

ACSI

American Customer Satisfaction Index™



Trends In Customer Satisfaction with the U.S. Federal Government – Findings of the ACSI

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Snapshot of the ACSI



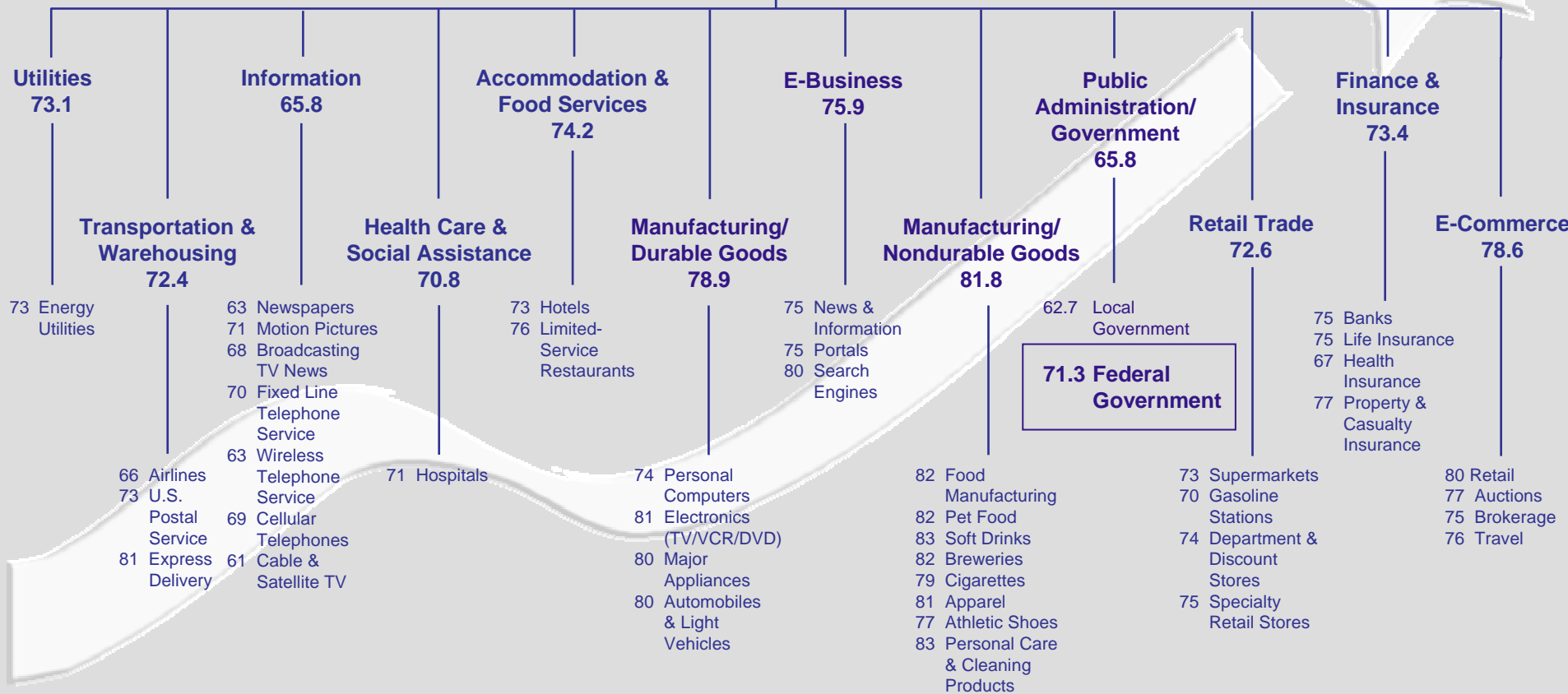
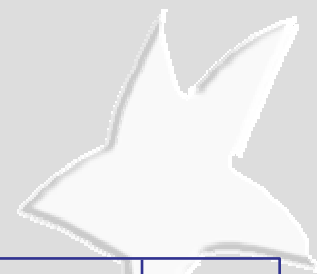
- Established in 1994, the only standardized measure of customer satisfaction in the U.S. economy, covering approximately 200 companies in 41 industries - roughly one-third of the total U.S. economy.
- A quarterly measure of the national economy's health; complementary to measures such as GDP, PCE, CPI, productivity and unemployment.
- Nearly 100 segments of departments/agencies of the U.S. Federal Government measured on an annual basis.
- E-Commerce added in 2000; E-Business in 2002
- Results from all surveys are published quarterly in various media and on the ACSI website at www.theacsi.org



ACSI National, Sector, and Industry Scores: Q4 2004 – Q3 2005



ACSI
73.2



Source: www.theacsi.org

Why Measure Satisfaction with Government?



- **Raise citizen trust in government**
- **Hold agencies accountable for results**
- **Improve program operating performance**
- **Balanced measures for Senior Executives**



Citizen-Centered Government – History



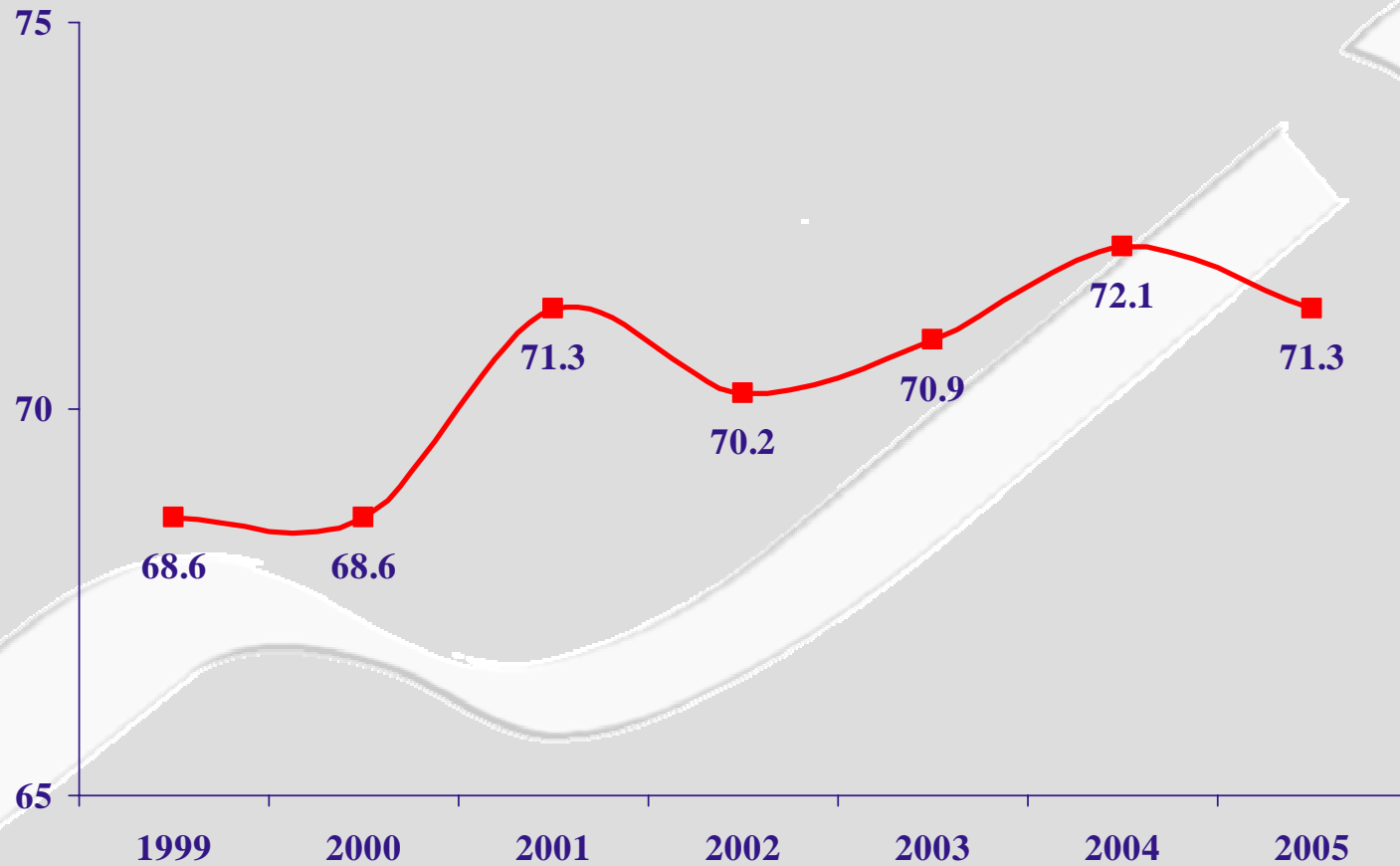
- **Government Performance & Results Act (GPRA) (1993)**
- **Executive Order 12862, “Setting Customer Service Standards” (1993)**
- **President’s Management Agenda, “Getting to Green” (2001)**
- **E-Government Act (2002)**

Has more than a decade of performance-based initiatives focusing on greater accountability of government to its customer base – U.S. citizens – made a difference?

