrounds, testing for intellectual curiosity as well as attitude, experience and technical expertise
- Encourage employees to submit ideas to improve service, generate savings or new opportunities. Give feedback about new ideas that are submitted
- Develop a process for rapid qualifying and testing of ideas
- Promote use of collaboration tools that enable employees to share knowledge and speed up projects and business improvement activity
- Investigate the benefits of methodologies to improve project management and business improvement such as Agile, Six Sigma or Kano
- Hold brainstorm / innovation sessions with diverse groups of employees, customers, trusted suppliers or partners
- Monitor ideas and examples of innovation from organisations outside your sector
- Review emerging technologies and assess their relevance to your sector or business model
- Seek feedback from customers about how the organisation should improve and involve customers in the concept, design and testing of new services or technologies

# UKCSI

## Key facts

12

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Number of years UKCSI has run.

The UKCSI is published twice a year, normally in January and July.

13

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Number of sectors the UKCSI covers, 11 in the private sector as well as the local and national public sectors. The Institute also publishes sector reports with a detailed breakdown of scores by sector and organisation.

45,000

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Number of unique responses included in January 2021, from over 10,000 customers. Customers are geographically and demographically representative of the UK population and participate in the survey through an online panel. Customers are asked to provide a score for organisations based on their most recent interaction.

3,000

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Number of responses per sector, except for Transport and Utilities, which have 6,000 responses each.

273

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Number of individual organisations and organisation types which received a UKCSI rating. 260 named organisations which have exceeded a minimum sample size are scored in the 13 sector reports. In addition, scores are given for 13 generic providers including “your local Council”, “your local restaurant/takeaway” etc.

# Organisations included in the January 2022 UKCSI

## Automotive

Audi  
BMW  
Citroen  
Dacia  
Fiat  
Ford  
Honda  
Hyundai  
Jaguar  
Kia  
Land Rover  
Lexus  
Mazda  
Mercedes-Benz  
Mini  
Mitsubishi  
Nissan  
Peugeot  
Renault  
Seat  
Škoda UK  
Suzuki  
Tesla  
Toyota  
Vauxhall  
Volkswagen  
Volvo

## Banks & Building Societies

Bank of Scotland  
Barclays  
first direct  
Halifax  
HSBC  
Lloyds  
M & S  
Metro Bank  
Nationwide  
NatWest  
RBS  
Sainsbury's  
Santander  
Tesco  
The Co-operative Bank  
TSB  
Ulster Bank  
Virgin Money  
Yorkshire Bank  
Yorkshire Building Society

## Insurance

AA Insurance  
Admiral  
Aviva  
AXA  
BUPA  
Churchill  
Co-op Insurance  
Direct Line  
Esure

Halifax  
Hastings Direct Insurance  
Legal and General  
Lloyds  
LV=

M & S (insurance)  
More Than  
Nationwide Insurance  
Petplan  
Privilege  
Prudential  
RAC  
RIAS  
SAGA Insurance  
Sainsbury's  
Swinton  
Tesco  
Virgin Money

## Leisure

Amazon Prime Video  
Burger King  
Caffe Nero  
Costa Coffee  
Deliveroo  
Domino's Pizza  
Greggs  
JD Wetherspoon  
Just Eat  
KFC  
Ladbrokes  
McDonald's  
Nando's  
Netflix  
Now TV  
Pizza Hut  
Spotify  
Starbucks  
Subway  
Toby Carvery  
your local independent coffee shop  
your local restaurant/takeaway

## Public Services (Local)

GP surgery / health centre  
Library  
your Housing Association  
your local Ambulance Service  
your local Council  
your local Fire Service  
your local Police Service

## Public Services (National)

Companies House  
Disclosure and Barring Service  
DVLA  
The Environment Agency  
Highways England  
HM Passport Office  
HMRC (Inland Revenue)  
Jobcentre Plus

NHS / hospital service  
Post Office  
The university I attend

## Retail (Food)

Aldi  
ASDA  
Co-op Food  
Iceland  
Lidl  
M & S (food)  
Morrisons  
Ocado  
Sainsbury's  
Tesco  
Waitrose

## Retail (Non-food)

Amazon.co.uk  
Apple  
Argos  
B&Q  
Boots UK  
Costco  
Currys/PC World  
Ebay  
H&M  
Halfords  
Holland & Barrett  
Home Bargains  
Ikea  
John Lewis  
M & S  
Next  
Pets at Home  
Poundland  
Primark  
Screwfix Direct  
Specsavers  
Superdrug  
TK Maxx  
Wilko

