

# ACSI

## American Customer Satisfaction Index®

### 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.

Internet Social  
Media  
73 ▼ -1.4%%

Internet Search Engines  
& Information  
77 ▲ +1.3%

Internet News  
& Opinion  
76 ▲ +4.1%



July 26, 2016

## ACSI E-BUSINESS REPORT 2016

INDUSTRY RESULTS FOR:

Internet Social Media

Internet Search Engines & Information

Internet News & Opinion

## E-Business Customer Satisfaction Continues to Climb Despite Slip for Social Media

Customer satisfaction with e-business improves for a third consecutive year, edging up 0.7% to 74.9 on ACSI's 100-point scale, the highest score for the segment since 2011. The e-business segment includes social media, search engines and information websites, and news and opinion websites. Social media slips, but gains for both search and information and internet news boost user satisfaction with e-business overall.

### INTERNET SOCIAL MEDIA

Social media activity continues to climb as nearly two-thirds of American adults report using social networking websites and nearly as many turn to social media as a news source. Customer satisfaction with social media is down by 1.4% to 73, keeping it among the dozen lowest-scoring industries in the ACSI but near its high watermark set in 2015.

#### ACSI: Internet Social Media

Company	2015	2016	% Change
<b>Internet Social Media</b>	<b>74</b>	<b>73</b>	<b>-1.4%</b>
All Others	71	79	11%
Wikipedia	77	78	1%
YouTube (Google)	76	77	1%
Google+	75	76	1%
Pinterest	78	76	-3%
Instagram (Facebook)	76	74	-3%
Facebook	75	68	-9%
Tumblr (Yahoo!)	69	67	-3%
LinkedIn	68	65	-4%
Twitter	71	65	-8%

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Wikipedia matches its peak ACSI score of 78, moving up 1% to regain first place among the major social media websites. Google's YouTube also adds 1% to 77—a new high for the video platform. YouTube is one of the largest social media properties by user base and is particularly popular with the coveted 18 to 34 and 18 to 49 year-old demographic, reaching more of them than any single cable network in the United States. More than half of all YouTube views come from mobile devices and consumers are spending more time on YouTube per session and year over year. Google's other social media property, Google+, doesn't have nearly the same active user base, but those that do access it see slight improvement (+1% to 76). Social bookmarking website Pinterest slides 3% to 76, losing the industry lead it held for two years running.