ACSI Results show a mostly Positive Trend

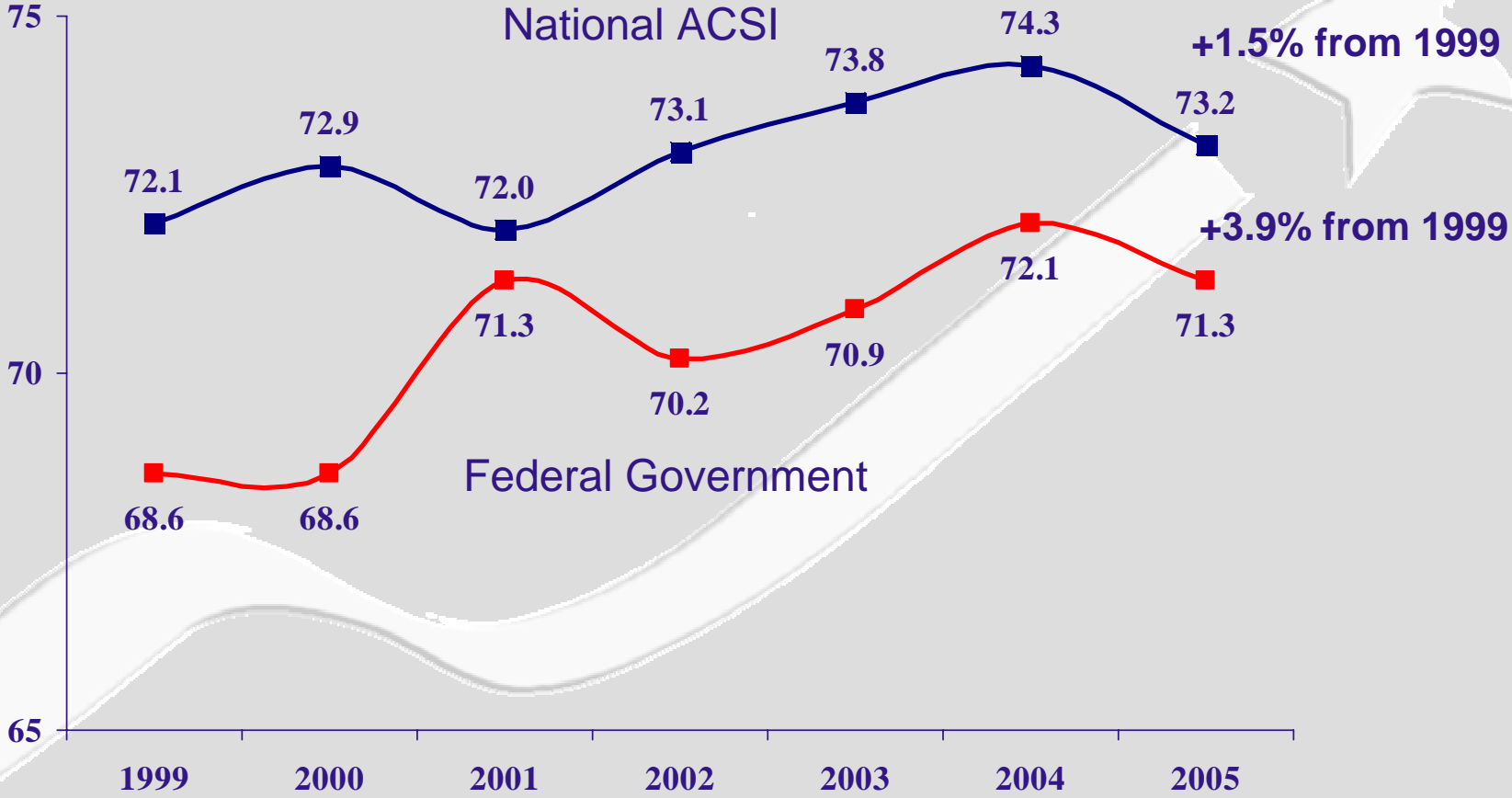


Aggregate Customer Satisfaction with Federal Government, 1999-2005*



*0-100 Scale

Government Keeping Pace with Private Sector Improvement



How the ACSI Government Score is Calculated



- Weighted average using budget devoted to each measured customer segment (discretionary only, no mandatory outlays)
- 4 key departments/agencies measured each year, accounting for vast majority of “weight” of overall Federal score:
 - Internal Revenue Service (IRS)
 - Medicare (CMS)
 - Social Security Administration (SSA)
 - Veterans Health Administration (VHA)
- Continuity – a majority of agency measures in 2004 repeated in 2005; many new measures represent enhancement of previous measures or expansion into new customer groups within the same agency



Representation of Federal Government in ACSI



Segments from 18 Departments/Administrations

- 
- 
- Agriculture
 - Commerce
 - Defense
 - Education
 - Energy
 - General Services Administration
 - Health & Human Services
 - Interior
 - Justice
 - Labor
 - NASA
 - Office of Personnel Management
 - Small Business Administration
 - Social Security Administration
 - State
 - Transportation
 - Treasury
 - Veterans Affairs

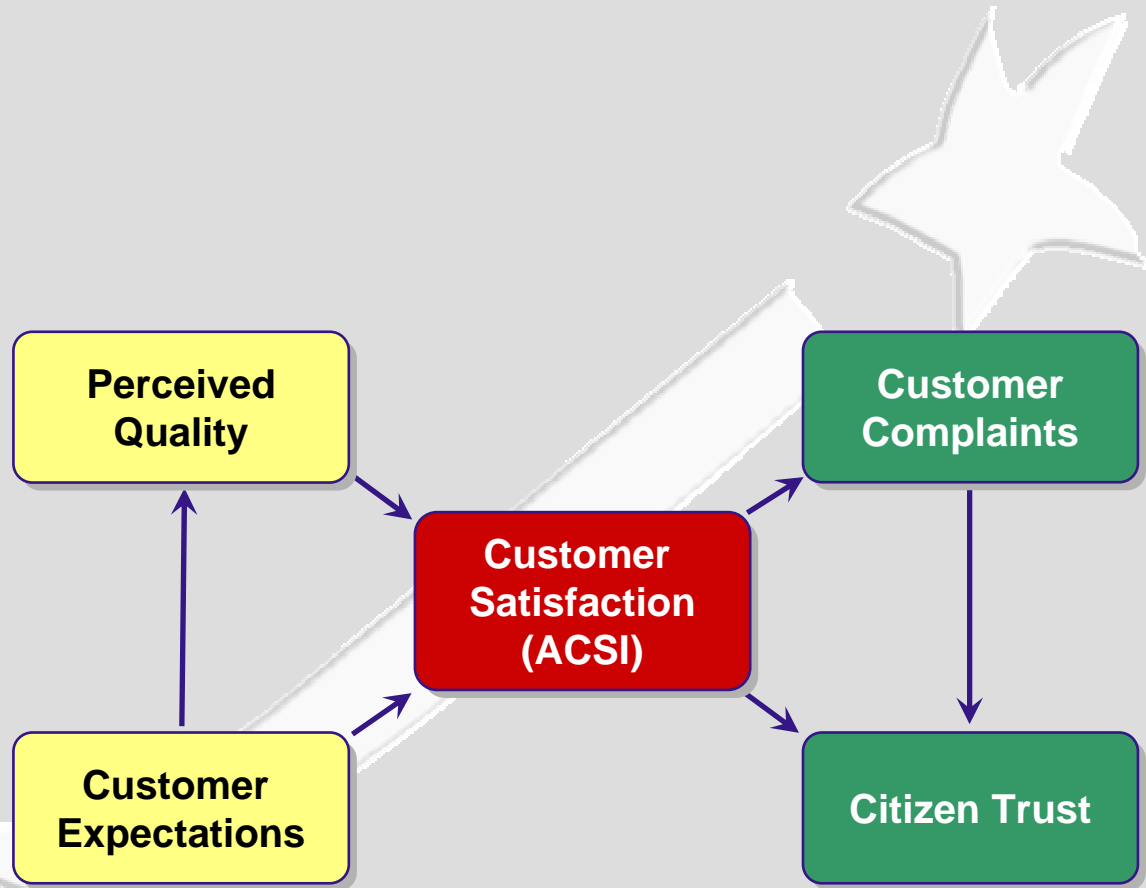


ACSI METHODOLOGY

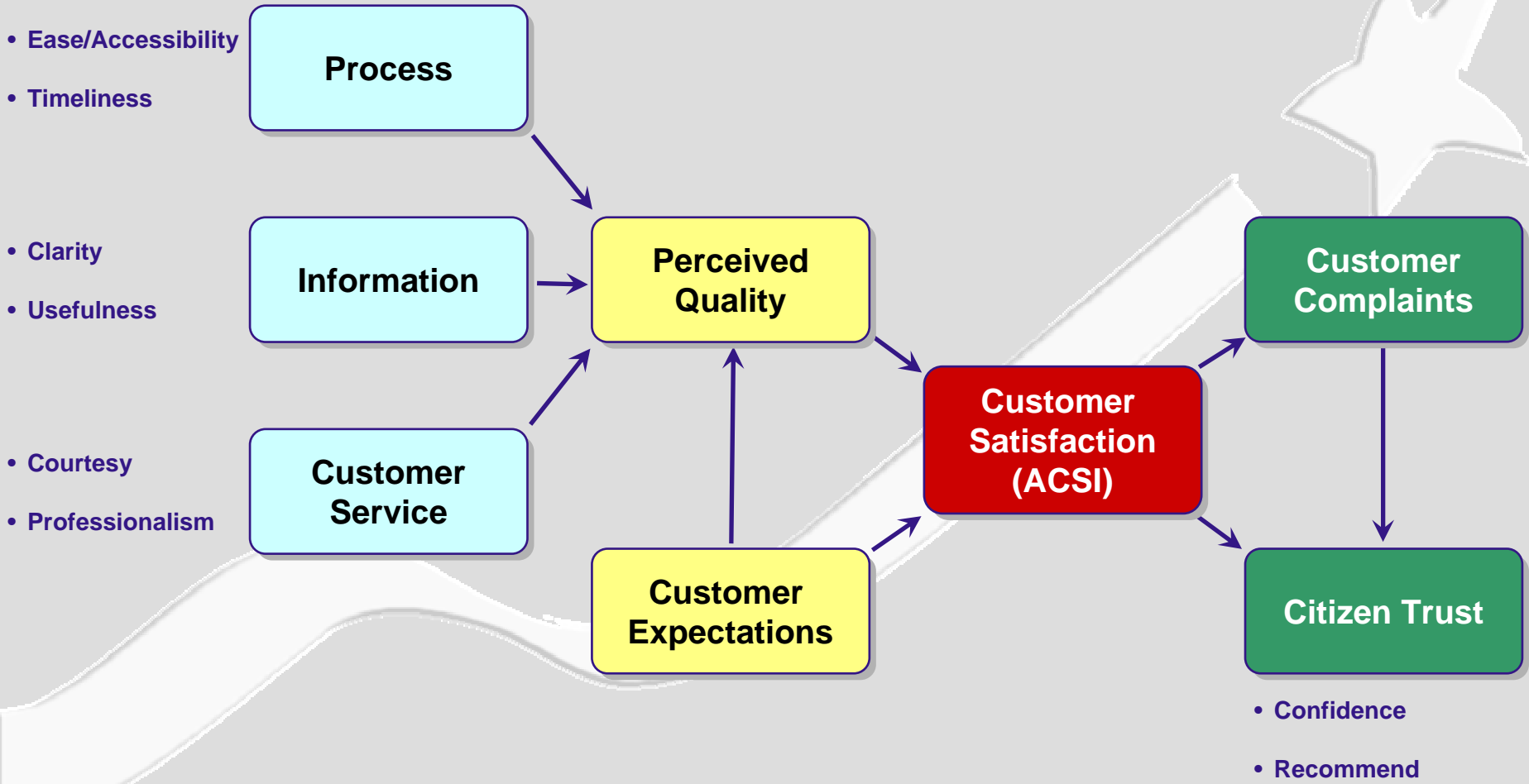
- **Customer satisfaction (ACSI) is embedded in a system of cause and effect relationships**
- **Measures are general enough to be comparable across agencies, companies**
- **ACSI is measured using multiple indicators**
- **Objective: Explain desired outcomes**



