ABOUT ACSI

The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States.

The ACSI uses data from interviews with roughly 180,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 300 companies in 43 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to several 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. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.
User Satisfaction with E-Business Stumbles; Internet News and Search Engines Fall but Social Media Endures

After three years of steady improvement, customer satisfaction with e-business falls 0.8% to a score of 74.3 on the American Customer Satisfaction Index’s (ACSI®) 100-point scale. The e-business segment includes three categories: social media, search engines and information websites, and news and opinion websites. The decline is a result of lower user satisfaction with internet news and search engines. Social media is the only category unaffected.

INTERNET SOCIAL MEDIA

As users continue to turn to social media for news and information, customer satisfaction is steady at an ACSI score of 73. Following the launch of new features and a redesign in January, Google+ posts a large gain, up 7% to 81. While Google+ has a smaller, more niche-like customer base than other social media sites, its users are dedicated and highly satisfied. Google+ also benefits from the popularity of its seamless integration with other Google products across the platform.

In second place, Pinterest regains 3% to 78. The social bookmarking site continues to upgrade its technology to the benefit of users—and businesses—by increasing site efficiency and search technology. What originated as a space to pin aspirational images has evolved into a hub for shopping and advertising, and it is increasingly easy for consumers to shop for the products in the pinned images.

Wikipedia, on the other hand, slips 1% to 77. The online encyclopedia is completely dependent on its users to provide content. Even though the number of articles continues to grow, the number of editors is shrinking, making it difficult to maintain the quality for which the site is known. Nevertheless, Wikipedia remains the seventh most popular site in the world, and sits well above the industry average for user satisfaction.

Instagram inches up 1% to an ACSI score of 75 following a slate of user enhancements, including the introduction of Instagram stories. The continued effort to make the site more interactive is helping to keep users engaged. Meanwhile, YouTube tumbles 4% to 74, just above the industry average.

Overtaking Facebook, Twitter posts the largest gain, up 8% to 70. During the past few years, users have looked to social media for up-to-the-minute news, and now even major news networks have become reliant on Twitter for information about what is happening in the world—and in the White House.

After plummeting 9% in 2016, Facebook—the largest social networking site—is unchanged at 68. While Facebook remains well below its peak score of 75 in 2015, the site is doing better now than in many prior years and staying ahead of its historic average of 66.
Microblogging website Tumblr also scores 68 (+1%). Tumblr has never gotten out of the 60s for user satisfaction, and the site is now owned by Oath, the Verizon Communications subsidiary that combines AOL and Verizon’s recent acquisition, Yahoo!. Professional networking website LinkedIn stays in last place, unmoved at 65.

<table>
<thead>
<tr>
<th>ACSI: Internet Social Media</th>
<th>2016</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet Social Media</td>
<td>73</td>
<td>73</td>
<td>0.0%</td>
</tr>
<tr>
<td>Google+</td>
<td>76</td>
<td>81</td>
<td>7%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>76</td>
<td>78</td>
<td>3%</td>
</tr>
<tr>
<td>Wikipedia</td>
<td>78</td>
<td>77</td>
<td>-1%</td>
</tr>
<tr>
<td>Instagram (Facebook)</td>
<td>74</td>
<td>75</td>
<td>1%</td>
</tr>
<tr>
<td>YouTube (Google)</td>
<td>77</td>
<td>74</td>
<td>-4%</td>
</tr>
<tr>
<td>All Others</td>
<td>79</td>
<td>73</td>
<td>-8%</td>
</tr>
<tr>
<td>Twitter</td>
<td>65</td>
<td>70</td>
<td>8%</td>
</tr>
<tr>
<td>Facebook</td>
<td>68</td>
<td>68</td>
<td>0%</td>
</tr>
<tr>
<td>Tumblr (Verizon Communications)</td>
<td>67</td>
<td>68</td>
<td>1%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>65</td>
<td>65</td>
<td>0%</td>
</tr>
</tbody>
</table>

Overall, users consider social media sites to be reliable, and give the highest score for site performance (77). However, as users adjust to new features and changes, ease of navigation is down slightly from a year ago (-1% to 76). Ease of use on different devices (smartphones and tablets) slips 3% to 75, while freshness of content (75) and privacy (72) both dip 1% from 2016.

Video is the new frontier for social media platforms, but while individual company performance varies widely, the industry average is unchanged at 74. Social media users are the least satisfied with the amount of advertising on websites, but no more so than last year (69).
ACSI data show that social media sites have improved performance on mobile browsers compared to a year ago (up 4% to 75). In contrast, mobile apps underperform, down 1% to 72. This satisfaction score for mobile apps is no better than that of desktop and laptop browsers (+1% to 72).

