



INSIGHT REPORT

2017 Temkin Experience Ratings, UK

CO-OP, M&S FOODS, AND LIDL RECEIVE TOP CUSTOMER EXPERIENCE SCORES ACROSS 157 UK COMPANIES

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EXECUTIVE SUMMARY

The *UK Temkin Experience Ratings* is a cross-industry, open-standard benchmark of customer experience. To generate these scores, we asked 5,000 UK consumers to rate their recent interactions with 157 companies across 16 industries and then evaluated their experiences across three dimensions: *success*, *effort*, and *emotion*. Here are some highlights from the research:

- Co-op, M&S Food, and Lidl earned highest overall ratings, while Audi, BMW, and Flybe earned the lowest.
- When we compared company ratings with their industry averages, we found that Saga, Premier Inn, Vauxhall, and Volkswagen most outperformed their peers, while Audi and Bank of Scotland fell well below their competitors.
- To improve customer experience, companies need to master four competencies: *Purposeful Leadership*, *Compelling Brand Values*, *Employee Engagement*, and *Customer Connectedness*.

CO-OP, M&S FOOD, AND LIDL EARN TOP CUSTOMER EXPERIENCE RATINGS

To evaluate the quality of the experiences that UK companies deliver to their customers, we surveyed 5,000 UK consumers about their recent interactions with organizations.¹ We then used this consumer feedback to create the *Temkin Experience Ratings* by:²

- **Examining three elements of the experience.** We asked consumers to evaluate their experiences with different companies over the past 60 days. These questions—rated on a seven-point scale—covered the three components of an experience: *success*, *effort*, and *emotion* (see Figure 1).
- **Only analyzing data from companies with more than 100 respondents.** Although consumers rated a multitude of companies for our survey, we only analyzed those that received at least 85 consumer responses. Ultimately, we examined data from 157 companies across 16 industries (see Figure 2).
- **Calculating the component ratings.** We developed ratings for each of the three components of an experience—*success*, *effort*, and *emotion*—by subtracting the percentage of consumers who rated a company poorly from the percentage of consumers who rated it highly.³

¹ Data comes from the Temkin Group Q1 2017 Consumer Benchmark Survey – an online study of 5,000 UK consumers completed during January 2017. Survey respondents were representative of the UK Census based on quotas for gender, age, income, and geographic region.

² Temkin Group has published the Temkin Experience Ratings in the U.S. since 2011.

³ We describe the methodology for calculating the Temkin Experience Ratings at the end of this document.

- **Calculating the overall ratings.** We found the Temkin Experience Rating for each company by averaging the ratings of the three experience components.

Supermarkets Dominate Top of Ratings and Rental Cars & Transport Control the Bottom

We examined the Temkin Experience Rating of 157 companies from 16 industries and found that:

- **Co-op, M&S Food, & Lidl earn top scores.** Supermarkets took six of the top 10 spots in the *2017 Temkin Experience Ratings*, with Co-op, M&S Food, and Lidl all earning an overall rating of 80% (see Figure 3). Three other supermarkets – Aldi, Asda, and Waitrose – and four retailers – Amazon.co.uk, Boots, Marks & Spencer, and Wilko – round out the top 10.
- **Audi, BMW, and Flybe earn the lowest scores.** Audi received the lowest score in the *2017 Temkin Experience Ratings* with a rating of -13% (see Figure 4). BMW and Flybe each also received a rating below 10%. Two health insurers – Aviva and AXA PPP – and Alamo, Bank of Scotland, Airbnb, Lufthansa, and AA fill in the rest of the bottom 10 companies.
- **Most industries are “poor.”** Eleven out of 16 industries received average ratings in the “poor” or “very poor” range, while two industries, banks and credit cards, scored in the “okay” range. Only supermarkets, retailers, and fast food chains earned “good” average ratings (see Figure 5).
- **Sage and Premier Inn most outperform their competitors.** We compared the scores of individual companies to the average scores of their industries and found that 18 companies earned Temkin Experience Ratings that are at least 10 percentage-points higher than their industry averages (see Figures 6 and 7). Of those 18 companies, four earned ratings at least 20 points above their industry averages: Sage (+23), Premier Inn (+22), Vauxhall (+21), and Volkswagen (+20).
- **Audi and Bank of Scotland fall furthest behind their peers.** Audi and Bank of Scotland fell more than 40 points below their industry averages. Four other companies received ratings more than 20 points below their peers: BMW (-31), Airbnb (-28), Flybe (-26), and AA (-20).

Success, Effort, and Emotion Experience Ratings

We examined the three components of the *Temkin Experience Ratings* – *success*, *effort*, and *emotion* – for each company and discovered that (see Figure 8):

- **Emotion is the weakest component.** Across all 16 industries, the *emotion* scores fall well below those of *success* and *effort*. In fact, supermarkets were the only industry to earn an “okay” average *emotion* rating – all other industries’ average scores for this component fell into either the “poor” or “very poor” range (see Figure 9). Domino’s received the highest *emotion* rating with a score of 67%. Only 28 other companies also earned an “okay” rating for this component, while a staggering 84 companies had “very poor” *emotion* ratings.

- **Supermarkets top the *success* component.** The supermarket industry earned the four highest ratings for the *success* component (see Figure 10). Lidl leads the pack with a 90% *success* rating, while M&S Food, Aldi, and Co-op followed close behind, each with a score of 88%. Thirty other companies also received “excellent” ratings for this component. At the other end of the spectrum, 29 companies had “very poor” scores in this area. Audi received the lowest *success* rating with a score of -13%.
- **Auto dealers fall to the bottom of the *effort* component.** Of the 35 companies that earned “excellent” ratings for the *effort* component, Waitrose and Co-op received the two highest scores, each with rating of 89% (see Figure 11). Meanwhile, 26 companies had a “very poor” *effort* rating. Audi and BMW fell to the very bottom with scores of -5 and 11 respectively.