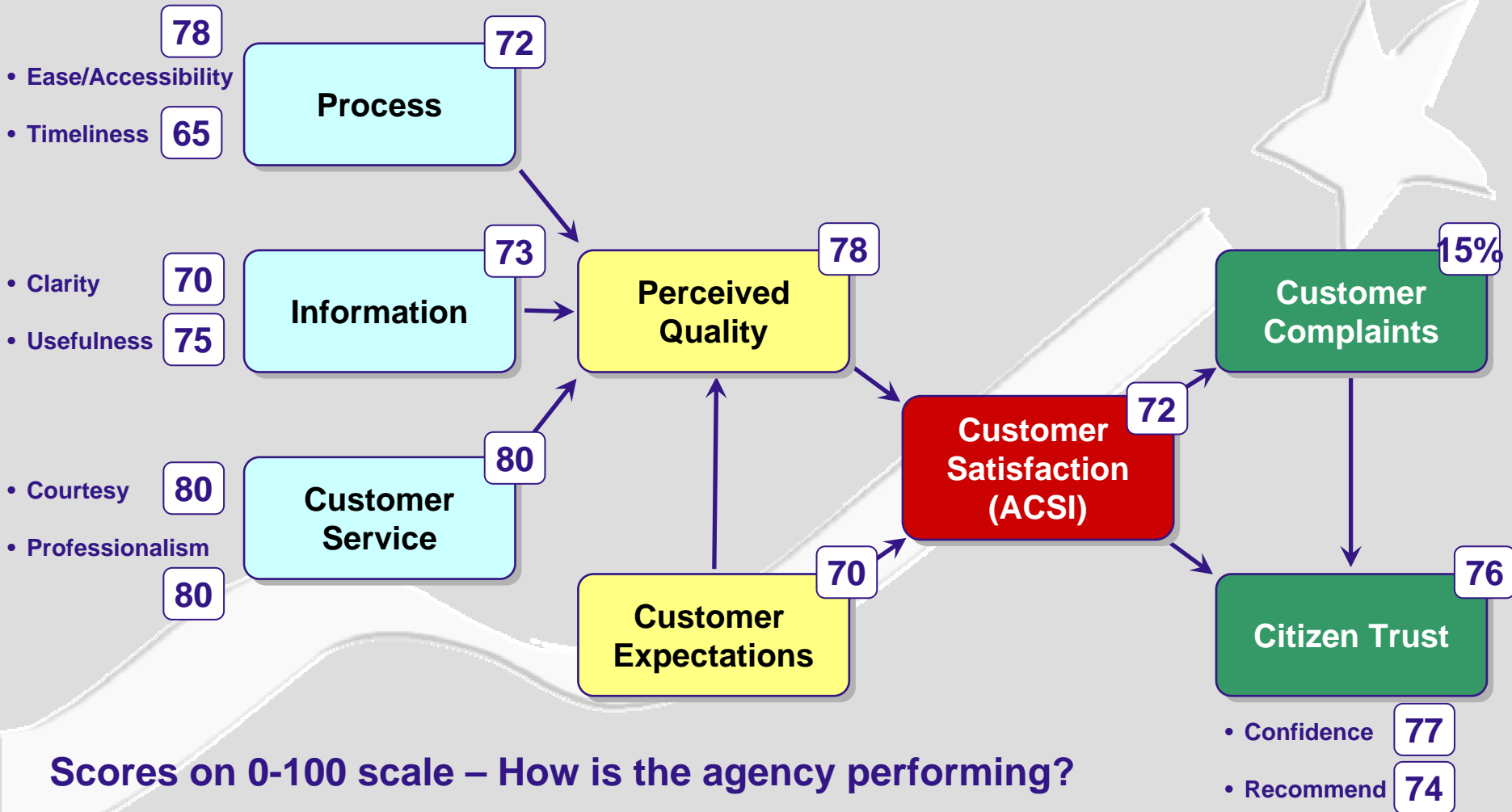
The Basic ACSI Model for Government



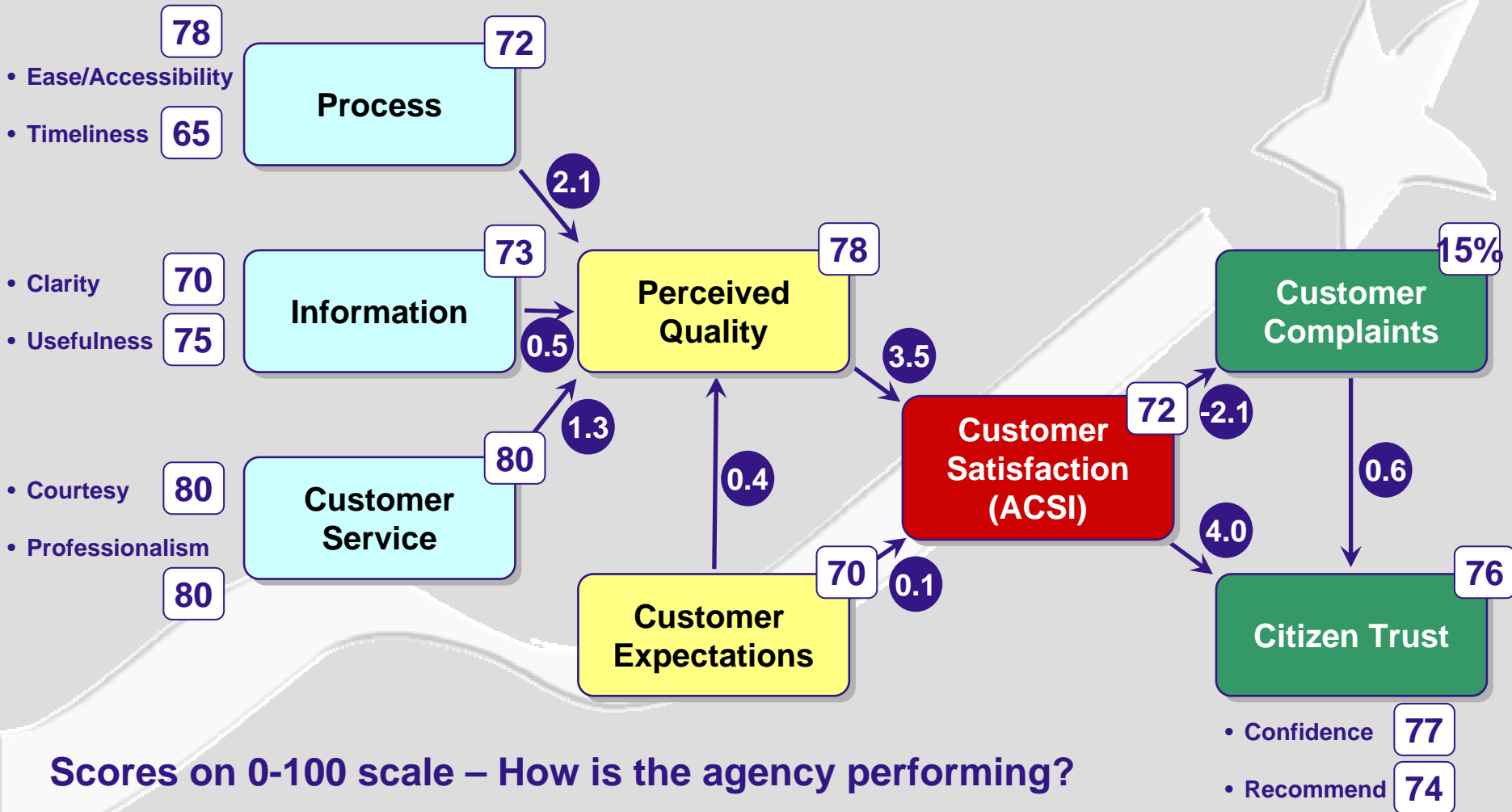
Enhanced ACSI Model for Government (Typical)



What Agencies Receive (Hypothetical Example)



What Agencies Receive (Hypothetical Example)



Scores on 0-100 scale – How is the agency performing?

Impacts assume 5 point change – What are the best leverage points?

