Facebook Flops in ACSI E-Business Report

Google Loses Luster; Bing Debuts Big; FOXNews.com Wins Best-In-Show

ANN ARBOR, Mich. (July 20, 2010)—Despite being the most popular website in America, consumers don’t like Facebook, according to the 2010 American Customer Satisfaction Index (ACSI) E-Business Report, produced in partnership with ForeSee Results. Facebook scored 64 on the ACSI’s 100-point scale, which puts its satisfaction even lower than IRS e-filers. This puts Facebook in the bottom 5% of all measured private sector companies and in the same range as airlines and cable companies, two perennially low-scoring industries with terrible customer satisfaction.

“Facebook is a phenomenal success, so we were not expecting to see it score so poorly with consumers,” said Larry Freed, president and CEO of ForeSee Results. “At the same time, our research shows that privacy concerns, frequent changes to the website, and commercialization and advertising adversely affect the consumer experience. Compare that to Wikipedia, which is a non-profit that has had the same user interface for years, and it’s clear that while innovation is critical, sometimes consumers prefer evolution to revolution.”

Social media websites are measured for the first time by ACSI, and the category includes Facebook, MySpace, Wikipedia and YouTube. Twitter was not included in the social media category because a disproportionate number of users access Twitter through third party applications other than the website Twitter.com. Wikipedia leads the category at 77, followed by YouTube at 73, Facebook at 64 and MySpace at 63.

“Social media has become too big to ignore, so we added it to our list of e-business measures,” said Claes Fornell, ACSI founder and professor of business at the University of Michigan. “We are quite surprised to find that satisfaction with the category defies its popularity.”

Google plunges 7% but continues to lead the portals and search engines industry with a score of 80. It is just the second time that Google cedes its top spot, as the “all others” category of search engine competitors jumps 5% to 82. Microsoft’s Bing search engine makes a strong first showing with a score of 77, trailed by Yahoo! (76), AOL (74), and Ask.com (73).

“Google may be suffering from trying to be too many things to too many people, but it still has the most loyal following with 80% of its users citing Google as their primary search engine,” said Freed. “That said, Bing’s first measure is impressive and could put some pressure on
Google. The new search engine is already making gains in market share and using clever marketing and advertising to distinguish itself from the market leader.”

In the news and information category, FOX News now dominates its competition online as well as on TV. FOXnews.com debuts at the top of the industry with a score of 82, the highest score any news site has ever received in nine years of measurement. FOX News’ cable news competitors MSNBC.com (74) and CNN.com (73) trail in satisfaction as well as ratings. All major news websites improve, including newspaper websites for USATODAY.com (+4% to 77) and NYTimes.com (+4% to 76).

For more analysis and complete scores, please visit www.theacsi.org or www.ForeSeeResults.com.

About the ACSI
The American Customer Satisfaction Index is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. Data from interviews with approximately 70,000 customers annually are used as inputs into an econometric model to measure satisfaction with more than 225 companies in 45 industries and 10 economic sectors, as well as more than 130 federal government departments, agencies, and websites. Results are released on a monthly basis with all measures reported using a 0-100 scale. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up-markets as well as down-markets. And at the macro level, customer satisfaction has been shown to be predictive of both consumer spending and gross domestic product growth. The Index was founded at the University of Michigan's Ross School of Business and is produced by ACSI LLC and is supported in part by ForeSee Results, corporate sponsor for the e-commerce and e-business measurements.

About ForeSee Results
As the leader in online customer satisfaction measurement, ForeSee Results captures and analyzes online voice of customer data to help organizations increase sales, loyalty, recommendations and website value. Using the methodology of the American Customer Satisfaction Index (ACSI), ForeSee Results identifies the improvements to websites and other online initiatives with the greatest ROI. With 50 million survey responses collected to date and benchmarks across dozens of industries, ForeSee Results offers unparalleled expertise in customer satisfaction measurement and management.

ForeSee Results, a privately held company, is headquartered in Ann Arbor, Michigan, has offices in London and Toronto, and can be found online at www.ForeSeeResults.com. ForeSee Results is the ACSI’s e-commerce and e-business partner.

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