CALCULATING THE TEMKIN EXPERIENCE RATINGS

We calculated the Temkin Experience Rating for each company by (see Figure 12):

- First, for each separate component (*success*, *effort*, and *emotion*), we analyzed the percentage of consumers who gave the company a high score (“6” or “7”) and the percentage who gave the company a low score (“1,” “2,” or “3”).
- Second, within each individual component, we subtracted the percentage of low scores from the percentage of high scores, which resulted in three separate ratings for each company, one for each component of the experience.
- Finally, we averaged these three component scores for each company to generate that firm’s Temkin Experience Rating.

THE PATH TO CUSTOMER EXPERIENCE EXCELLENCE

The *Temkin Experience Ratings* show that most companies have a long way to go before they reach the highest levels of customer experience maturity (see Figure 13). Although any company can improve narrow segments of its customer experience, creating lasting differentiation requires more than just strong ambitions and superficial changes. Our research shows that long-term success requires companies to build and sustain four customer experience competencies:⁴

- **Purposeful Leadership:** Leaders operate consistently with a clear set of values.
- **Employee Engagement:** Employees are aligned with the goals of the organization.
- **Compelling Brand Values:** Brand promises drive how the organization treats customers.
- **Customer Connectedness:** Customer insights are infused across the organization.

⁴ See the Temkin Group report, *The Four Customer Experience Core Competencies* (January 2013).

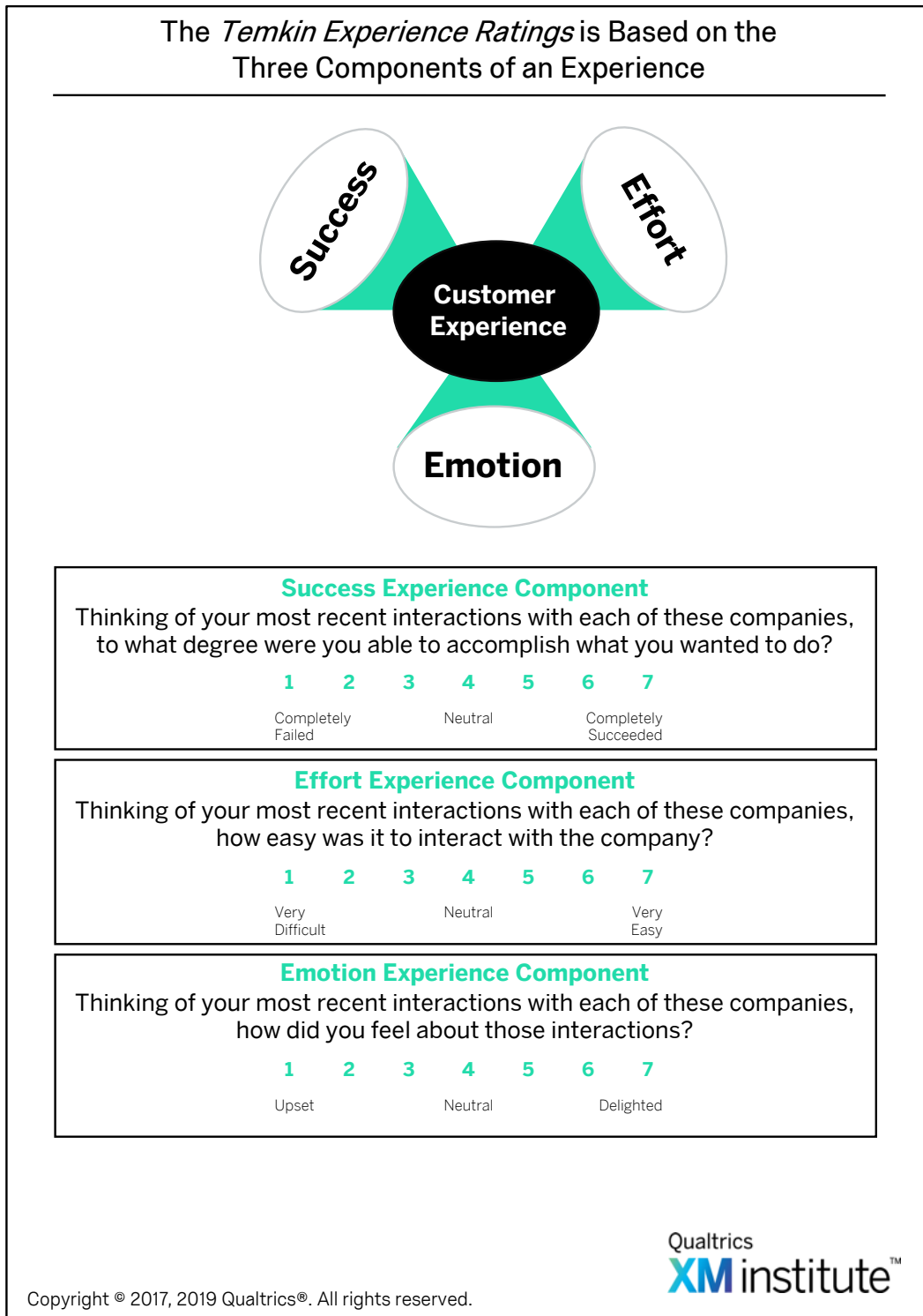


Figure 1

2017 Temkin Experience Ratings Evaluates 157 Companies Across 16 Industries

Airlines: EasyJet, Flybe, Jet2.com, Lufthansa, Monarch Airlines, Ryanair, Thomas Cook Airlines, Thomson Airways, Virgin Atlantic

