

Annex A

About the Customer Satisfaction Index of Singapore (CSISG)

Introduction

The Customer Satisfaction Index of Singapore (CSISG), currently in its ninth year of measurement, complements production-based economic measures such as GDP by providing an assessment from the buyers' point of view. Both types of measures are necessary as economic growth hinges not only on producing more, but producing better and more competitive products and services.

CSISG measures customers' cumulative satisfaction with companies. The scores are generated using a structural equations model (please refer to figure 1) based on survey data collected from end-users after consumption of products and services. Sub-sector scores are derived as a weighted average of company scores, in proportion to the revenue contributions of companies. Sector scores are derived in a similar fashion, aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions. CSISG scores customer satisfaction on a scale of 0 to 100 with higher scores representing better performance.

The methodological foundations of the CSISG are based on the American Customer Satisfaction Index (ACSI) that was developed by the National Quality Research Center (NQRC) at the University of Michigan. ACSI has been the de facto standardised measure of customer satisfaction in the United States economy since 1994.

Coverage of CSISG 2015

The CSISG is an objective and independent qualitative indicator that reports customer satisfaction scores on an overall national level, for nine key economic sectors and over 40 sub-sectors of the Singapore economy. For 2015, the full Index is planned to measure some 110 business entities from the Finance & Insurance, Food & Beverage, Healthcare, Info-Communications, Private Education, Public Education, Retail, Tourism, and Transport & Logistics sectors. Altogether, these sectors cover two-thirds of Singapore's GDP.

CSISG 2015 First Quarter

Under a quarterly measure-and-release system, up to three out of nine sectors are measured each quarter with their results released in the following quarter. For the first quarter of 2015, customer responses for the Retail and Info-Communications sectors were collected and analysed. The former includes the Clocks & Watches, Departmental Stores, Fashion Apparels, Furniture Stores, Jewellery, Motor Vehicles, Petrol Service Stations, and Supermarkets sub-sectors. The latter consists of the Mobile Telecoms, Broadband, Pay TV, and Wireless@SG sub-sectors. The CSISG 2015 national score will be updated in the first quarter of 2016, computed based on the sector results from 2015's quarterly findings.

Survey data for the Retail and Info-Communications sectors was collected between January and March 2015. Responses were primarily collected via face-to-face interviews with Singapore residents at their homes and departing tourists at Changi Airport. 7,790 unique responses were collected from locals and 1,210 unique responses were collected from tourists.

In total, 9,000 responses for 545 companies and entities were recorded for the Retail and Info-Communications sectors; 25 entities have published scores.

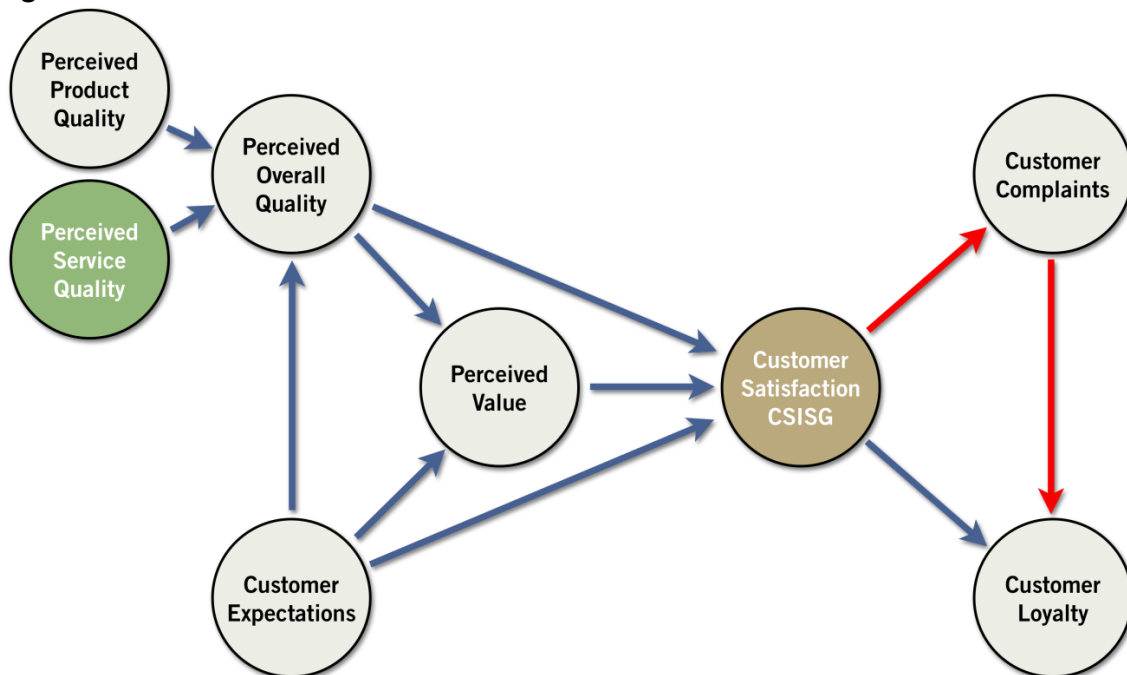
Methodology of CSISG

There are three drivers impacting customer satisfaction in the CSISG model: customer expectations, perceived quality (of products and services) and perceived value. This is illustrated in Figure 1 below.

- Customer expectations are pre-conceived notions and expectations of a company's performance based on factors such as past experience, media reports, advertising and word-of-mouth.
- Perceived overall quality (including product quality and service quality) represents the actual experience of the customer based on customer expectations. It measures reliability as well as how well the product or service meets the customer's personal requirements.
- Perceived value is the customer's assessment of the level of product or service quality relative to the price paid. In short, the bang-for-the-buck (value-for-money) measure.

CSISG also measures the two consequences of customers' satisfaction or dissatisfaction, namely, (a) customer complaints and (b) customer loyalty. Customer satisfaction matters as a driver of customer loyalty and repeat business.

Figure 1: CSISG model



Benefits of the CSISG

Customer satisfaction is driven by a consistent business strategy. Companies can capitalise on the CSISG as a strategic business tool to gain valuable insights about customer satisfaction through the ISES Corporate Membership, CSISG Custom Research, and the CSISG Subscription.

ISES Corporate Membership Programme

The ISES Corporate Membership Programme brings together a network of leaders from companies measured in the CSISG National Study.

The ISES Corporate Membership Programme will offer:

- Affiliation to a network of business leaders to collaborate on the CSISG National Study and survey design;
- A detailed company report from the CSISG National Study that provides in-depth information about trend data obtained from the CSISG National Study, and acts as a performance yardstick both against competitors and across industries;
- Invitations to ISES/SMU Executive Workshops and C-suite Roundtables.

CSISG Custom Research

Companies can leverage the CSISG methodology for purposes of benchmarking, to diagnose drivers of customer satisfaction, and to develop performance improvement initiatives, via a customised research study. Through the combination of data analytics and qualitative research, companies can gain specific insights into different business units or customer segments for targeted decision-making.

CSISG Subscription Programme

A CSISG subscription will be made available to representatives and employees of measured companies in the CSISG National Study. This scorecard report gives insights into how the company performed within the CSISG driver-satisfaction-consequence methodological framework.