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## **ACSI Report: Customer Satisfaction With Airlines Remains Low**

*Increased Rates Drive Hotel Satisfaction Down; Online Travel Sites Improve*

**ANN ARBOR, Mich.,** (April 22, 2014) – The ability to create a satisfied customer remains elusive for most airlines according to today’s report from the American Customer Satisfaction Index (ACSI) on airlines, hotels and Internet travel agencies. Airlines score 69 on the ACSI’s 100-point scale and remain among the lowest-scoring categories in the Index, beating only subscription TV service, social media and the IRS.

Poor in-flight service and lack of seat comfort are two of the major culprits behind the dismal performance, receiving scores of 67 and 63, respectively. On the other hand, passengers are pleased with the check-in process and ease of booking, which both weigh in at 82.

“Travelers are happy with airlines before they get on the plane. Even areas that might be considered stereotypical customer pain points, like late departures and arrivals or baggage handling, score high these days,” says David VanAmburg, ACSI Director. “The one area that continues to plague airlines is the in-flight experience, which can really sour satisfaction with the airline overall.”

### **Low-Cost Carriers Remain on Top; Big Gain for Delta**

Despite a 5% decline from last year, JetBlue remains the highest-scoring airline with an ACSI rating of 79. Southwest drops 4% to 78, but stays close behind JetBlue. Delta improves the most with a 4% increase to 71. US Airways, up 3%, and American Airlines, up 2%, are tied at 66 near the bottom of the industry.

After the 2010 merger with Continental, United is still struggling with passenger service. It has the lowest ACSI score (60) in the industry following a 3% decline.

“We’ve seen time and time again the negative impact mergers have on customer satisfaction. American Airlines may also see a slump in satisfaction as it combines operations with US Airways,” says Claes Fornell, ACSI Chairman and founder. “Southwest led the industry for 17 years until it merged with AirTran in 2011 and Delta is just now recovering from its 2008 merger with Northwest.”

## **Overall Hotel Industry Drop Due to Dwindling Guest Satisfaction With Midscale and Budget Chains**

Hotels decrease 2.6% to an ACSI score of 75. Less availability and quality of hotel amenities, Internet service and in-room entertainment contribute to the decline.

“Hotels have raised rates as the economy is getting better, but there hasn’t been a corresponding improvement in amenities, according to customers” says VanAmburg. “This is what’s producing the broad decline in guest satisfaction.”

Marriott, down 1%, leads the hotel sector with an ACSI score of 81. Three other upscale hoteliers—Hilton, Hyatt and InterContinental—earn scores of 78. Marriott’s overall guest satisfaction is aided by strong ACSI numbers for its Ritz-Carlton and JW Marriott brands with ratings of 86 and 83, respectively.

Hotels catering to budget and midscale markets fall below the industry average. Best Western’s 6% tumble to 74 reverses its gains over the past five years. Low scores for Wyndham budget brands Days Inn, Ramada Inn and Super 8 contribute to the company’s overall score of 72 at the base of the industry.

## **Satisfaction With Travel Websites Is up but Users Prefer Other Booking Options**

Online travel agencies, up 1% to an ACSI score of 77, lead in user satisfaction among the travel industries. Nevertheless, site visitors prefer booking directly with airlines and hotels. It is somewhat more demanding to make and pay for reservations on travel websites (ACSI score of 79) compared with hotel (88) and airline (82) websites, according to users. Further, travel sites could do a better job with navigation (75) as well as with promotions and package deals (72).

“Airlines and hotels have figured out how to negate the appeal of Internet travel agencies by offering more user-friendly navigation and incentives for booking directly on the hotel or airline website,” says Fornell. “Travelers explore options on travel sites, but often go directly to the provider to book. The challenge for travel websites is to close the sale while visitors are on their site. Even with the increased travel website overall satisfaction, this is not an easy thing to do.”

The lack of differentiation among Internet travel companies is reflected in their customer satisfaction. Orbitz has an ACSI score of 77 compared with Expedia at 76, Priceline at 75, and Travelocity at 74.

The full report is available for free download at [www.theACSI.org](http://www.theACSI.org). Follow the ACSI on Twitter at @theACSI and Like us on Facebook.

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

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