Auto Dealers: Audi, BMW, Ford, Hyundai, Nissan, Vauxhall, Volkswagen

Auto Insurance: AA, Admiral, Avica, AXA, Churchill, Direct Line, Hastings Direct, Liverpool Victoria, Saga, Tesco

Banks: Barclays, HSBC, Lloyds, NatWest, Royal Bank of Scotland, Santander UK, Tesco Personal Finance Group, The Co-operative Bank, TSB Banks, Virgin Money Holdings

Computers & Tablet Makers: Acer, Amazon, Apple, Asus, Dell, Hewlett-Packard, Lenovo, Samsung, Sony, Toshiba

Credit Card Issuers: American Express, Bank of Scotland, Barclaycard, Capital One, Halifax, HSBC, Lloyds, MBNA, Nationwide, NatWest, Sainsbury's Bank, Santander UK, Tesco Bank

Fast Food Chains: Burger King, Caffè Nero, Costa Coffee, Domino's, Greggs, JD Wetherspoon, KFC, McDonalds, Nando's, Pizza Express, Pizza Hut, Pret a Manger, Starbucks, Subway, Toby Carvery

Health Insurance: Aviva, AXA PPP, BUPA, National Health Service

Hotels & Rooms: Airbnb, Hilton, Holiday Inn, Holiday Inn Express, Ibis, Premier

Rental Cars & Transportation: Alamo Rent A Car, Enterprise Rent-A-Car, Europcar, Uber

Retailers: Amazon.co.uk, Argos, B&M, Boots, Currys, Debenhams, eBay, Home Bargains, Ikea, JD Sports, John Lewis, Lloyds Pharmacy, Marks & Spencer, Matalan, New Look, Next, Poundland, Primark, Sports Direct, Superdrug, Tesco, TK Maxx, Topshop, WH Smith, Wilko

Streaming Media: Amazon Prime Instant Video, Amazon Prime Music, Apple Music, Deezer, GooglePlay, iTunes, Netflix, Now TV, Spotify

Supermarket Chains: Aldi, Asda, Co-op, Farmfoods, Iceland, Lidl, M&S Food, Morrisons, Sainsbury's, Spar, Tesco, Waitrose

TV/ISP providers: BT, EE, O2, PlusNet, Sky, TalkTalk, Three, Virgin Media, Vodafone

Utilities: British Gas, E.ON UK, EDF Energy, Npower, Scottish Power, SSE

Wireless Carriers: EE, giffgaff, O2, Talkmobile, Tesco Mobile, Three, Virgin Media, Vodafone

Base: 5,000 UK consumers
Source: Temkin Group Q1 2017 Consumer Benchmark Survey

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Figure 2

2017 Temkin Experience Ratings (TxR), Top 50 Organizations							
Rank	Company	Industry	TxR	Rank	Company	Industry	TxR
1	Co-op	Supermarkets	80%	21	Morrisons	Supermarkets	74%
1	M&S Food	Supermarkets	80%	21	Greggs	Fast Food	74%
1	Lidl	Supermarkets	80%	21	TSB Banks	Banks	74%
4	Aldi	Supermarkets	79%	21	Lloyds Pharmacy	Retailers	74%
5	Amazon.co.uk	Retailers	78%	30	Tesco Bank	Credit Cards	73%
6	Waitrose	Supermarkets	77%	30	Saga	Auto Insurance	73%
6	Wilko	Retailers	77%	30	Lloyds	Banks	73%
6	Marks & Spencer	Retailers	77%	30	Subway	Fast Food	73%
6	Asda	Supermarkets	77%	30	Santander UK	Credit Cards	73%
6	Boots	Retailers	77%	35	KFC	Fast Food	72%
11	JD Wetherspoon	Fast Food	76%	35	Virgin Money Holdings	Banks	72%
11	B&M	Retailers	76%	35	Caffe Nero	Fast Food	72%
11	Iceland	Supermarkets	76%	35	Poundland	Retailers	72%
11	Home Bargains	Retailers	76%	35	Santander UK	Banks	72%
15	Nationwide	Credit Cards	75%	40	Next	Retailers	71%
15	Domino's	Fast Food	75%	40	MBNA	Credit Cards	71%
15	Tesco	Supermarkets	75%	40	Premier Inn	Hotels & Rooms	71%
15	Pizza Express	Fast Food	75%	40	Spotify	Streaming Media	71%
15	Costa Coffee	Fast Food	75%	44	Nando's	Fast Food	70%
15	Farmfoods	Supermarkets	75%	44	Ikea	Retailers	70%
21	Superdrug	Retailers	74%	44	WH Smith	Retailers	70%
21	John Lewis	Retailers	74%	44	Spar	Supermarkets	70%
21	Tesco	Retailers	74%	44	Matalan	Retailers	70%
21	Sainsbury's	Supermarkets	74%	44	Toby Carvery	Fast Food	70%
21	eBay	Retailers	74%	50	New Look	Retailers	69%