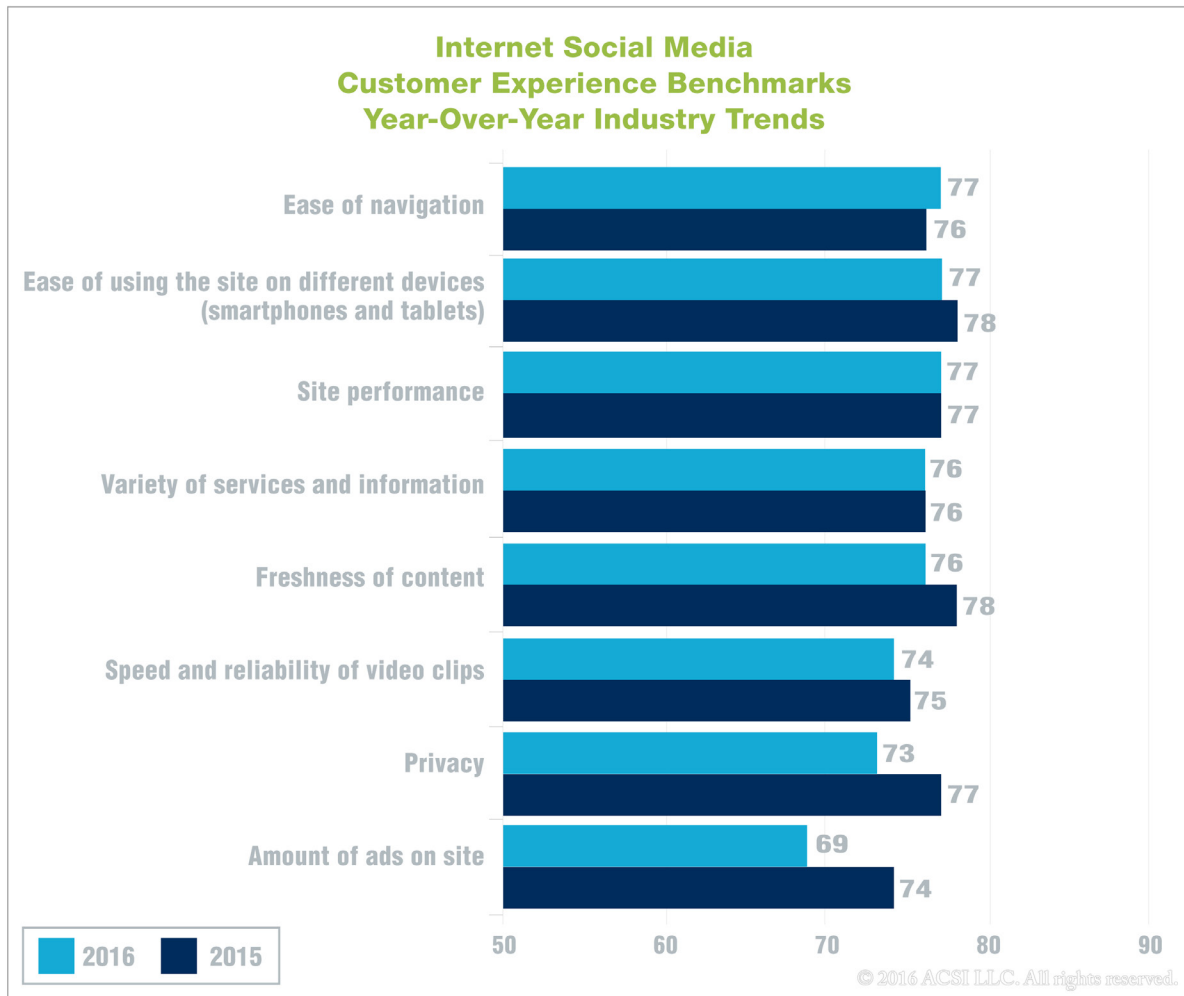
A year after posting big gains, the largest social networking site, Facebook, drops 9% to 68. While this score is much lower than last year, it remains above Facebook's long-term average (66). Facebook recently took some heat for its algorithms that determine trending stories, but the company now says it will prioritize friends and family in users' news feeds.

Customer satisfaction with mobile photo- and video-sharing platform Instagram drops 3% to 74. In the four years since Facebook purchased Instagram for \$1 billion, total users are up from 30 million to more than 500 million. While Instagram's user engagement is high, with over 300 million daily active participants, it can be challenging to satisfy such a large and diverse networking base.

Microblogging website Tumblr, which was purchased by Yahoo! in 2013 for \$1 billion, drops 3% to 67 in its second year in the ACSI. Yahoo! hasn't had nearly the same success with acquisitions as other Internet giants and recently announced that it will write down nearly two-thirds of Tumblr's value.

Another big name in social media, Twitter, tumbles 8% to the industry's bottom at 65. Unlike Facebook and YouTube, Twitter's user base is stagnating, but the company continues to roll out features to increase its appeal and utility. Not all of these changes are popular with core users. Twitter is moving away from reverse-chronological display in favor of algorithmic filtering, making it more like Facebook. User names (i.e., @names) and hyperlinks will no longer count toward Twitter's 140-character limit.

Professional networking website LinkedIn ties Twitter for last place after falling 4% to 65. Recent security breaches may be increasing user privacy concerns. Advertising also can be a drag on the customer experience, and while LinkedIn does not display ads, the site regularly pitches its premium service. Likewise, frequent connection requests from unknown people may overwhelm users.



Among the customer experience benchmarks for social media, users give the highest scores for ease of use on mobile devices, ease of navigation, and site performance (all 77). 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.

