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## Samsung Beats Apple in New Smartphone Customer Satisfaction Study from ACSI

**ANN ARBOR, Mich.** (July 31, 2013) – Samsung hits a home run with its Galaxy S III and Note II, according to a smartphone brand study released today by the American Customer Satisfaction Index (ACSI). The new study provides 2013 customer satisfaction benchmarks for 10 of the past year's top-selling smartphone models in the United States.

Samsung's flagship model for 2012, the S III, receives an ACSI benchmark of 84 (on a 0 to 100 scale), beating Apple's iPhone 5 at 82, the company's most recent smartphone offering. Another Samsung model, Note II, shares the top of list at 84. Galaxy S4 is not included because the ACSI study was fielded just prior to its launch.

Smartphone Customer Satisfaction 2013		
Model	Manufacturer	ACSI Score (0 to 100 scale)
Galaxy S III	Samsung	84
Galaxy Note II	Samsung	84
iPhone 5	Apple	82
iPhone 4S	Apple	82
iPhone 4	Apple	81
Droid Razr Maxx HD	Motorola Mobility	80
Galaxy S II	Samsung	78
Droid Razr	Motorola Mobility	77
Curve	BlackBerry	67
Bold	BlackBerry	64

While U.S. customers give Samsung's smartphones the top scores, Korean consumers prefer Apple. According to the National Customer Satisfaction Index (NCSI) in South Korea, which uses the same technology as the ACSI, the iPhone 5 has higher customer satisfaction than Galaxy S III.

The smartphone segment of the cell phone market is growing at a rapid clip, and ACSI data suggest that smartphone users are much more satisfied than are feature phone users.

Overall, smartphones earn a customer satisfaction score of 76 compared to 69 for feature phones.

"While feature phones are cheaper, and therefore viewed by many customers as better value, smartphones excel in quality," says Claes Fornell, ACSI founder and Chairman. "Smartphones receive strong marks for feature variety, design and ease of use, with battery life as their only real shortcoming."

The iPhone 4S matches its successor—iPhone 5—with an ACSI score of 82. Apple's iPhone 4 is just a point below at 81. On the other hand, at a score of 78, customer satisfaction with the Galaxy S II, precursor to the S III, is lower. Motorola Mobility's Droid Razr Maxx HD comes in at 80, while the Droid Razr scores 77. The low end belongs to BlackBerry, far below competition, with 67 and 64, respectively, for its Curve and Bold smartphones.

"Not only does Samsung edge ahead of all iPhones, Apple customers themselves don't see much difference between the iPhone 4, 4S or 5," says ACSI Director David VanAmburg. "The latest earnings report from Apple was better than expected, but the name of the game for Apple has always been innovation. Samsung, on the other hand, shows a strong upward ACSI trend from the Galaxy S II to the Galaxy S III. If the S4 performs as well—or even better—in the eyes of customers, Samsung could threaten Apple's dominance in overall customer satisfaction."

The smartphone brand study complements and expands the ACSI's coverage of the <u>cell</u> <u>phone industry</u>, updated in May 2013, gauging customer satisfaction with each company's complete array of product offerings—smartphones and feature phones. As reported earlier, Apple's overall ACSI score is 81, a 2% drop compared with 2012, but strong enough to retain the industry lead.

Unlike Apple, which has a smartphone-only lineup, Samsung offers both feature and smartphones. At 76, Samsung continues to lag Apple for overall customer satisfaction. Nevertheless, the company's 7% gain in 2013 is a clear reflection of the strength of Galaxy S III.

"Like Apple, BlackBerry offers smart devices only, yet the company stays firmly entrenched at the bottom of the industry in customer satisfaction," says Fornell. "This does not bode well for BlackBerry considering that smart typically outperforms feature when it comes to cell phones."

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## **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 analyzing customer satisfaction with more than 230 companies in 43 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 on 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 GDP 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 <a href="https://www.theacsi.org">www.theacsi.org</a>.

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