## Services

AA  
British Gas Home Services  
DHL  
DPD  
Green Flag  
Halfords autocentre  
Hermes  
Hertz  
Homeserve  
Kwik Fit  
RAC  
Royal Mail / Parcelforce  
Timpson  
Uber  
Western Union  
Yodel  
your local solicitor

your local tradesman

## Telecommunications & Media

BT  
EE (including T-Mobile or Orange)  
giffgaff  
O2  
Plusnet  
Sky  
Sky Mobile  
TalkTalk  
Tesco Mobile  
Three  
Utility Warehouse  
Virgin Media  
Virgin Mobile  
Vodafone

## Tourism

Airbnb  
booking.com  
British Airways Holidays  
Butlins  
Center Parcs  
Expedia  
Haven Holidays  
Hilton  
Holiday Inn  
Hoseasons  
Hotels.com  
Jet2holidays.com  
Lastminute.com  
Marriott  
On the Beach  
PGO Cruises  
Premier Inn  
SAGA Holidays  
Trailfinders  
Travel Republic  
Travelodge  
Trivago  
TUI  
Virgin Holidays

## Transport

Abellio Scot Rail  
Arriva - Bus group  
Avanti West Coast  
British Airways  
Brittany Ferries  
CrossCountry  
East Midlands Railway  
easyJet  
Eurotunnel  
First Group - bus companies  
Gatwick Express  
Grand Central  
Great Northern  
Great Western Railway  
Greater Anglia  
Heathrow Express

Jet2  
London North Eastern Railway  
London Northwestern Railway  
London Underground  
Manchester Metrolink  
National Express  
Northern / Northern Trains  
P&O Ferries  
Ryanair  
South Western Railway  
Southeastern (train operating company)  
Southern  
Stagecoach (Bus)  
Thameslink  
The Trainline.com  
TransPennine Express  
Transport for Wales  
TUI Airways  
Virgin Atlantic  
West Midlands Railway

## Utilities

Affinity Water  
Anglian Water  
Bristol Water  
British Gas  
Bulb  
Dwr Cymru (Welsh Water)  
E.ON (energy)  
EDF Energy  
Essex and Suffolk Water  
M & S Energy  
Northern Ireland Water  
Northumbrian Water  
npower  
Octopus Energy  
OVO Energy  
Power NI  
Scottish and Southern Energy (SSE)  
Scottish Gas  
Scottish Power  
Scottish Water  
Severn Trent Water  
Shell Energy  
South East Water  
South Staffordshire Water  
South West Water  
Southern Water  
Thames Water  
The Co-operative Energy  
UK Power Networks  
United Utilities (water)  
Utilita  
Utility Warehouse  
Wessex Water  
Yorkshire Water

# About the UKCSI

## **A barometer of customer satisfaction in the UK since 2008**

The UKCSI (UK Customer Satisfaction Index) provides insight into the state of customer satisfaction in the UK for 13 key sectors. The UKCSI is published twice a year, in January and July. Each UKCSI incorporates two sets of data to create a rolling measure of customer satisfaction. The January 2022 UKCSI includes responses from surveys conducted between 8 March to 6 April 2021 and 13 September to 8 October 2021.

## **45,000 customer responses**

The UKCSI is based on an online survey of over 10,000 consumers, who are representative of the UK adult population by region, age and gender. The January 2022 UKCSI comprises 45,000 responses, 3,000 from each sector except for Transport and Utilities which include 6,000 responses each. Customers are asked to rate their experience of dealing with a specific organisation in the previous three months. Customers rate only one organisation per sector. Each customer can complete the survey for up to five different sectors.

## **Over 25 metrics of the quality of customers' interactions and relationship with organisations**

Customers rate the quality of their experiences and relationship with organisations on over 25 metrics including employee professionalism, product / service quality, ease of dealing with an organisation, timeliness, complaint handling and attitudes towards trust, reputation, an organisation's customer ethos and ethical behaviour.

Metrics reflect the priorities identified by customers, as well as attributes that show a strong relationship with overall customer satisfaction. The UKCSI also includes measures of customer effort and a Net Promoter Score (NPS). Customers rate organisations on a scale of 1 – 10 except for the question "how likely would you be to recommend xx to friends and family", which is a scale of 0 – 10.

## **273 organisations received a UKCSI rating**

These include 260 named organisations and 13 generic providers including "your local Council", "your local restaurant/takeaway" etc. Customers select an organisation to rate from a randomised list of leading and emerging players in each sector which is reviewed before each UKCSI. Customers can also select an organisation to rate that is not on the list. Organisations which exceed a minimum sample size are given a score and are named within one of the 13 sector reports.