Social media is slightly less able to keep content as fresh as users would like (down from 78 to 76). The least satisfying aspects of the social media experience, however, are privacy and the amount of advertising on sites. Both elements have deteriorated sharply this year. Privacy was in line with site performance in 2015, but now slides 5% to 73. Advertising drops down further, diving 7% to a low score of 69.

## INTERNET SEARCH ENGINES & INFORMATION

Customer satisfaction with search engines and information websites moves up 1.3% to an ACSI score of 77. This is several points below the category's peak, but well above the ACSI average for all sectors and industries (73.7 in Q1 2016). Google, the biggest brand name in search, surges 8% to 84. Though Google's home page remains sparse, the company continues to refine its search technology, including mobile-friendly algorithms and useful features like hotel search filters and airline price tracking.

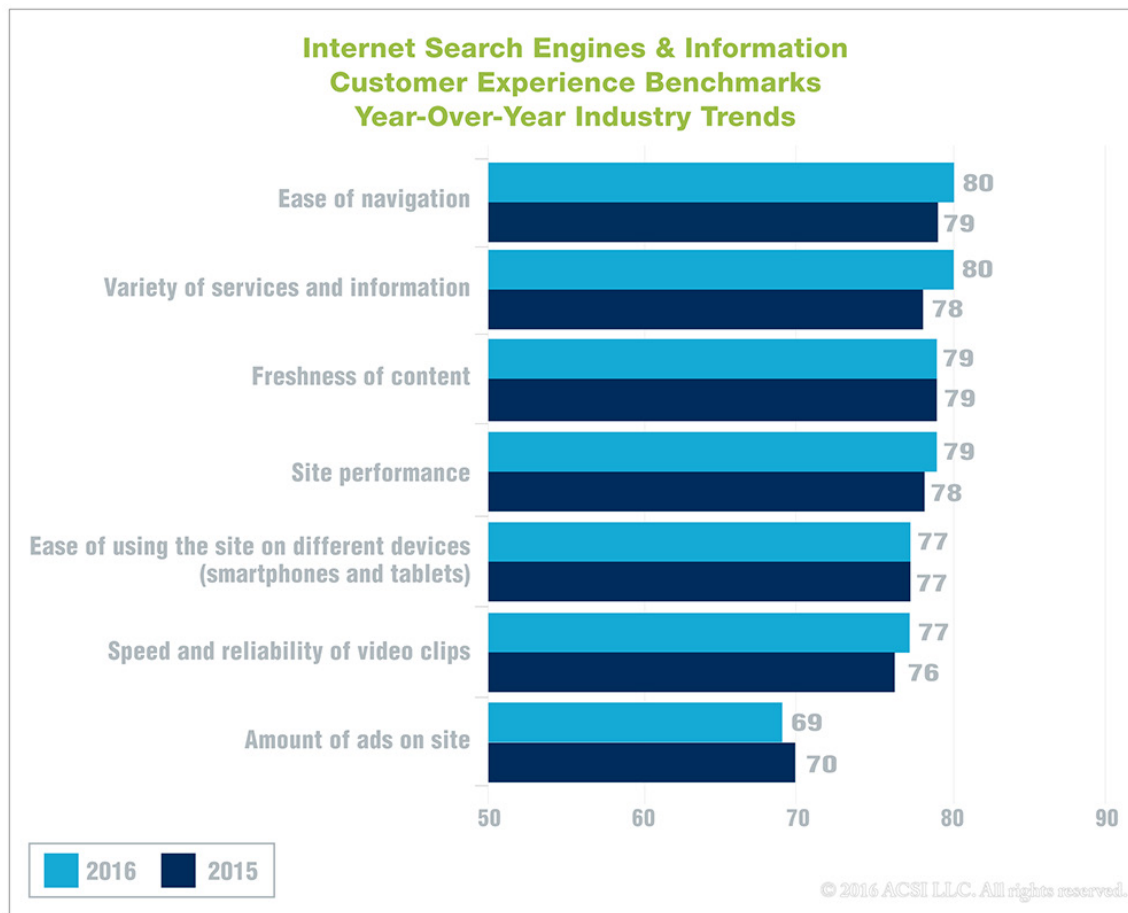
### ACSI: Internet Search Engines & Information