How Agencies Utilize ACSI Data



- **Test results against current assumptions**
- **Reexamine improvement plans and strategy**
- **Report results to Congress, employees, and customers**
- **Design and conduct more detailed drill-down surveys on low-performing areas**
- **Identify strategic benchmarking partners; identify/adopt “best practices”**

How Agencies Have Benefited from ACSI Data



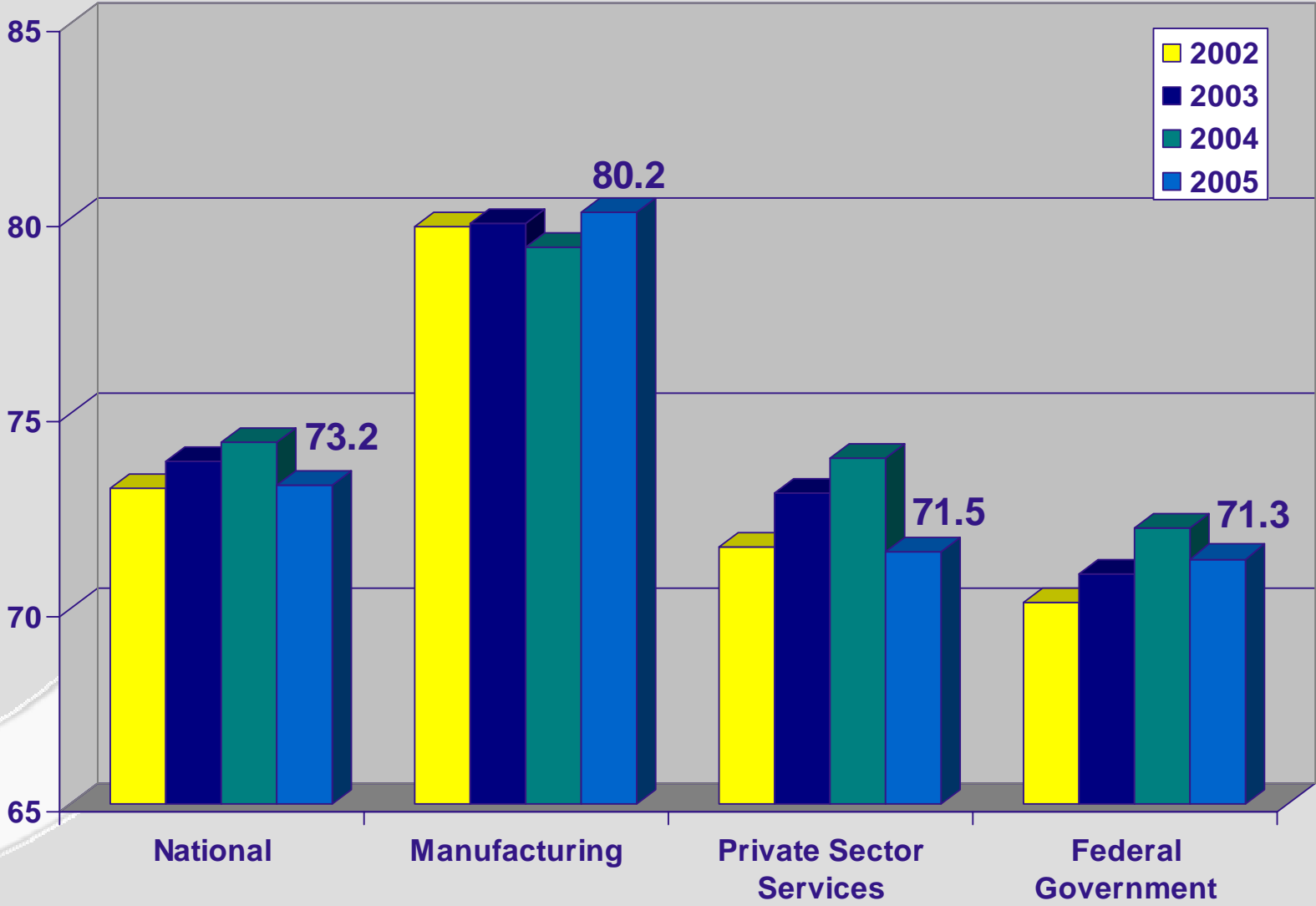
**CUSTOMER
SATISFACTION
ACHIEVEMENTS**

- Better image
 - Higher loyalty
 - Reduced costs
 - Greater trust
- 

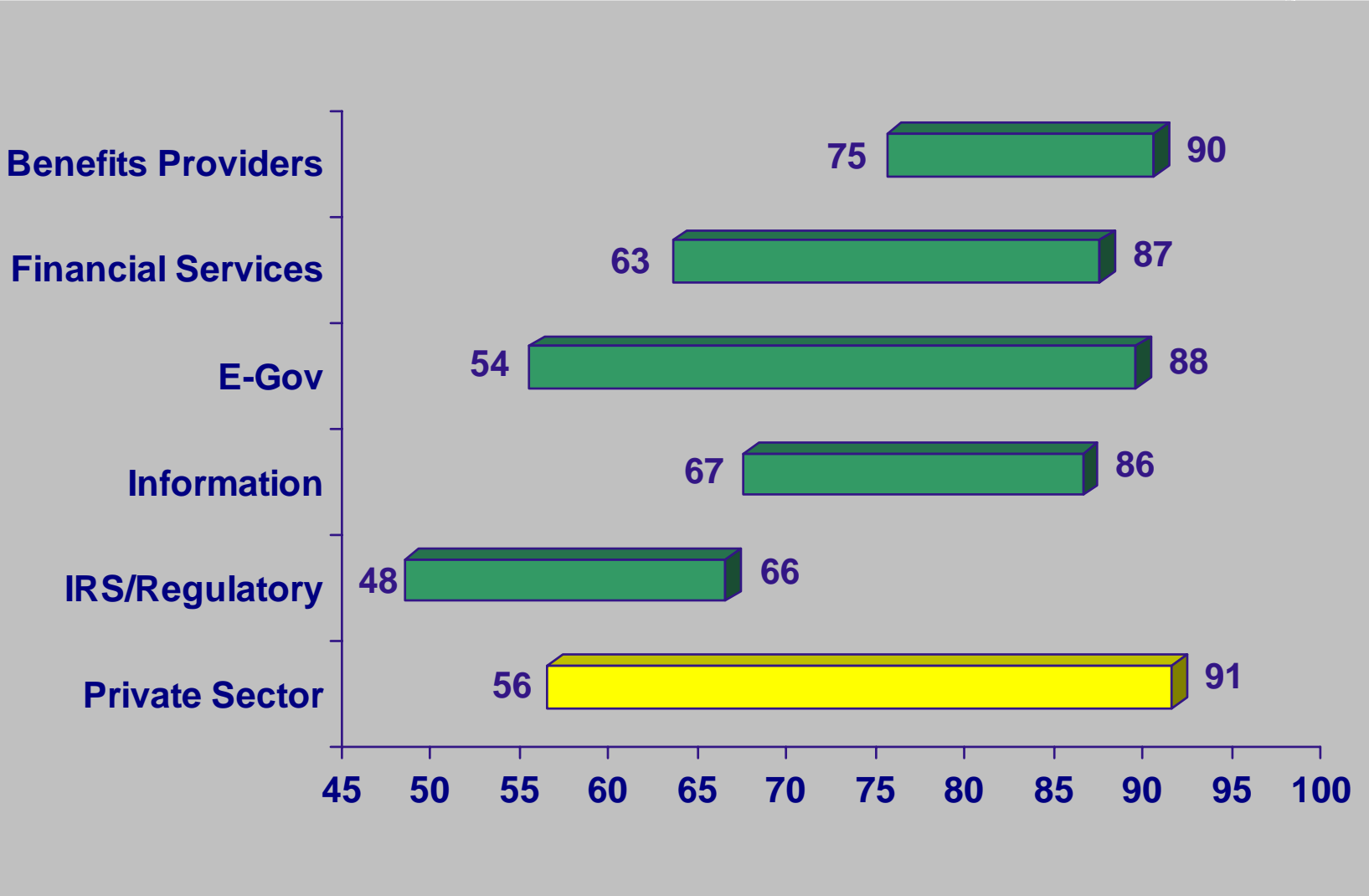


2005 DETAILED ACSI RESULTS FOR THE U.S. FEDERAL GOVERNMENT

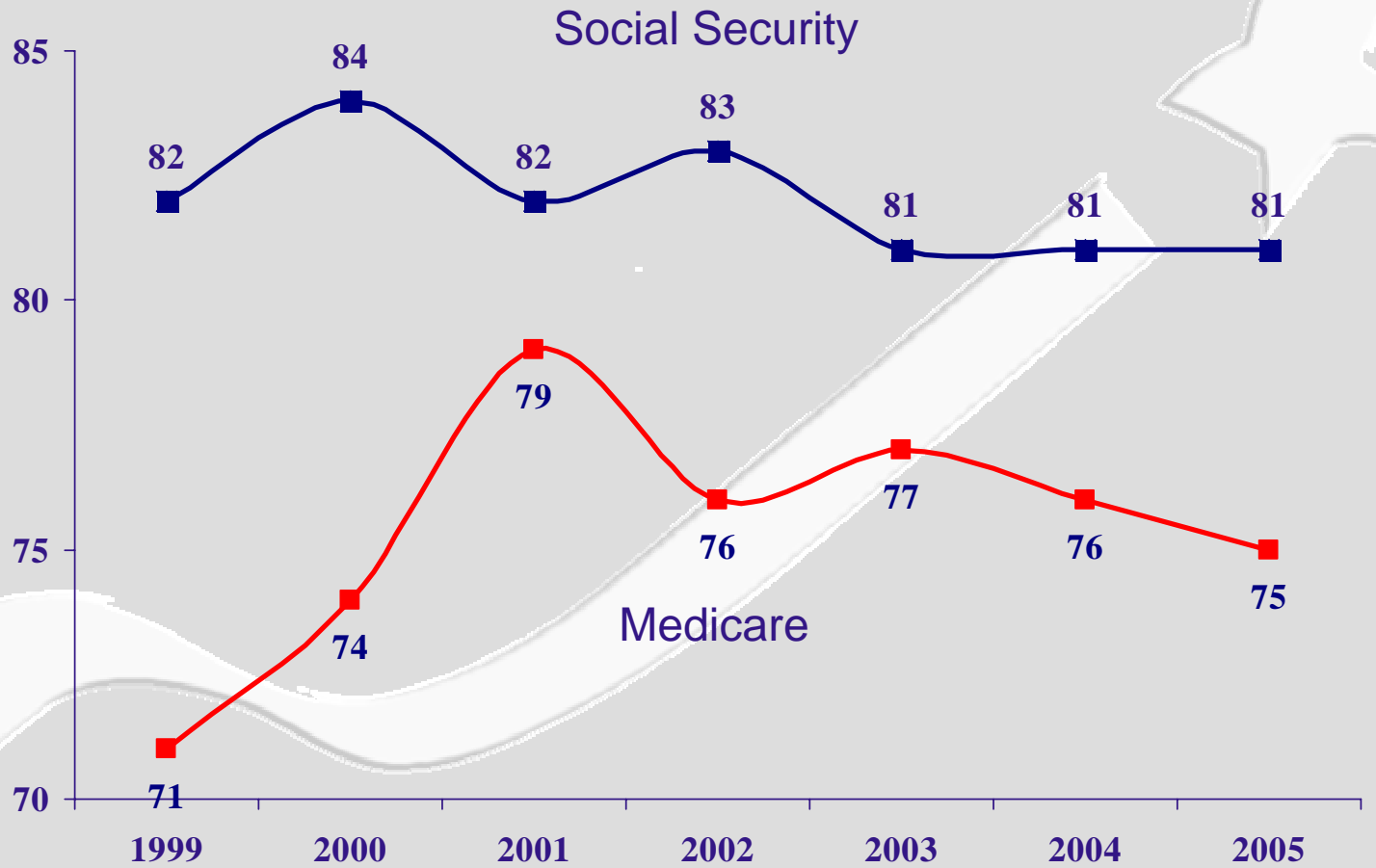
Government ACSI Compared with Private Sector



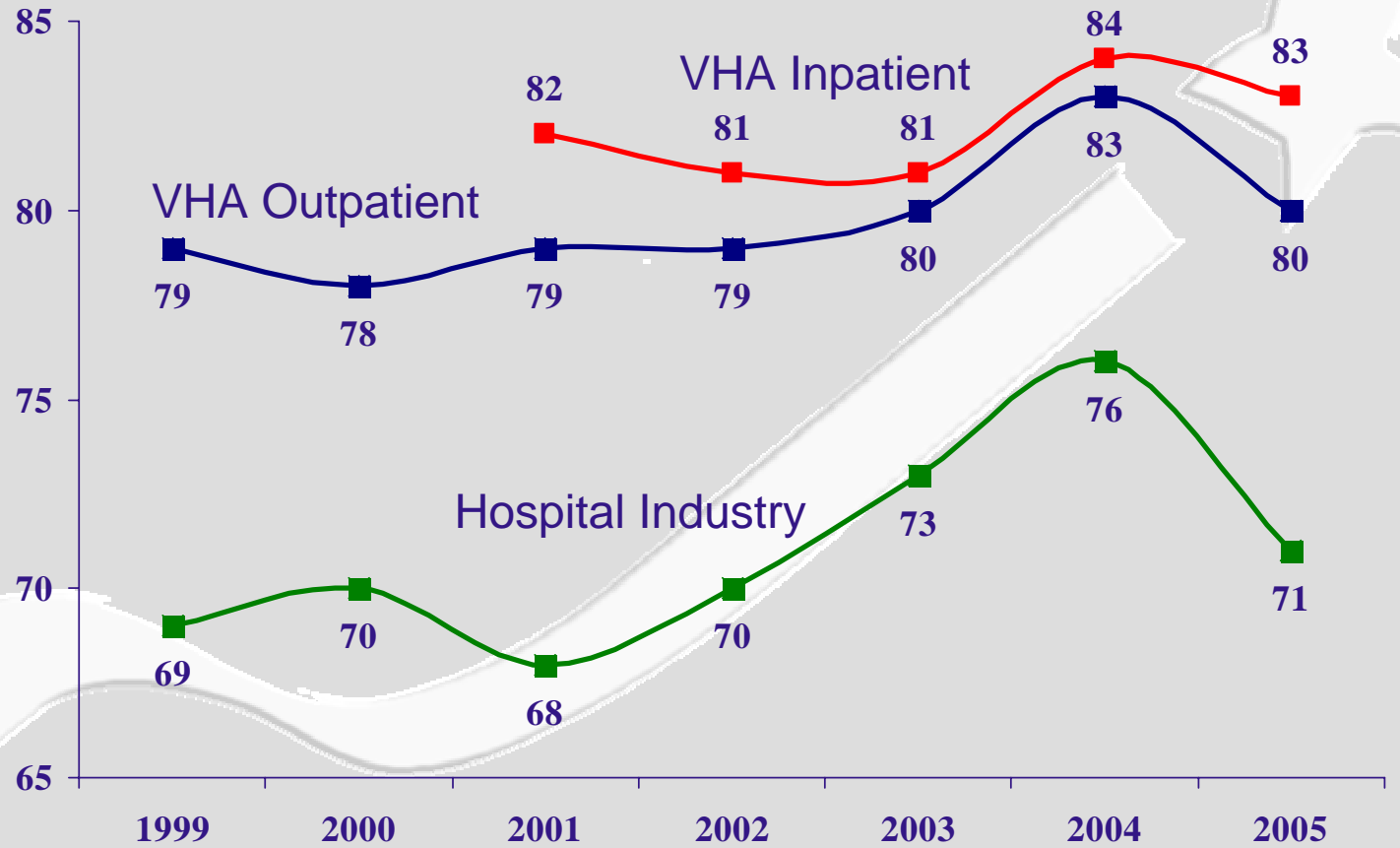
Ranges of ACSI Scores for Different Agency Types