## **How the UKCSI is calculated**

Index scores are expressed as a number out of 100. The UKCSI score for each organisation is the average of all of its customers' satisfaction scores, multiplied by ten, with a weighting applied reflecting the priority score for each measure. The sector score is the mean average of all responses for that sector, multiplied by ten. The overall UKCSI is based on the mean average of each sector's score.

\* See Experiences, Emotions and Ethics: refreshing the customer priorities that underpin the UK Customer Satisfaction Index, available at [www.instituteofcustomerservice.com/research](http://www.instituteofcustomerservice.com/research). It is free to Institute organisational members and available for purchase by non members.



# UKCSI sector reports\*

13 reports are available with sector-specific insight and recommendations

- Customer satisfaction performance of leading organisations on over 25 customer experience metrics
- Channel use and satisfaction
- Drivers of complaints and satisfaction with complaint handling
- Links between satisfaction and future buying behaviours
- Recommendations and opportunities to improve



## Sector resource packs

- Key sector and organisational measures in spreadsheet format
- Sector satisfaction by age, region, gender
- Key issues organisations should improve
- Satisfaction by product type in the Banking, Insurance and Telecommunications & Media sectors

## Sub-sector customer experience measures

- Leisure (Quick Service Restaurants; Entertainment)
- Transport (Air; Rail; Coach / Bus)
- Retail Non-food (Fashion retailers)
- Utilities (Energy; Water)

## Automotive

## Banks & Building Societies

## Insurance

## Leisure

## Public Services (Local)

## Public Services (National)

## Retail (Food)

## Retail (Non-food)

## Services

## Telecommunications & Media

## Tourism

## Transport

## Utilities

\* Two sector reports are available as a membership benefit to The Institute's Trusted Advisory Network members; one report for Discovery Roadmap and Council members. For Corporate and Pathway members, discounts apply.

Sector reports are available for purchase by non members at [www.instituteofcustomerservice.com](http://www.instituteofcustomerservice.com)

# Breakthrough research from The Institute



## **Who Do You Trust? Improving trust through customer service**

- Highlights the key factors that influence customers' trust, or can reduce trust in organisations
- Introduces a model of customer trust based on 7 dimensions
- Defines actions and enablers for organisations to build trust in their relationships with customers, employees, suppliers and key stakeholders.



## **The Procurement Partnership: Developing relationships to deliver excellent customer service through procurement**

- Examines how organisations define requirements and evaluate and manage supplier relationships that affect customer experience
- Draws on the perspectives of senior executives, procurement managers, customer experience managers and contractors to give a multi-dimensional view of issues influencing procurement in a service context
- Highlights the “hidden costs” of poor procurement and their impact on customer experience and reputation and identifies 10 key enablers of successful procurement.

To find out more about The Institute's research programme, contact us at:  
T: 0207 260 2620



### **Green Goes Mainstream? Customer service and the green agenda**

- Examines how customer attitudes and behaviours are influenced by the green agenda
- Reviews how organisations are addressing the green agenda through their operations, supply chains and in their engagement with customers and employees
- Identifies key enablers for organisations to incorporate the green agenda effectively in their customer proposition.



### **Are you connected? Recruiting, developing and retaining the skills for customer service excellence**

- Highlights the factors that are shaping requirements for customer service skills
- Defines the key skills needed for customer service, from the perspectives of senior managers, employees and customers
- Examines effectiveness of current practice in recruitment, training and development
- Reviews best practice in engaging and retaining employees
- Identifies 9 key enablers, with practical recommendations, for recruiting, developing and retaining the skills for customer service excellence.

## About The Institute of Customer Service

The Institute of Customer Service is the UK's independent, professional body for customer service.

Our purpose is to enable organisations to achieve tangible business benefits through excellent customer service aligned to their business goals and to help individuals maximise their career potential and employability by developing their customer service skills.

We provide tools and services to support continuous customer service improvement and a framework for our members to share and learn from each other.

We are independent – setting standards so that our customers can improve their customers' experiences and their business performance.

The Institute is the secretariat for the All Party Parliamentary Group on Customer Service.

## Key Activities

- Research and reports on the latest customer service trends and thinking
- Publication of the UK Customer Satisfaction Index (UKCSI) twice a year
- Benchmarking customer experience to identify areas for improvement, drawing on the views of both customers and employees
- Bespoke customer insight and research
- Training and accreditation programmes for customer service professionals
- Professional qualifications for individuals at all stages of their career
- Public policy development.

For further information please visit  
**[www.instituteofcustomerservice.com](http://www.instituteofcustomerservice.com)**

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