Company	2015	2016	% Change
<b>Internet Search Engines &amp; Information</b>	<b>76</b>	<b>77</b>	<b>1.3%</b>
Google	78	84	8%
All Others	75	80	7%
Bing (Microsoft)	72	75	4%
MSN (Microsoft)	74	75	1%
Yahoo!	75	74	-1%
About.com	71	69	-3%
Answers.com	67	69	3%
AOL (Verizon Communications)	74	69	-7%

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With a 9-point lead over its nearest major competitor, any meaningful change in market share is unlikely and Google's dominance in the category is hardly threatened. Microsoft's Bing search engine climbs 4% to tie its MSN portal (+1%) at 75. Despite a struggle to remain relevant, Yahoo! is still heavily trafficked, with over 200 million monthly visitors in the United States. But Yahoo! users are not greatly satisfied about their experience as the site slips 1% to 74. The company's stock price is more closely pinned to its potential sale than to revenues, which have long been in decline. The trio of About.com, Answers.com, and AOL occupy the bottom of the industry at 69.

Search engines and information websites get high scores on most aspects of the customer experience, with some of the industry's top marks improving this year. Users find websites easier to navigate and are happier with the variety of services and information available (both 80). Consumers are watching more video on the web, and the speed and reliability of video clips ticks up to 77. 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 (69).



Nearly 80% of U.S. cell phones are smartphones, making mobile compatibility important. User satisfaction with search and information websites is much higher on mobile devices, with mobile browsers scoring 77 and mobile apps at 80 compared to the desktop/laptop experience at 73.

## INTERNET NEWS & OPINION

A compelling presidential election cycle is driving more than just ratings at major news media. Interest in the presidential election may be pushing up satisfaction with news and opinion websites. The category jumps 4.1% to 76, its highest ACSI score ever, as nearly every website improves. FOXNews.com regains its perch alone at the top after a 4% increase to 79. For the first time, the FOX News channel registered the highest quarterly total-viewership of any cable network in the first quarter, which may be helping its online presence. Meanwhile, CNN had its most-watched quarter in seven years, coinciding with a 3% increase to 75 for CNN.com.

The largest gain in the news and opinion category goes to the group of smaller websites, which include BuzzFeed, Drudge Report, WSJ.com, and WashingtonPost.com. The smaller sites jump 7% to 77 and tie with MSNBC.com (+3%).

ABCNews.com (+3%), NYTimes.com (no change), and USATODAY.com (+3%) are in a three-way tie at 76. Online news aggregator and blog TheHuffingtonPost.com inches up 1% to 72, placing last in the category.