Social Security and Medicare



VA Hospital Declines, Still Leads Private Sector by Wide Margin



Case Study: Internal Revenue Service

Poor delivery potentially compromising revenue collection



Before leveraging customer satisfaction ...

- Disgruntled employees
- Dissatisfied taxpayers
- Declining, low ACSI Scores



**1997 Senate Hearings:
A Tax Agency
Out of Control**

“As only one taxpayer representative out of thousands across the country, I have seen dozens of taxpayers severely damaged and even made homeless by the IRS collection division.”

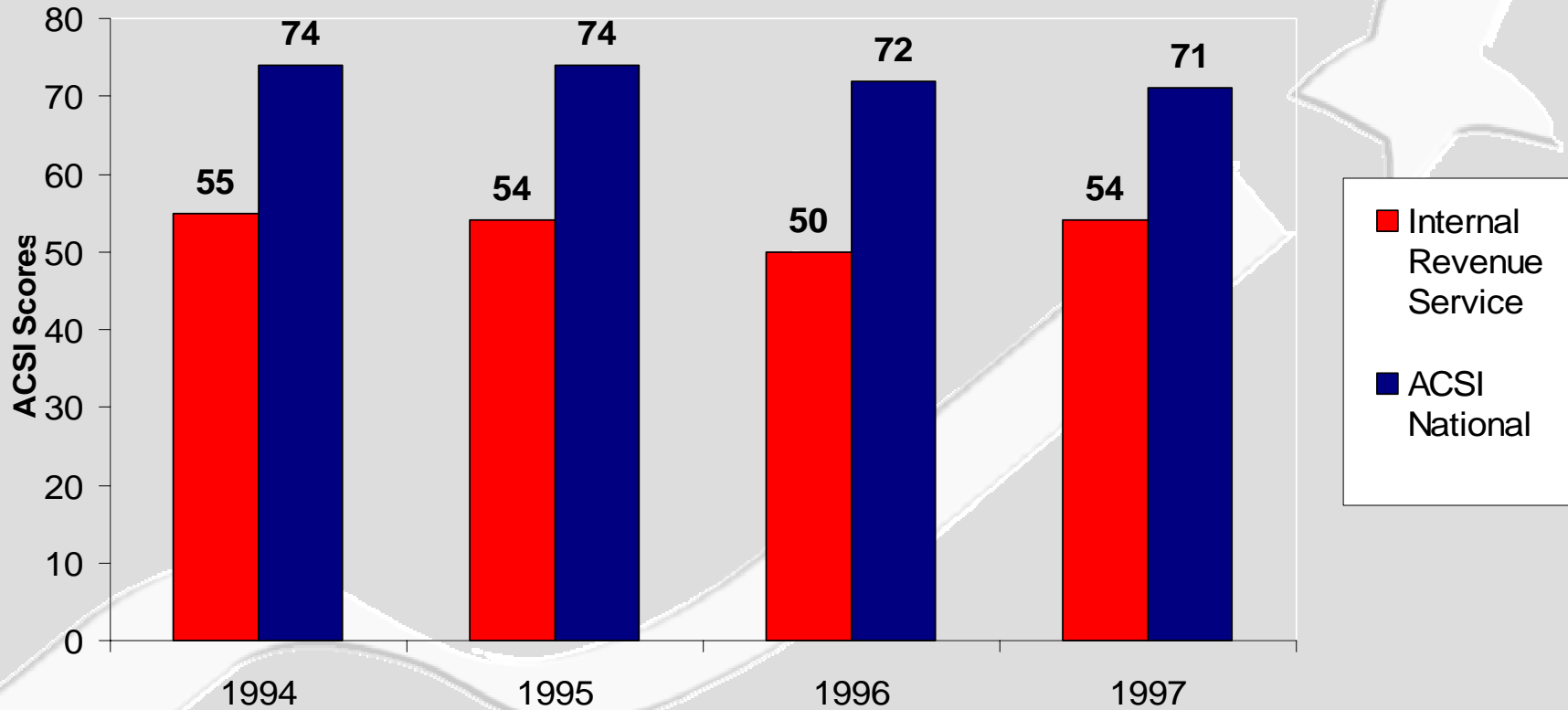
*Anonymous Witness #1, IRS Employee
Senate IRS Hearings 1997*

“The long list of IRS horrors included arbitrary collection decisions, sale of taxpayer lien property far below value, and the cavalier mistreatment of taxpayers.”