**INTERNET SEARCH ENGINES & INFORMATION**

Customer satisfaction with search engines and information websites reverses course, falling 1.3% to an ACSI score of 76. All of the top-scoring search engines lose ground. Google, the biggest brand name in search, slips 2% to 82. However, with a 9-point lead over its nearest major competitor, Microsoft’s Bing, Google’s dominance in the category is quite secure. Smaller search engines and information websites also come in behind Google at 79 (-1%).
With a 3% drop to 73, Bing ties with Yahoo! (-1%). In June, Verizon Communications completed a $4.48 billion acquisition of Yahoo!’s operating business and formed a new subsidiary called Oath that includes both Yahoo! and AOL.

MSN takes the biggest hit, falling 4% to 72, and ties with Ask.com (-1%). AOL is the only search and information site to show modest improvement, inching up 1% to 70. In last place, Answers.com is down 1% to 68.

According to users, search engines and information websites have slipped on all aspects of the customer experience. Sites are slightly more difficult to navigate and the variety of services and information available is less appealing (both down 1% to 79). Site performance lessens (78), content does not seem as fresh (78), and performance on smartphones and tablets weakens (76).

As consumers watch more video on the web, their assessment of the speed and reliability of video clips deteriorates 3% to 75. As with all e-business categories, users find the amount of advertising on sites to be the worst part of the search and information experience, down considerably compared with the prior year (-4% to 66).
Mobile compatibility is more important than ever, but search engine and information apps rate much lower than they did a year ago (satisfaction score of 73 vs. 80 in 2016). Likewise, performance via mobile browsers has deteriorated (-5% to 73). With these declines, search engine performance on mobile devices is now commensurate with desktop and laptop browsers (unchanged at 73).
INTERNET NEWS & OPINION

A year ago, interest in the presidential election boosted news and opinion websites, but the tide has changed. While Twitter improves and gains prominence as a news source, the websites of traditional news outlets are left in its wake, with user satisfaction moving in the opposite direction. Customer satisfaction with internet news and opinion falls 1.3% to 75, as all large websites deteriorate.

FOXNews.com drops 3% to tie for first place with the combined score of smaller news websites at 77. In a draw for second place, ABCNews.com and USATODAY.COM also fall by 3% each to 74. NYTtimes.com sinks 4% to 73, MSNBC.com tumbles 6% to 72, and CNN.com plummets 5% to an even lower score of 71. Staying at the bottom of the category, TheHuffingtonPost.com registers the biggest decline, down 7% to 67.

<table>
<thead>
<tr>
<th>Company</th>
<th>2016</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet News &amp; Opinion</td>
<td>76</td>
<td>75</td>
<td>-1.3%</td>
</tr>
<tr>
<td>FOXNews.com</td>
<td>79</td>
<td>77</td>
<td>-3%</td>
</tr>
<tr>
<td>All Others</td>
<td>77</td>
<td>77</td>
<td>0%</td>
</tr>
<tr>
<td>ABCNews.com</td>
<td>76</td>
<td>74</td>
<td>-3%</td>
</tr>
<tr>
<td>USATODAY.com</td>
<td>76</td>
<td>74</td>
<td>-3%</td>
</tr>
<tr>
<td>NYTtimes.com</td>
<td>76</td>
<td>73</td>
<td>-4%</td>
</tr>
<tr>
<td>MSNBC.com</td>
<td>77</td>
<td>72</td>
<td>-6%</td>
</tr>
<tr>
<td>CNN.com (Time Warner)</td>
<td>75</td>
<td>71</td>
<td>-5%</td>
</tr>
<tr>
<td>TheHuffingtonPost.com (Verizon Communications)</td>
<td>72</td>
<td>67</td>
<td>-7%</td>
</tr>
</tbody>
</table>

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In today’s 24-hour news cycle, internet news and opinion websites are struggling to generate fresh content (-1% to 79), and information variety is down slightly from last year (-1% to 77). Ease of navigation and site performance are steady at 78 and 77, respectively, while ease of use on smartphones and tablets is worse (75). Users prefer accessing news sites on their mobile browsers (74) over mobile apps (73) or desktops and laptops (73).
The only aspect of online news to improve is video (+1% to 75), which outperforms the speed and reliability of video on social media platforms (74). Readers are most bothered by the amount of advertising on internet news and opinion websites, which retreats 3% to 66.

Internet News & Opinion
Customer Experience Benchmarks
Year-Over-Year Industry Trends

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ABOUT THIS REPORT

The ACSI E-Business Report 2017 on internet social media, search engines and information, and news and opinion is based on interviews with 4,978 customers, chosen at random and contacted via email between June 25, 2016, and May 9, 2017. Customers are asked to evaluate their recent experiences with the largest social media, search/information, and news websites in terms of visitor traffic, plus an aggregate category consisting of “all other”—and thus smaller—websites in those categories.

The survey data are used as inputs to ACSI’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The ACSI model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. ACSI clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

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