Base: 5,000 UK consumers
Source: Temkin Group Q1 2017 Consumer Benchmark Survey

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Figure 3

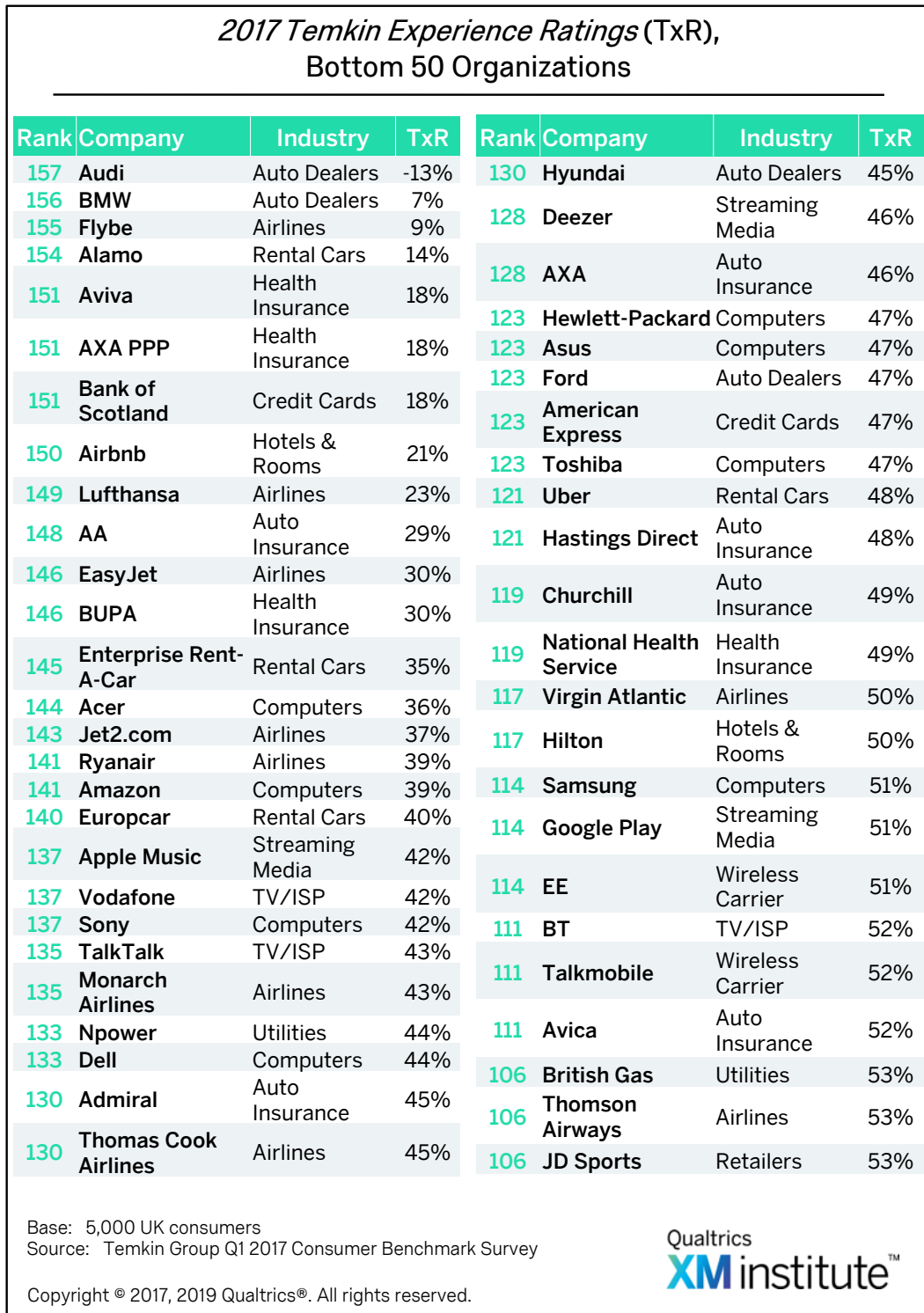


Figure 4

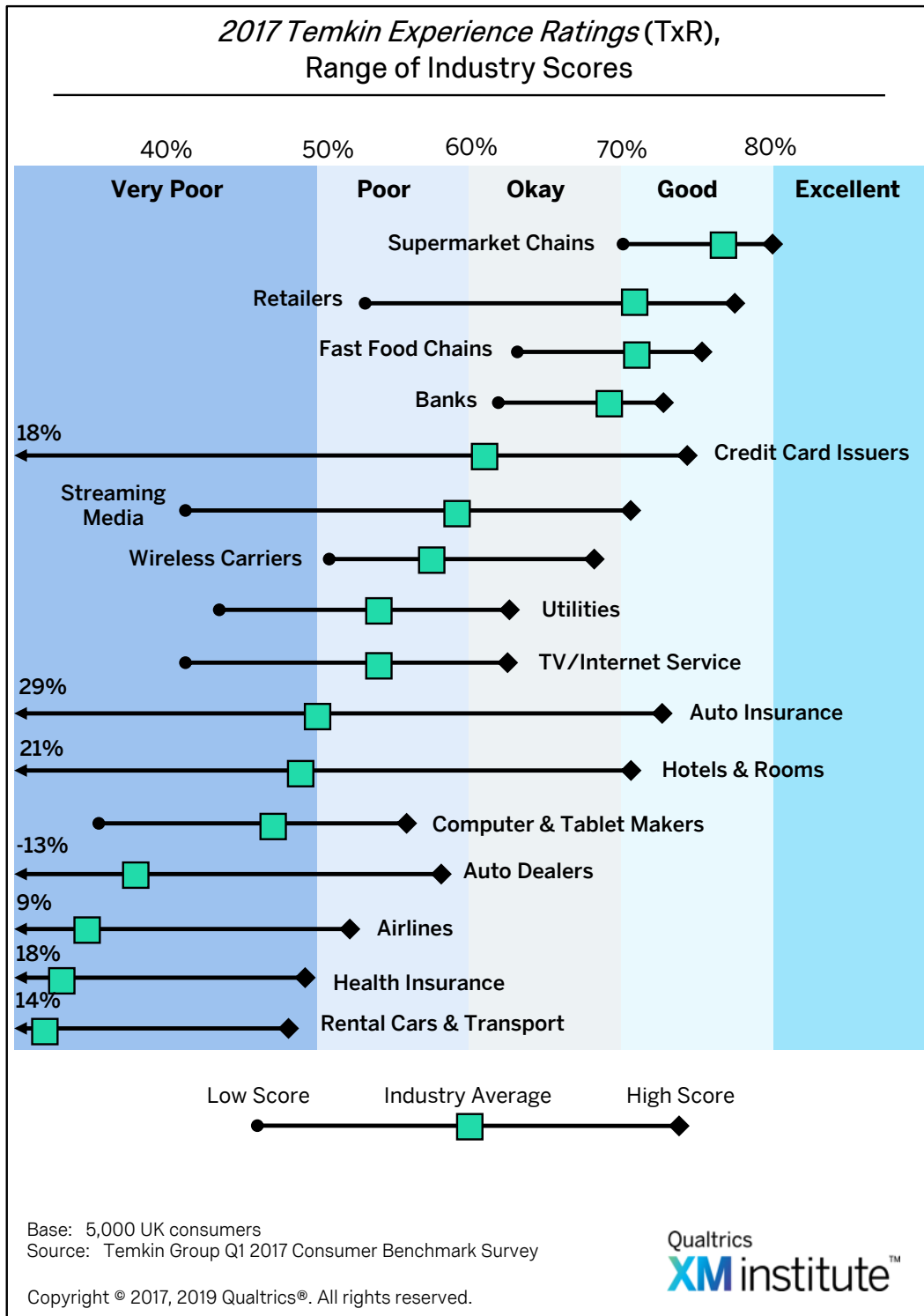


Figure 5

*2017 Temkin Experience Ratings (TxR),
Industry Leaders and Laggards*

Industry	Top of Industry	Bottom of Industry
Airlines	Thomson Airways (53%)	Flybe (9%)
Auto Dealers	Vauxhall (58%)	Audi (-13%)
Auto Insurance	Saga (73%)	AA (29%)
Banks	TSB Banks (74%)	HSBC (62%)
Computers & Tablets	Lenovo (56%)	Acer (36%)
Credit Card Issuers	Nationwide (75%)	Bank of Scotland (18%)
Fast Food Chains	JD Wetherspoon (76%)	Burger King (64%)
Health Insurance	National Health Service (49%)	AXA PPP & Aviva (18%)
Hotels & Rooms	Premier Inn (71%)	Airbnb (21%)
Rental Cars & Transport	Uber (48%)	Alamo (14%)
Retailers	Amazon.co.uk (78%)	JD Sports (53%)
Streaming Media	Spotify (71%)	Apple Music (42%)
Supermarkets	Co-op, M&S Food, & Lidl (80%)	Spar (70%)
TV/Internet Service	Virgin Media (63%)	Vodafone (42%)
Utilities	SSE (63%)	Npower (44%)
Wireless Carriers	Tesco Mobile (68%)	EE (51%)

Base: 5,000 UK consumers
Source: Temkin Group Q1 2017 Consumer Benchmark Survey

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Figure 6

<i>2017 Temkin Experience Ratings, Most Above and Below Industry Average</i>					