*Bob Zelnick, ABC Good Morning America
September 26, 1997*

Case Study: Internal Revenue Service

Departmental performance lagged far behind...



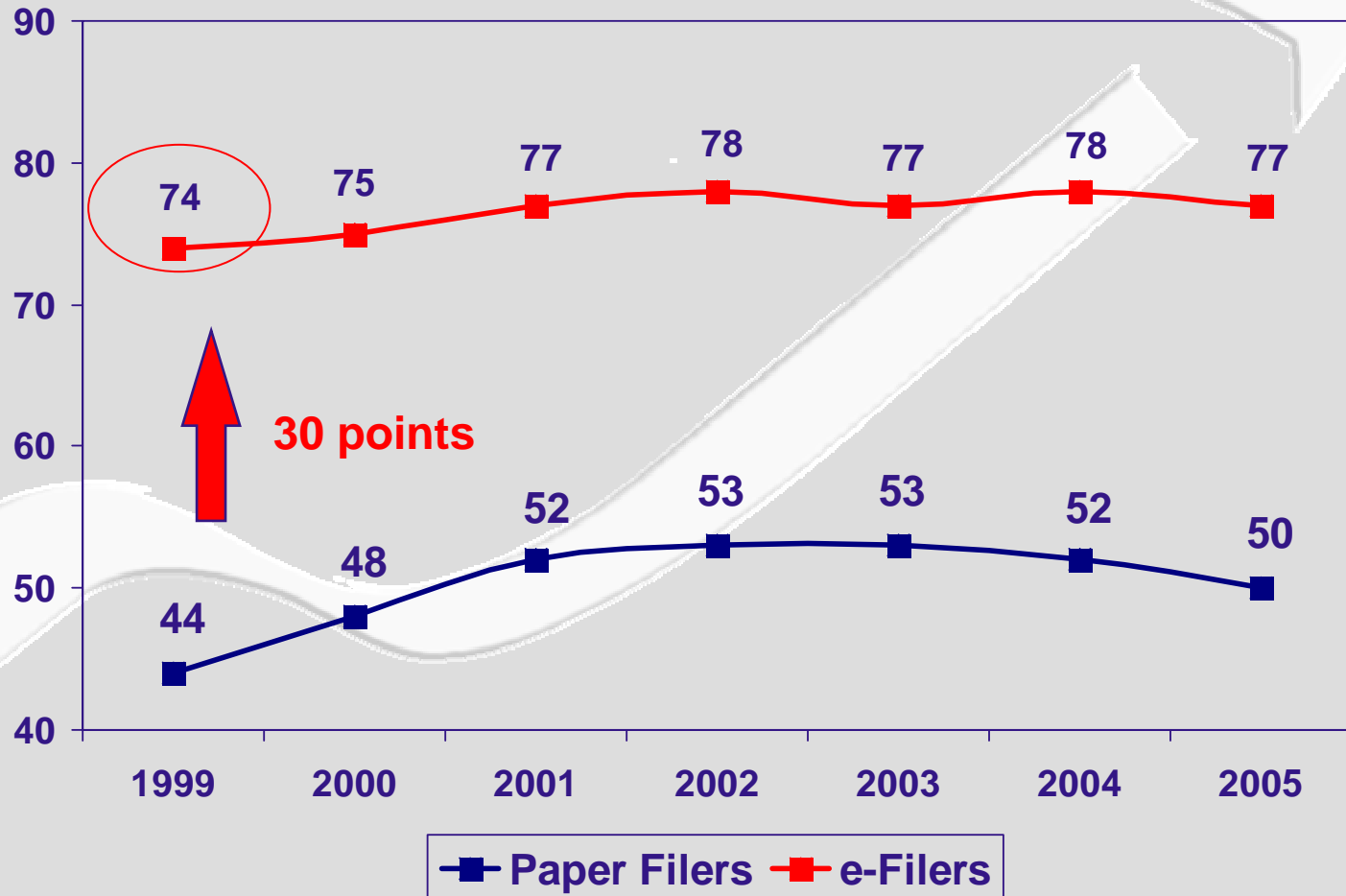
Case Study: Internal Revenue Service

A Key Discovery: ACSI Study 1999



e-Filers vastly more satisfied ...

- fewer errors, quick problem resolution
- earlier refunds, status tracking



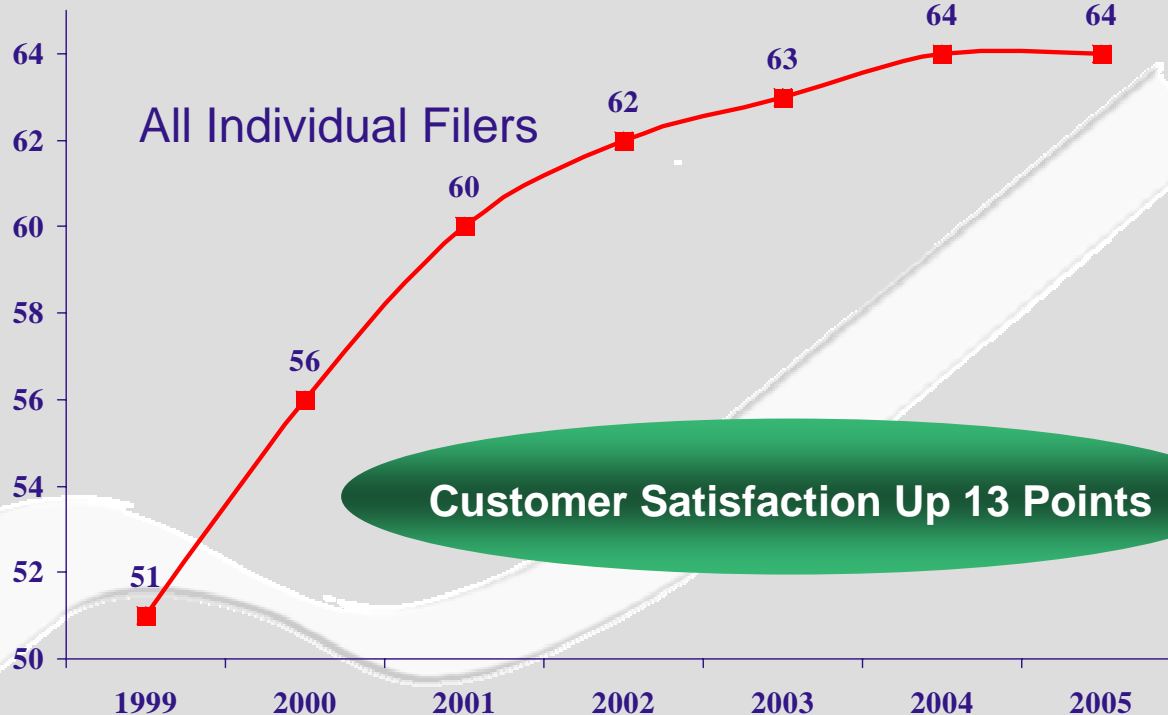
Case Study: Internal Revenue Service

A systematic improvement



IRS hears the voice of the customer ...

- Commitment to customer service
- Increased awareness and usage of e-Filing



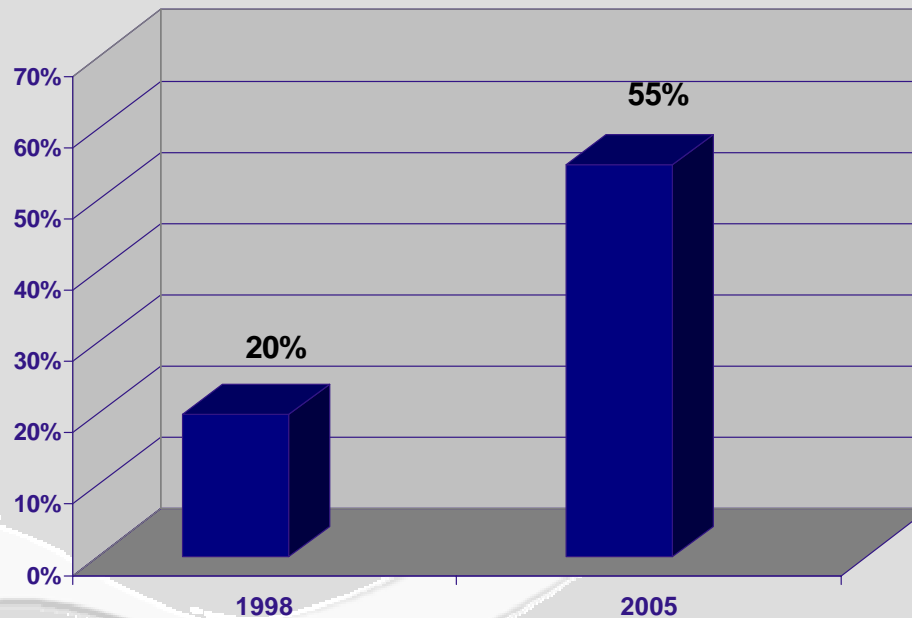
**Faster Trade-Up to Electronic filing...
Faster access to tax revenues?**

Case Study: Internal Revenue Service

A performance measure...



