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Citizen Satisfaction with Federal Government Improves for Second Year Boosted by Better Government Websites

ANN ARBOR, Mich., (February 6, 2013) – Americans are more satisfied with services provided by the U.S. federal government for a second consecutive year, according to a report released today by the American Customer Satisfaction Index (ACSI). ACSI results show that citizen satisfaction with federal government is up 2.2% to 68.4 (on a scale of 0 to 100) in 2012 compared to the prior year. The net gain for federal services since 2010, when citizen satisfaction sank to a low of 65.4, is a healthy 4.6%.

The two-year positive trend for the federal government helps narrow the public sector-private sector satisfaction gap in 2012. The lowest-scoring economic sector, Information at 71.9, is now 3.5 points ahead of the federal benchmark, down from 7.4 points in 2010.

“Looking at the key factors that drive citizen satisfaction, the federal government has improved its marks for ease and efficiency of processes, customer service and information delivery,” says Claes Fornell, ACSI founder and author of *The Satisfied Customer: Winners and Losers in the Battle for Buyer Preference*. “The most improved area for government, however, is website quality. Better government websites, coupled with more people making use of them, has contributed to higher levels of citizen satisfaction.”

The best federal agency services compete with—and sometimes exceed—the level of customer satisfaction earned in the private sector. The U.S. Mint (95), the Pension Benefit Guaranty Corporation’s retiree program (89), the Department of Education’s Free Application for Federal Student Aid (FAFSA) online service (88), and the Small Business Administration’s Office of Disaster Assistance loan programs for homeowners and renters (81 and 86) are some of the top satisfaction performers in the public arena.

E-Government Communication Channels Garner Higher Satisfaction

Citizen satisfaction varies widely across federal departments, with Interior (81) and Defense (75) at the high end and Homeland Security (66) and Treasury (59) at the low end of the scale. ACSI data show that communication channels impact citizen satisfaction, even within lower-performing agencies like the Treasury Department’s Internal Revenue Service (IRS). For example, tax payers who file electronically are much more satisfied with IRS services (79) than paper filers (58).

Concurrent with prior ACSI studies, e-government communication channels earn higher satisfaction scores from citizens than more traditional modes. Specifically, citizens who

interact with government using websites (67) or electronic mail (66) are more satisfied than those who interact with agencies via telephone (65) or printed materials received through the mail (62).

“Consumers are generally less satisfied when there are obstacles to choosing an alternative supplier, as is the case with low-performing industries like airlines, subscription TV service and, of course, government,” says Fornell. “Still, ACSI data show that government can improve citizen satisfaction—in some cases significantly—by investing in emerging technologies and e-government initiatives.”

Direct Experience Results in Greater Trust for Agencies

In the private sector, customer satisfaction is a key component to enhancing economic performance. For government, where no alternative suppliers exist, enhanced citizen trust is a desired outcome of greater satisfaction. The ACSI measures citizen trust in two ways: trust in specific agencies experienced and trust in federal government overall. Trust in government overall improves in 2012, up 19% from 36 to 43, but this remains a relatively low score. When the same citizens are asked about an agency whose services they actually have experienced, trust is much higher at 71 (up from 69 in 2011).

“While people continue to generally distrust federal government as a whole, they have a much more positive view of government services when they are asked to consider an agency with whom they have interacted,” says Fornell.

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 70,000 customers annually as inputs to an econometric model for measuring satisfaction with more than 230 companies in 47 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal government agencies.

ACSI results are released on a monthly basis, with all measures reported using a scale of 0 to 100. 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. The ACSI can be found on the Web at www.theacsi.org.

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