Most Above Industry Average			Most Below Industry Average		
Company	Industry	Above Industry	Company	Industry	Below Industry
Saga	Auto Insurance	+23	Audi	Auto Dealers	-50
Premier Inn	Hotels & Rooms	+22	Bank of Scotland	Credit Cards	-43
Vauxhall	Auto Dealers	+21	BMW	Auto Dealers	-31
Volkswagen	Auto Dealers	+20	Airbnb	Hotels & Rooms	-28
Thomson Airways	Airlines	+17	Flybe	Airlines	-26
Uber	Rental Cars	+16	AA	Auto Insurance	-20
National Health Service	Health Insurance	+16	Alamo	Rental Cars	-18
Nissan	Auto Dealers	+16	JD Sports	Retailers	-18
Liverpool Victoria	Auto Insurance	+16	Apple Music	Streaming Media	-17
Virgin Atlantic	Airlines	+15	Aviva	Health Insurance	-16
Nationwide	Credit Cards	+14	Currys	Retailers	-16
Tesco Bank	Credit Cards	+12	Topshop	Retailers	-16
Tesco Mobile	Wireless Carrier	+11	AXA PPP	Health Insurance	-15
Spotify	Streaming Media	+11	American Express	Credit Cards	-14
Santander UK	Credit Cards	+11	Deezer	Streaming Media	-13
Ford	Auto Dealers	+10	Lufthansa	Airlines	-12
Now TV	Streaming Media	+10	Vodafone	TV/ISP	-12
MBNA	Credit Cards	+10	Acer	Computers	-11
Thomas Cook Airlines	Airlines	+9	TalkTalk	TV/ISP	-11
Lenovo	Computers	+9	Npower	Utilities	-11
			Sports Direct	Retailers	-11
Base: 5,000 UK consumers Source: Temkin Group Q1 2017 Consumer Benchmark Survey			Qualtrics XM institute™		
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Figure 7

