

Online reviews and customer satisfaction: The use of Trustpilot by UK retail energy suppliers and three other sectors

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Trustpilot is a relatively new consumer review website, rapidly growing in the UK. This paper provides some background and insight into how Trustpilot works, how it is used in the retail energy and other sectors, and how this usage has evolved over the last year or so.

Trustpilot relies entirely on subjective customer evaluations, as opposed to the ratings of companies by (e.g.) Ofgem and Citizens Advice, which are based in part at least on measured performance data. It also differs from the customer evaluations organised by Which?, Uswitch and other organisations that ask specific questions in structured interviews at annual or biannual intervals. Trustpilot accepts reviews as and when a customer wishes to provide one, on whatever topic the customer chooses.

The number of participating customers is significantly larger. For example, Which? and Uswitch interview each year some 5,000 - 17,000 customers covering up to 30 or so energy suppliers. The TrustScores on Trustpilot reflect views on around 100 energy supplier domains, with the number of reviews per supplier ranging from zero to over 30,000 for one supplier in the last 12 months.

Each of these methods of evaluation has advantages and disadvantages. A companion paper (Littlechild 2020) suggests using the average of four ratings (Ofgem, Citizens Advice, Which? and TrustScores) as a means of constructing, analysing and publicising an Overall Customer Service score.

Section Two of the paper explains how Trustpilot works. When a customer reviews a company it establishes a company profile. The company may then claim that profile, customise the profile page to describe the business, issue invitations to customers to review the business, and respond to such reviews. There is no charge for these services. Trustpilot offers various other paid services, including the use of its systems for inviting and analysing reviews.

Customers rate companies from one to five stars (described as Bad, Poor, Average, Great and Excellent). Trustpilot calculates a time-weighted average of these ratings to give a single TrustScore for each company. Until September 2019 this was a score between zero and 10, since then it is in the range from 1 to 5. There is a lower weighting on older reviews.

Part Three of this paper examines how companies in four different consumer markets use (or ignore) Trustpilot. It finds that, in April 2019, Trustpilot was least used by supermarkets, and most used by energy suppliers, relative to banks and mobile phone providers.

Part Four examines how usage of Trustpilot has changed in these four markets over the last year. It finds that, in April 2019 and June 2020, the supermarket sector was and is less active than the other three sectors, and the energy sector was and is more active. This was with respect to almost all parameters: percentage of domains claimed, subscribing to Trustpilot, asking for reviews by customers and responding to these reviews.

Second, all four sectors were more active in June 2020 than they were a year earlier. For supermarkets, this was reflected in the same companies being a little more active. For banks, a larger number of companies were as involved as a smaller number had been earlier. For mobiles there was much more activity by a somewhat larger number of companies. For energy suppliers, all these indications of more activity applied.

Former incumbent companies typically make less use of Trustpilot in all four sectors, and have lower TrustScores. However, five of the six Large energy suppliers have made significantly increased use of Trustpilot in the last year, and their TrustScores have also increased.

Part Five examines in more detail how Trustpilot is used by different sizes of energy supplier. There is no obvious and simple relationship between number of reviews and size of supplier. However, Trustpilot is becoming an increasingly significant part of the competitive landscape in the domestic energy supply sector. The now-Medium suppliers have hitherto made most use of Trustpilot and Large suppliers least use. But most Large suppliers are now taking steps to catch up. Significant proportions of Small and Very Small suppliers also make active use of Trustpilot with the extent generally decreasing with size of supplier. Nonetheless the Very Small suppliers attract the largest number of reviews per thousand customers, and as a group obtain the highest median TrustScore in the sector.

Part Six examines the use of Trustpilot by various individual energy suppliers, including medium supplier Octopus Energy, small supplier Engie and the six Large suppliers, who took up Trustpilot at very different rates. It becomes apparent that inviting customers to review a company is not just a means to get a higher TrustScore. Analysing Trustpilot complaints is a means of better identifying and addressing customer concerns, and of motivating staff. Inviting and responding to

reviews demonstrates sensitivity to customers. And these types of social media channels are increasingly important as a channel of communication.

Part Seven examines how organisations giving energy advice use Trustpilot. Companies advising customers on energy supply score highly on Trustpilot, and make quite active use of it. In contrast, voluntary and regulatory organisations including Citizens Advice, Which?, Ofgem, Age UK and the Ombudsman Services score very low. None of these non-commercial organisations has yet invited customer reviews as a means of improving its understanding of what customers want, its ability to respond to them, or its quality of service as perceived by other customers.

Appendix One examines various concerns about Trustpilot as set out in an article in the *Sunday Times* in March 2019. This article provides interesting information about Trustpilot, which may be unfamiliar to most readers, but does not present any damning evidence against Trustpilot or the companies that use it. There are attempts to misuse the site but Trustpilot takes action to preserve its reputation. The article shows how use of Trustpilot differs significantly from one company to another, the reasons for which are explored in the body of the present paper. The article illustrates that skilful timing of requests for customer reviews can yield a large number of good ratings – but arguably this has to be accompanied, sooner or later, by correspondingly good service. Criticisms in the *Sunday Times* article generally do not seem valid.

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