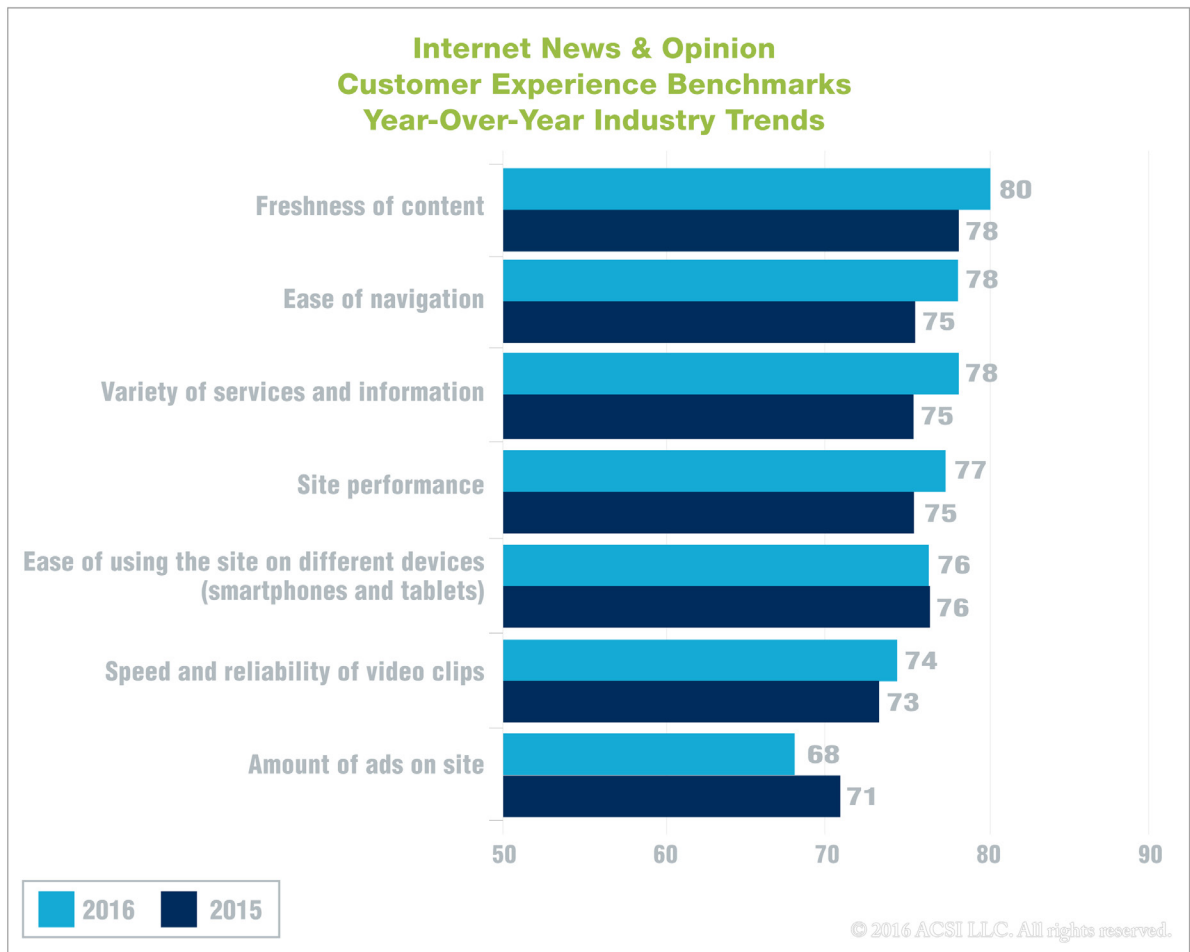
### ACSI: Internet News & Opinion

Company	2015	2016	% Change
<b>Internet News &amp; Opinion</b>	<b>73</b>	<b>76</b>	<b>4.1%</b>
FOXNews.com	76	79	4%
All Others	72	77	7%
MSNBC.com	75	77	3%
ABCNEWS.com	74	76	3%
NYTimes.com	76	76	0%
USATODAY.com	74	76	3%
CNN.com (Time Warner)	73	75	3%
TheHuffingtonPost.com (Verizon Communications)	71	72	1%

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In today's 24-hour news cycle, the internet is the ideal vehicle for delivering a steady stream of updated content. One reason for stronger customer satisfaction this year is that news and opinion websites achieve a better score for freshness of content (80). Both ease of navigation and information variety improve as well, up 4% to 78, and overall site performance bumps up to 77. The only aspect of online news to deteriorate is amount of advertising, down 4% to 68—the lowest benchmark in e-business overall.

The majority of ACSI respondents report accessing news sites from a traditional desktop or laptop. Among respondents who indicate using mobile devices to view news and opinion content, the majority access sites via mobile browsers, while less than half use mobile apps.