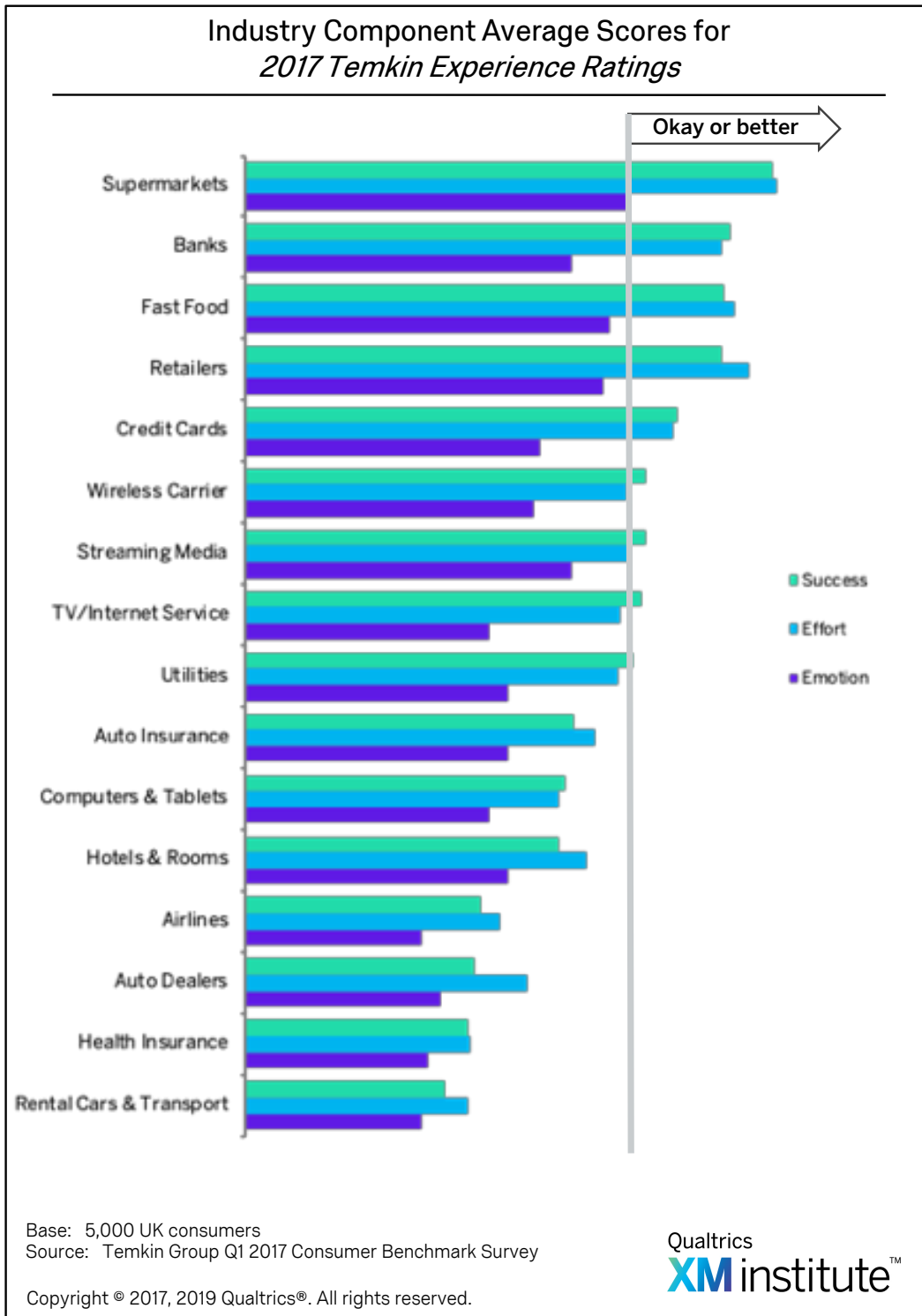


Figure 8

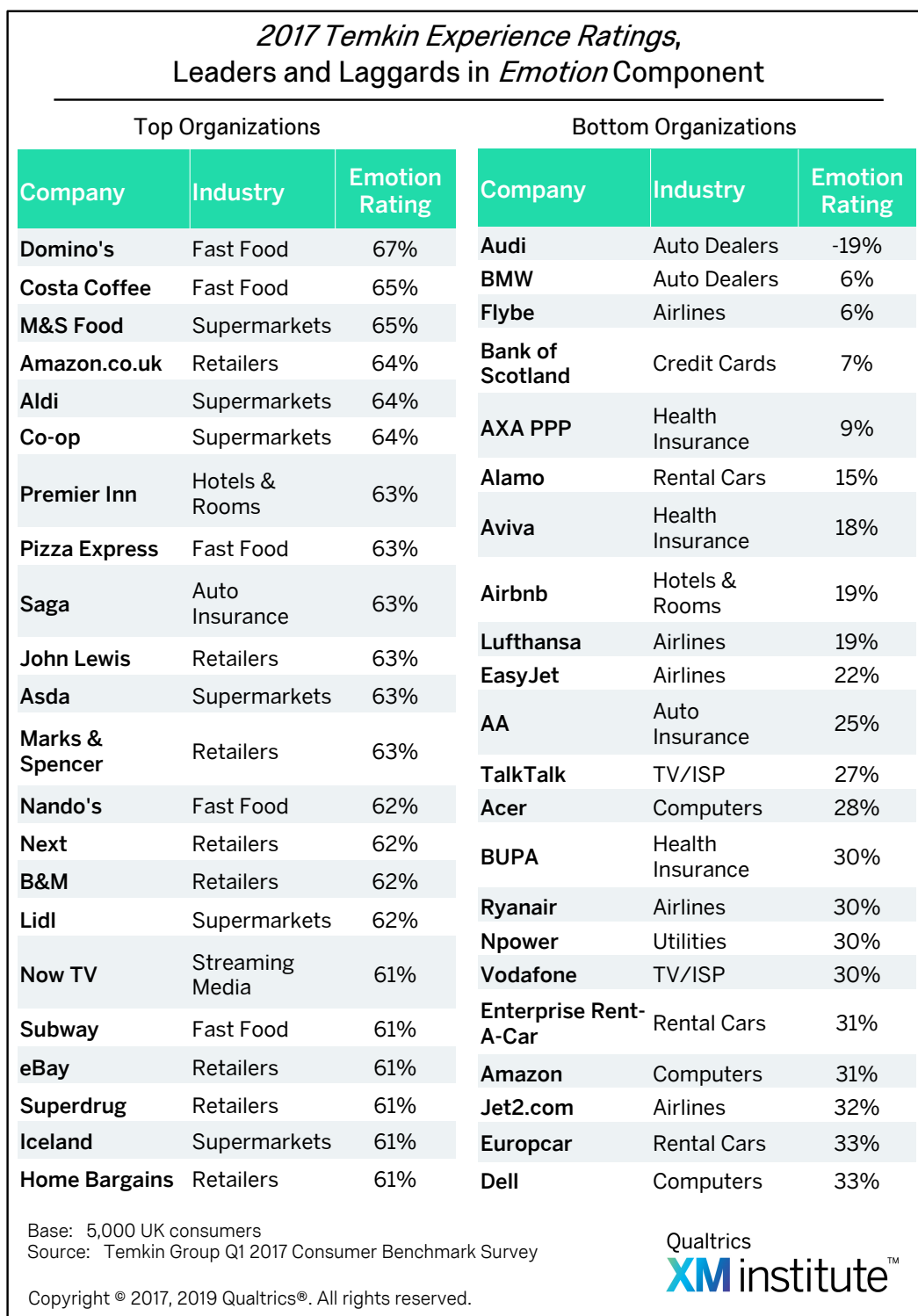


Figure 9



Figure 10

<i>2017 Temkin Experience Ratings, Leaders and Laggards in Effort Component</i>					
Top Organizations			Bottom Organizations		
Company	Industry	Effort Rating	Company	Industry	Effort Rating
Waitrose	Supermarkets	89%	Audi	Auto Dealers	-5%
Co-op	Supermarkets	89%	BMW	Auto Dealers	11%
Marks & Spencer	Retailers	87%	Flybe	Airlines	13%
Lidl	Supermarkets	87%	Alamo	Rental Cars	15%
Home Bargains	Retailers	86%	Aviva	Health Insurance	18%
JD Wetherspoon	Fast Food	86%	AXA PPP	Health Insurance	20%
Aldi	Supermarkets	86%	Bank of Scotland	Credit Cards	21%
M&S Food	Supermarkets	86%	Airbnb	Hotels & Rooms	27%
B&M	Retailers	85%	Lufthansa	Airlines	27%
Lloyds Pharmacy	Retailers	85%	BUPA	Health Insurance	31%
Nationwide	Credit Cards	85%	AA	Auto Insurance	31%
Wilko	Retailers	85%	EasyJet	Airlines	34%
Boots	Retailers	85%	Enterprise Rent-A-Car	Rental Cars	39%
Asda	Supermarkets	84%	Acer	Computers	40%
Iceland	Supermarkets	84%	Sony	Computers	41%
Amazon.co.uk	Retailers	84%	Apple Music	Streaming Media	41%
John Lewis	Retailers	83%	Europcar	Rental Cars	42%
KFC	Fast Food	83%	Ryanair	Airlines	43%
Superdrug	Retailers	83%	Amazon	Computers	45%
Greggs	Fast Food	83%	Npower	Utilities	45%
Farmfoods	Supermarkets	83%	Dell	Computers	46%
Morrisons	Supermarkets	83%	TalkTalk	TV/ISP	47%
Tesco	Retailers	83%	Jet2.com	Airlines	47%
Tesco	Supermarkets	83%			

