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ACSI: Customer Satisfaction for E-Business Rises Despite Social Media Falloff

*Big Declines for Facebook, Twitter; Google Gains;
Internet News and Opinion Sites Improve; Advertising Hurts Satisfaction*

ANN ARBOR, Mich., (July 26, 2016) – Customer satisfaction with e-business increases despite big drops for social media superstars Facebook and Twitter, according to new data from the [American Customer Satisfaction Index \(ACSI\)](#). The e-business segment, which includes social media, search engines and information websites, and news and opinion websites, improves for a third consecutive year, edging up 0.7 percent to 74.9 on ACSI's 100-point scale. ACSI data show that advertising is the most important factor weighing down e-business customer satisfaction.

“Consumers have not fully accepted advertising as a necessary cost for online services they have come to expect as free,” says Claes Fornell, ACSI Chairman and founder. “There is little companies can do to change that perception beyond making sure that those advertisements are relevant and nondisruptive.”

The ACSI report, which is based on 5,125 customer interviews collected in the second quarter of 2016, is available for free download at <http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2016/acsi-e-business-report-2016>.

Social Media: Big Drops for Big Brands

Big drops for Facebook and Twitter pull customer satisfaction with the social media category lower to 73, a decrease of 1.4 percent. Facebook declines 9 percent to 68, while Twitter falls 8 percent to 65. Both social media platforms made news for how their algorithms determine what is displayed in user news feeds, but for different reasons. Facebook changed what was highlighted on users' news feed and made headlines for potential bias in trending news. For Twitter, the issue is its departure from a reverse-chronological feed to something more like Facebook.

Wikipedia matches its peak ACSI score of 78, moving up 1 percent to regain first place among major social media websites. Google's YouTube adds 1 percent to 77, a new high for the video platform.

“It's impossible for global brands with massive user bases like Facebook and Twitter to make everyone happy, and both are trying to do so much,” says ACSI Managing Director David VanAmburg. “YouTube and Wikipedia are different in that they provide a very specialized and focused experience. YouTube has redefined video-on-demand, whereas millions of people find Wikipedia a useful starting point for information on nearly everything.”

Social bookmarking website Pinterest drops 3 percent to 76 to tie with Google+. In its second year in the ACSI, Instagram falls 3 percent to 74. Professional networking platform LinkedIn loses 4 percent, joining Twitter in last place among social media websites.

ACSI data show that customer satisfaction is slightly higher on mobile platforms, with mobile apps scoring 73 and mobile browsers at 72. On desktop or laptop, social media scores 71. Most customer experience benchmarks remain at par with last year, with two notable exceptions. Privacy scores 5 percent lower at 73, and advertising dives 7 percent to 69.

“Advertisers are attracted to the digital platform because it allows them to hypertarget the customer, but this is only possible because of the availability of massive troves of consumer data,” says Fornell. “Consumers may willingly give up some privacy and personal data in order to use these services, but it doesn’t mean they’re happy with the bargain.”

Search and Information Sites: Google Gains, Yahoo! Falls Further Behind

After a big drop last year, Google bounces back with an 8-percent boost to 84, helping the internet search and information category move up 1.3 percent to 77. The biggest name in search opens up a 9-point lead over its nearest major competitor. Microsoft’s Bing search engine (+4%) and MSN portal (+1%) tie for second at 75. Despite a struggle to remain relevant, Yahoo! is still one of the most visited websites on the internet, with more than 200 million monthly visitors in the United States. But these users are not greatly satisfied as the company’s score slips 1 percent to 74. The trio of About.com, Answers.com, and AOL are well behind with scores of 69 that are among the lowest in e-business.

“Yahoo! might be more concerned about shareholder value and a potential sale than it is in innovation and customer satisfaction,” says VanAmburg. “It tried to acquire its way back into relevance but has yet to find the means to turn those acquisitions into product success.”

User satisfaction with search and information websites is much higher on mobile devices, with mobile apps scoring 80 and mobile browsers at 77 compared to desktops and laptops at 73. Regardless of device, consumers are the least satisfied with the amount of advertising on these websites.

News and Opinion Sites: Presidential Election Is Good for Business

Interest in the presidential election may be pushing up satisfaction with news and opinion websites this year. The category jumps 4.1 percent to 76, its highest score ever. Nearly every website improves, regardless of political leaning, showing that the most interesting and unpredictable election in decades has been good for the news business.

FOXNews.com regains its perch alone at the top after a 4-percent increase to 79. The largest gain in the category goes to the group of smaller websites, which include BuzzFeed, Drudge Report, WSJ.com, and WashingtonPost.com. The smaller sites jump 7 percent to 77. MSNBC equals that score after moving up 3 percent. ABCNews.com, NYTimes.com, and USAToday.com match the industry average of 76, while CNN.com adds 3 percent to 75 to tie its all-time high score.

HuffingtonPost.com is up 1 percent to 72, setting its new high but still at the bottom of the category.

The internet is an ideal vehicle for delivering a steady stream of content in today's 24-hour news cycle, and consumers give news and opinion websites high scores for freshness of content (80). Nearly every element of the customer experience improves, including ease of navigation and information variety, both up 4 percent to 78, and overall site performance at 77. The exception: advertising, far behind other benchmarks after dropping 4 percent to 68.

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ACSI 2016 RESULTS FOR E-BUSINESS INDUSTRIES



| | |
|---------------------------------------|------------|
| Internet Search Engines & Information | 77 ▲ 1.3% |
| Internet News & Opinion | 76 ▲ 4.1% |
| Internet Social Media | 73 ▼ -1.4% |

SOCIAL MEDIA RESULTS 2016



ACSI Gainers

| | | |
|-----------|-----|----|
| Wikipedia | +1% | 78 |
| YouTube | +1% | 77 |
| Google+ | +1% | 76 |



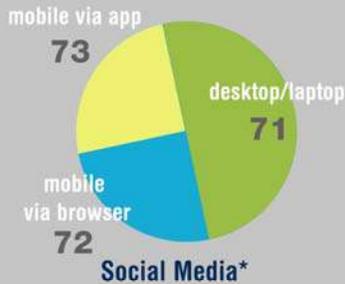
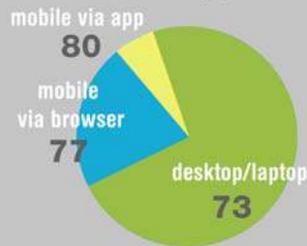
ACSI Decliners

| | | |
|-----------|-----|----|
| Pinterest | -3% | 76 |
| Instagram | -3% | 74 |
| Facebook | -9% | 68 |
| Tumblr | -3% | 67 |
| LinkedIn | -4% | 65 |
| Twitter | -8% | 65 |



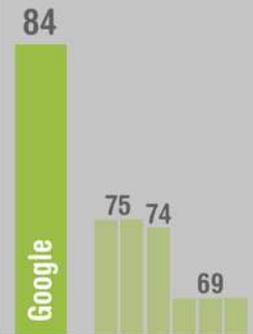
*source: <http://www.statista.com/statistics/265773/market-share-of-the-most-popular-social-media-websites-in-the-us/>

ACSI scores by platform



*chart illustrates proportion of respondents by platform category

Internet Search: Google dominates



Internet News & Opinion: customer satisfaction reaches new high



CONSUMER DISPLEASURE WITH AMOUNT OF ADS ON WEBSITES WORSENS IN 2016



ACSI scores are reported on a scale of 0 to 100

No advertising or other promotional use can be made of the data and information in this release without the express prior written consent of ACSI LLC.

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 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 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. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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