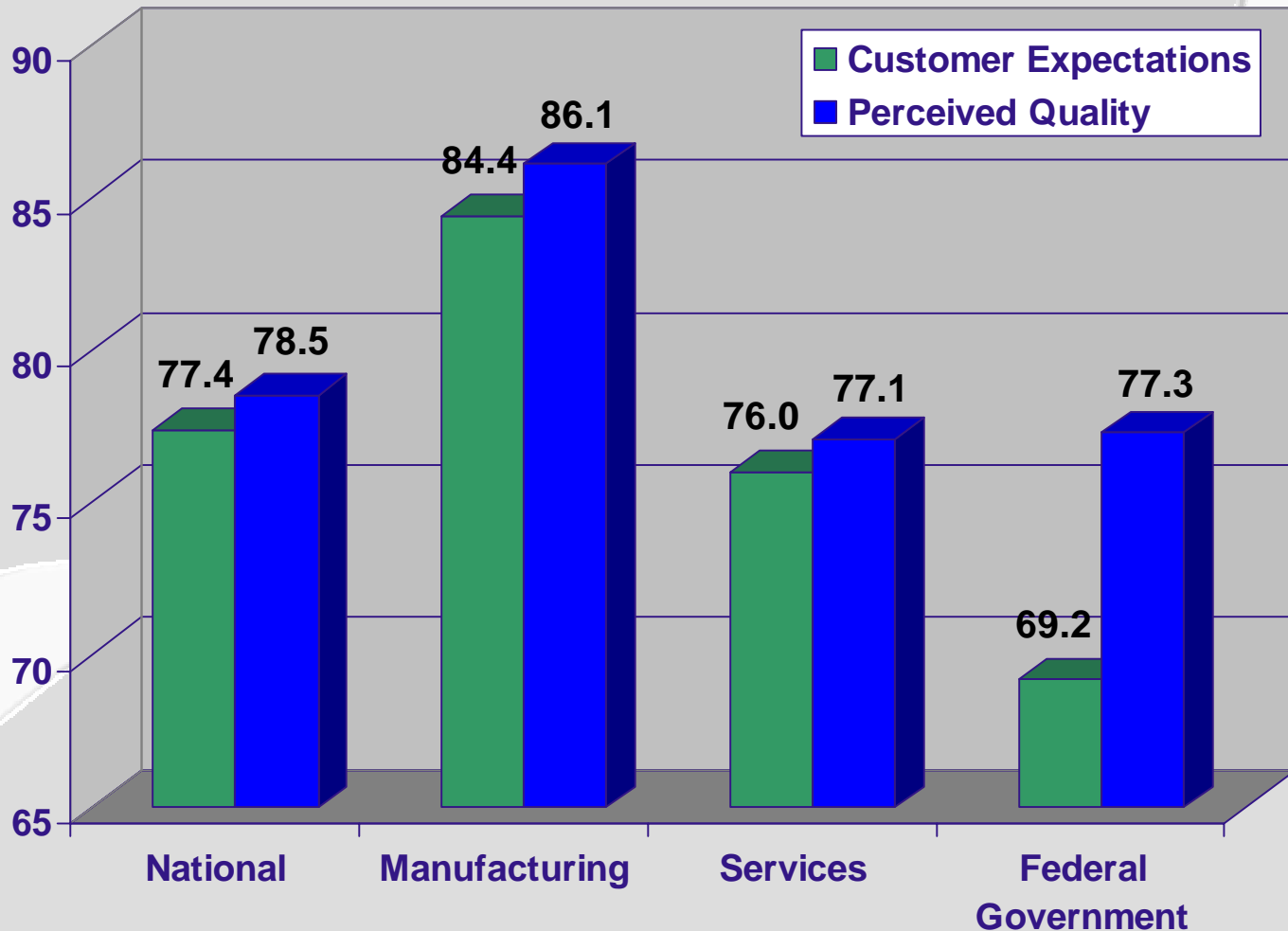
Number of e-filers nearly triples in 7 years



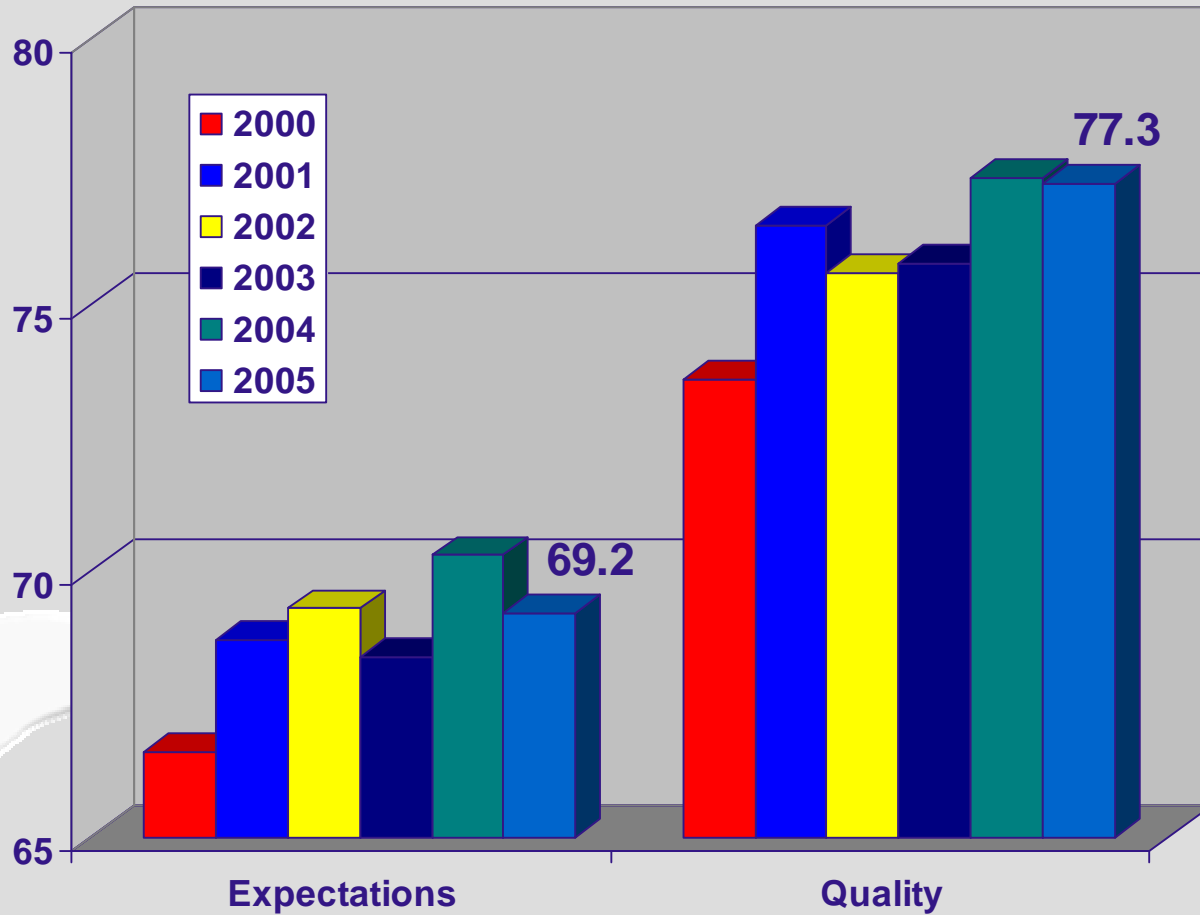
“We realize we have more work to do, but the survey is just one more indication that the IRS reorganization and its emphasis on customer service are paying off. The satisfaction with IRS e-file won’t surprise any taxpayer who has used it. When they try it, they like it. It is fast, accurate and dependable.” - Charles O. Rossotti, IRS commissioner, December 17, 2001

Customers of Government Services Expect Less

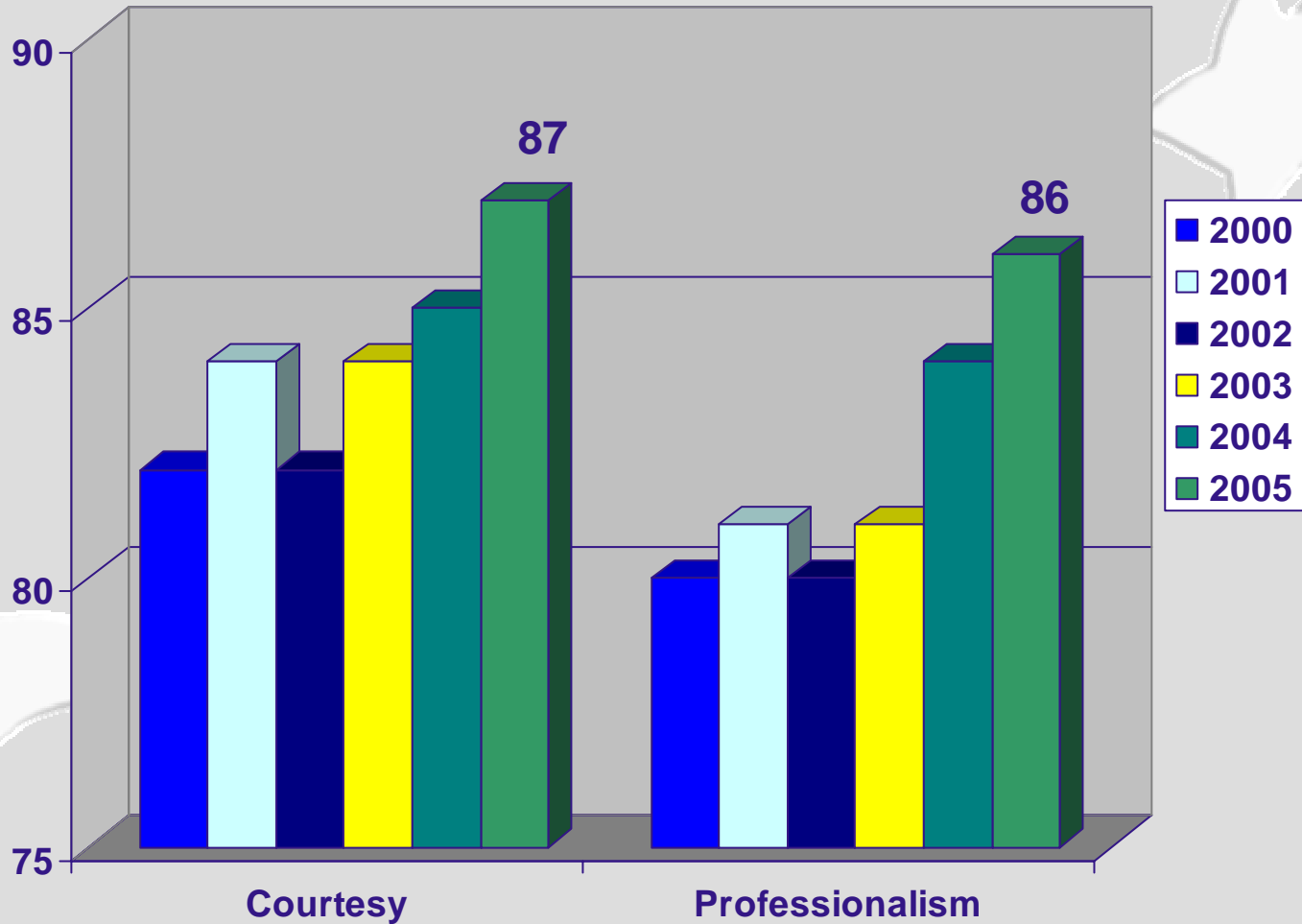
2005 Comparison of Expectations and Quality