Base: 5,000 UK consumers
Source: Temkin Group Q1 2017 Consumer Benchmark Survey

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Figure 11

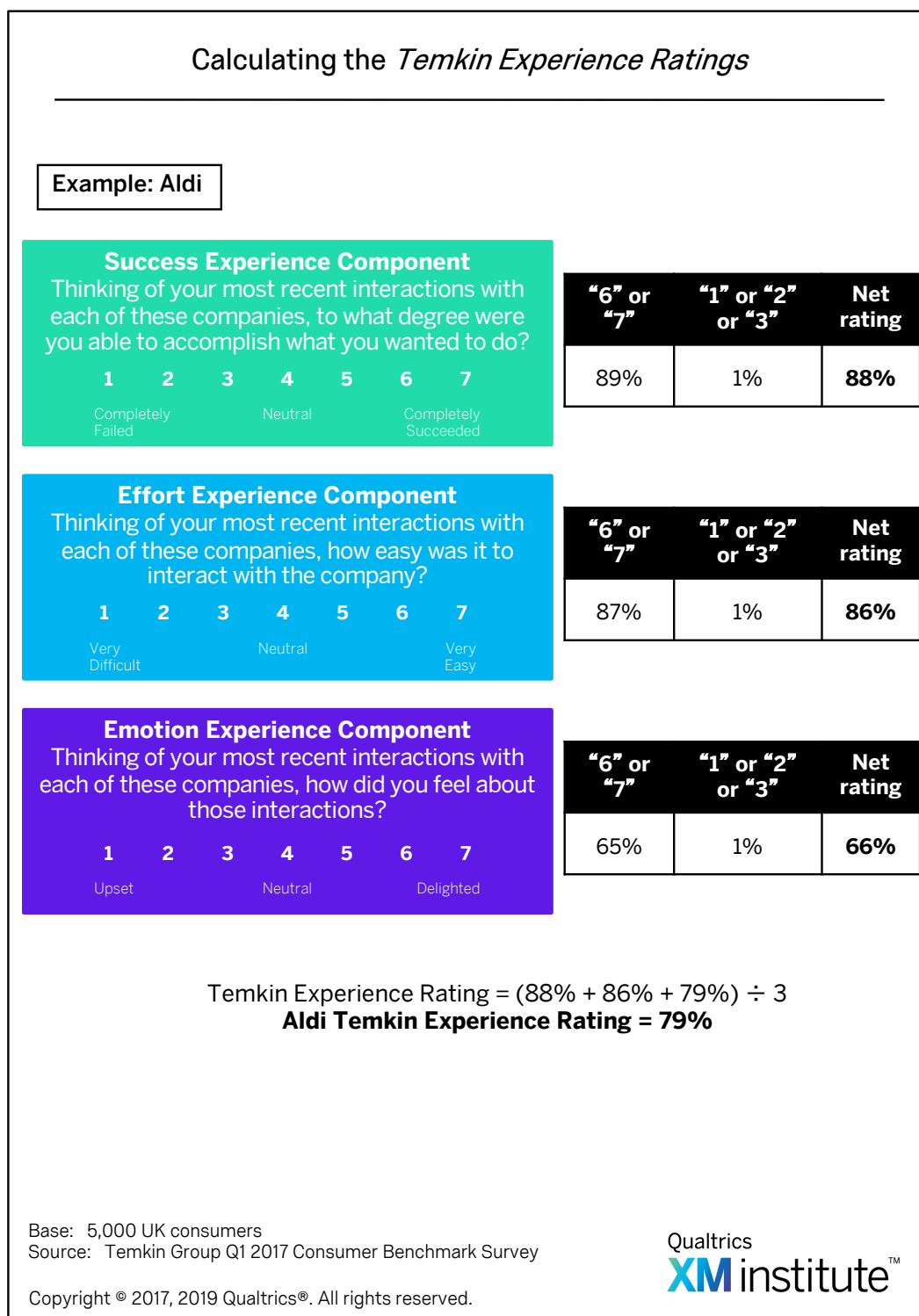


Figure 12

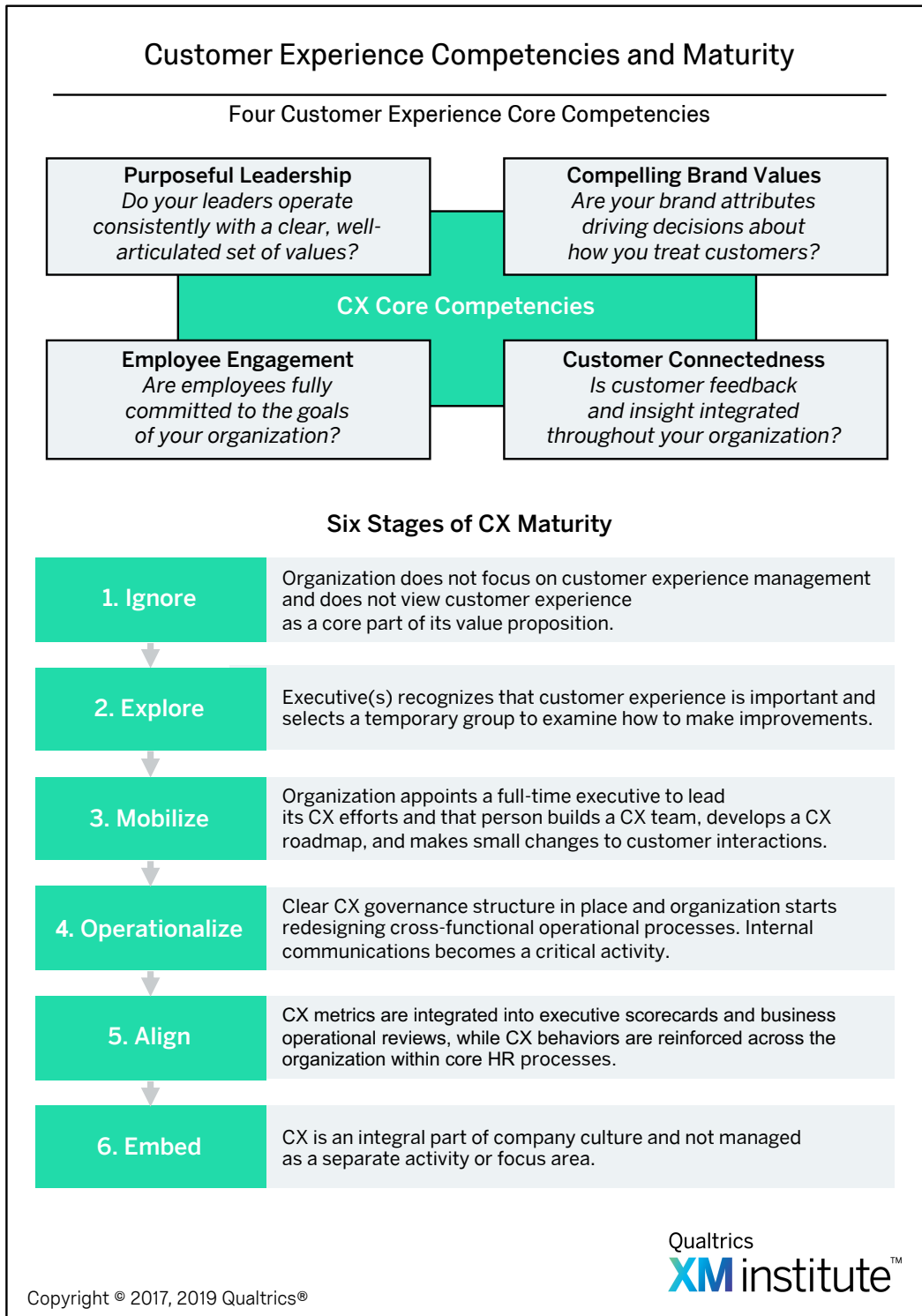


Figure 13