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## ABOUT THIS REPORT

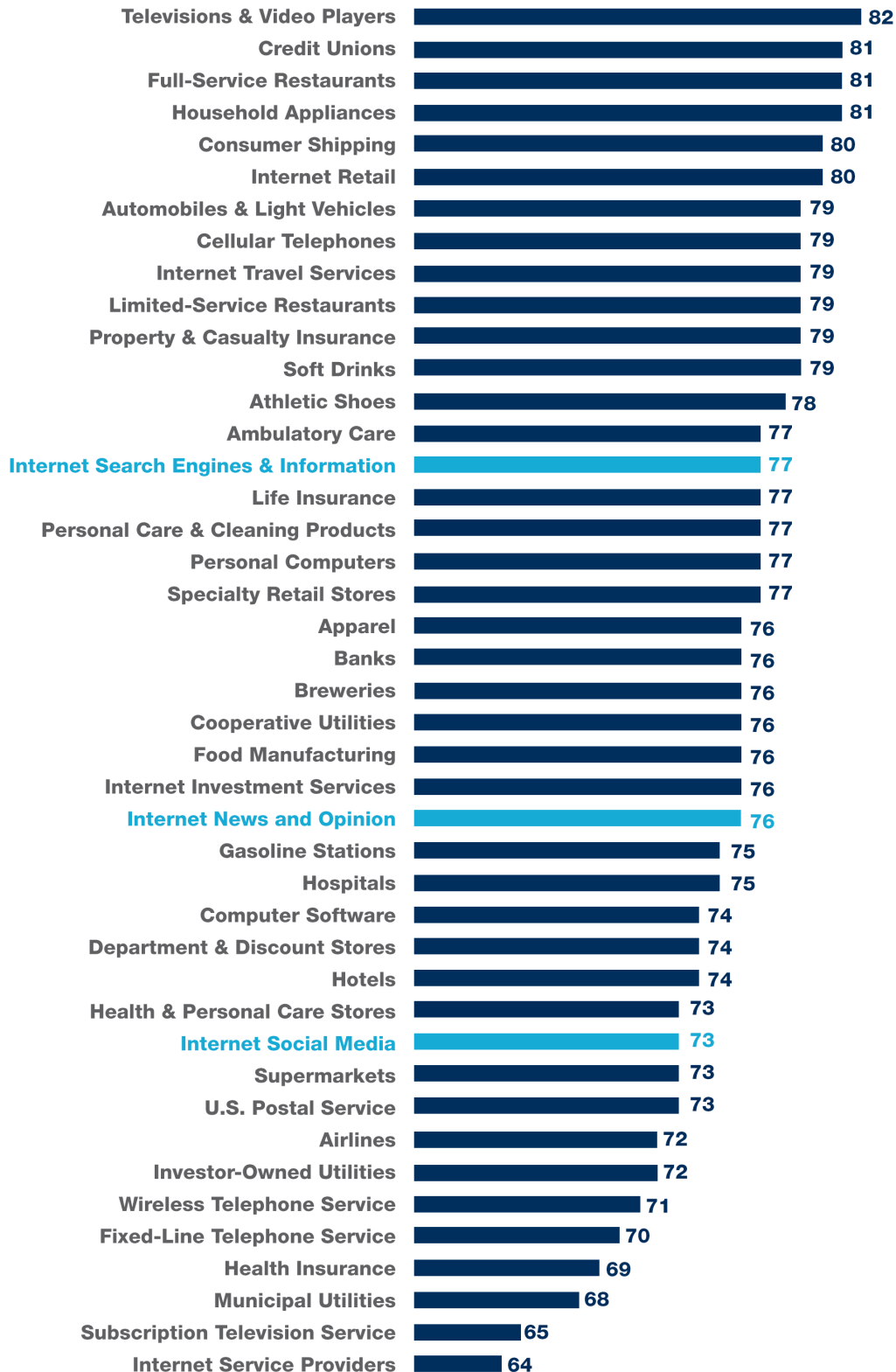
The *ACSI E-Business Report 2016* on internet social media, search engines and information, and news and opinion is based on interviews with 5,125 customers, chosen at random and contacted via email between June 17 and June 30, 2016. Customers are asked to evaluate their recent experiences with the largest 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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## Customer Satisfaction Benchmarks by Industry



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