

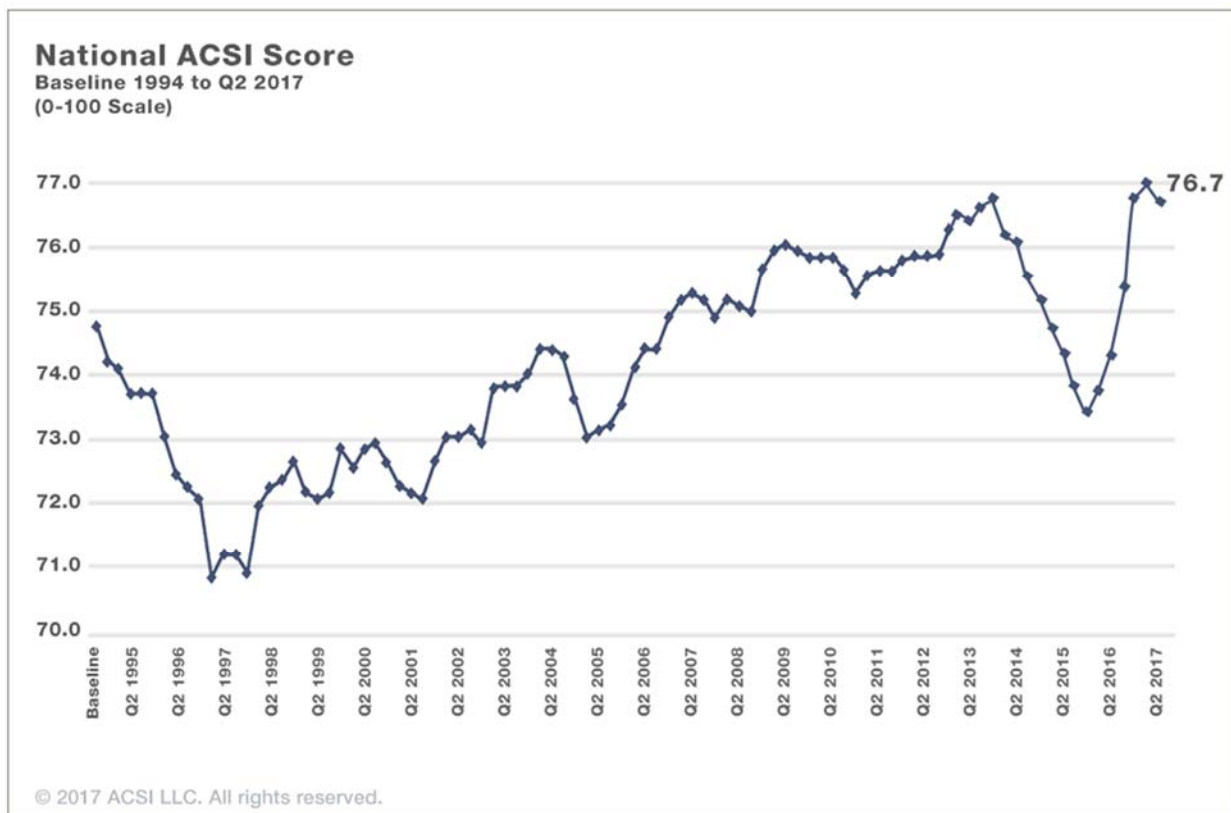


American Customer Satisfaction Index®

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ACSI: Deteriorating Customer Satisfaction Indicates Troubled Economy

ANN ARBOR, Mich., (October 26, 2017) – According to the [American Customer Satisfaction Index \(ACSI®\)](#), the national level of customer satisfaction fell in the second quarter of 2017, retreating 0.4 percent to a score of 76.7 (on a 0-100 scale). This is the first drop in ACSI since the fourth quarter of 2015.



ACSI improved each quarter in 2016, and again during the first quarter of 2017, resulting in somewhat stronger consumer spending growth over the period. But deteriorating customer satisfaction, should the trend persist, will dampen spending – a troubling economic outlook.

Economic growth has been steady – but tepid – since the Great Recession ended eight years ago. There is no mystery about what is needed: greater consumer demand.

Stronger wage growth for households would certainly help create demand, as would higher levels of customer satisfaction. The latter increased sharply in 2015, but consumer spending has not grown anywhere near the same pace. Although customer satisfaction shifts the demand curve upwards, discretionary household income has to improve as well.

Three factors propel consumer spending growth: wages, inflation and customer satisfaction. None of these indicators are currently showing strong growth. At this point, all three need to move in concert for the economic outlook to improve.

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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 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.

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