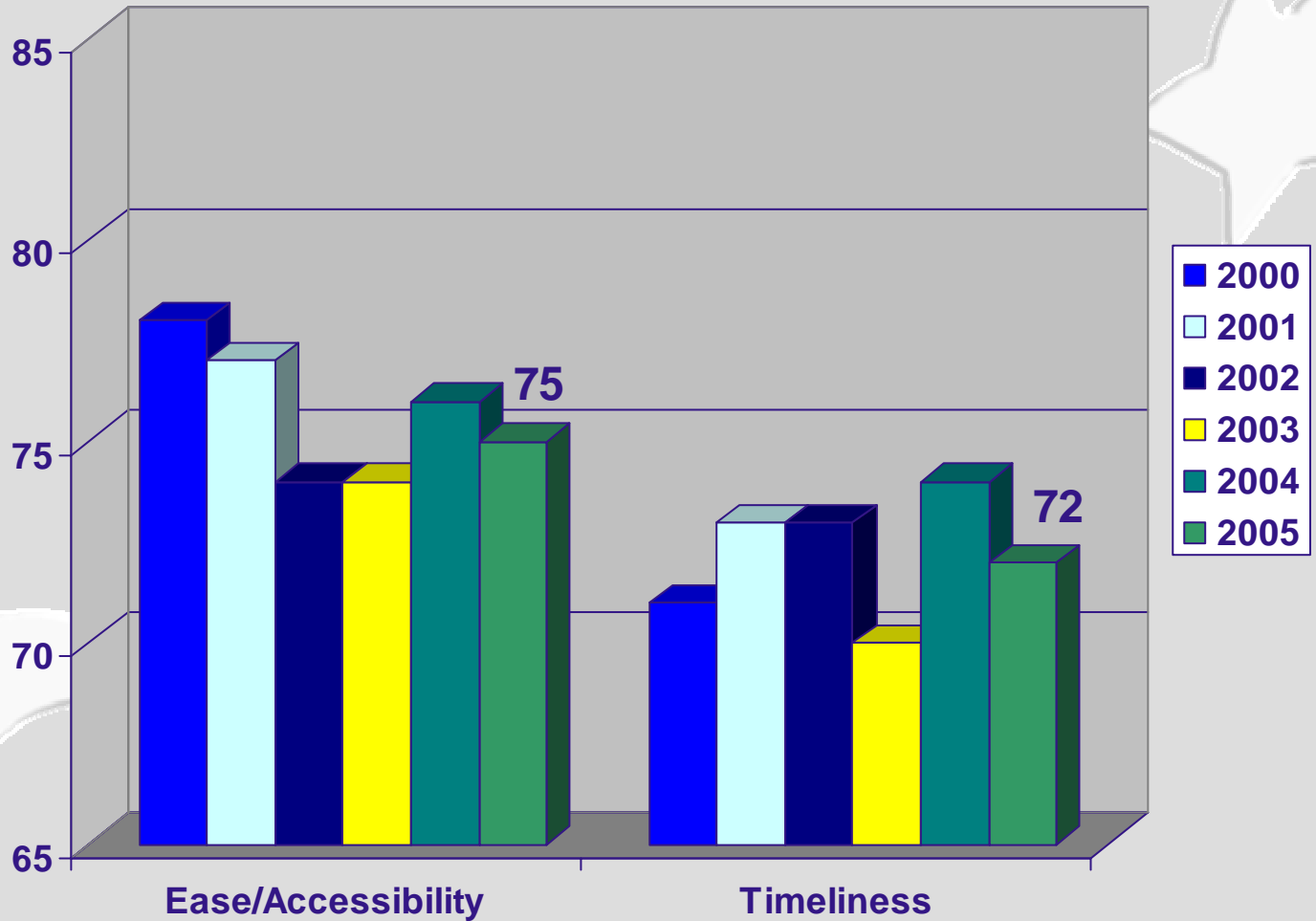
Quality Steady, Expectations Decline



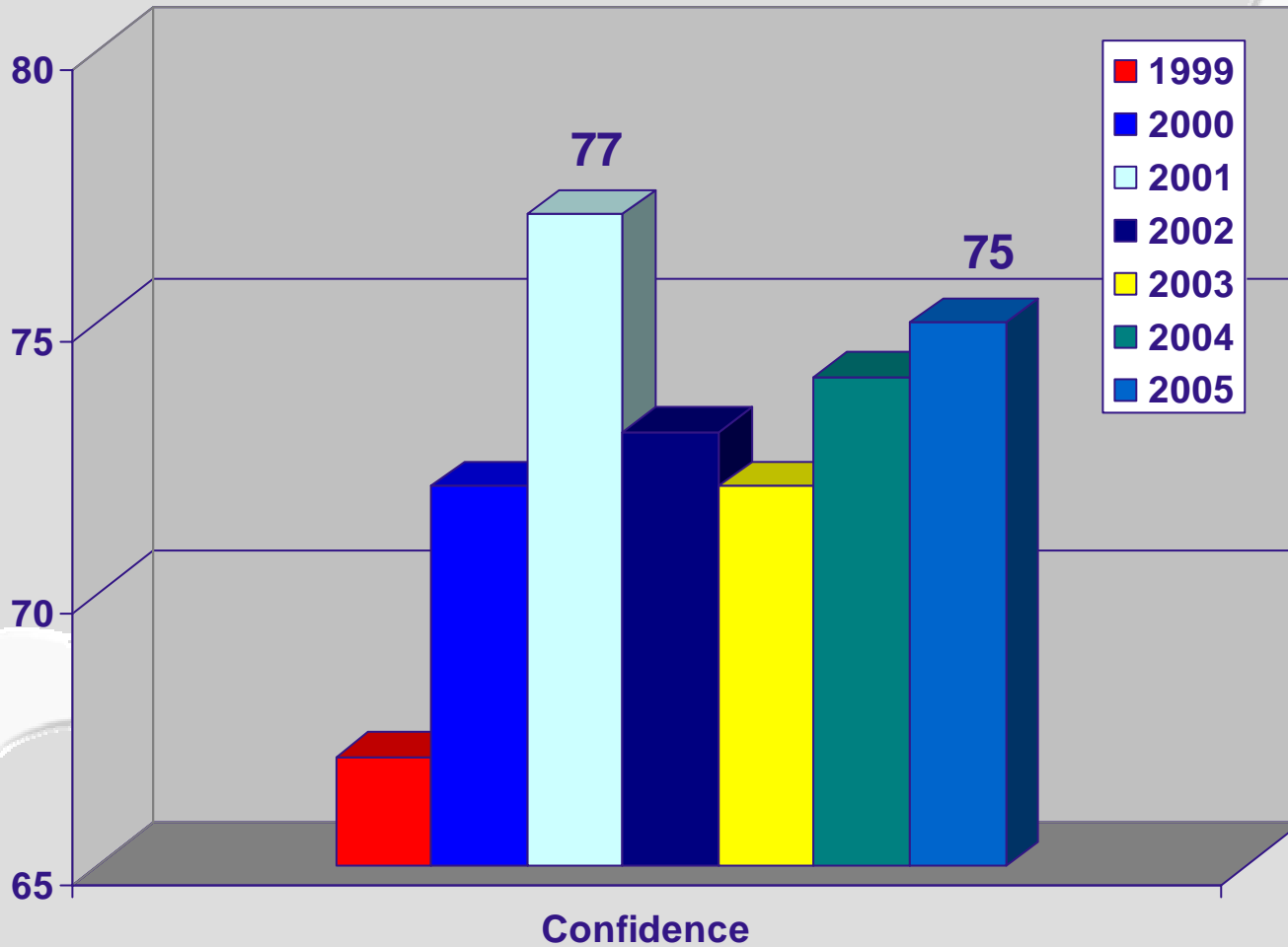
Customer Service Measures At All-Time Highs



Access to Services, Timeliness of Delivery Still Lagging



Confidence in Government Agencies Returns to Highest Level Post-2001



Next Steps: 2006 and Beyond



- Re-measure 2005 participants
- Expansion with new agencies/segments signing up for measurement in early 2006
- Continue to grow e-Gov measurement
- For more information see:

www.theacsi.org

www.fcg.gov

