

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 11 key economic sectors and over 40 sub-sectors of the Singapore economy. For 2015, the full Index measured 121 business entities from the Air Transport, Finance & Insurance, Food & Beverage, Healthcare, Info-Communications, Land Transport, Logistics, Private Education, Public Education, Retail, and Tourism sectors. Altogether, these sectors cover two-thirds of Singapore's GDP.

CSISG 2015 Fourth Quarter and Full Year Results

Under a quarterly measure-and-release system, distinct sectors are measured each quarter with their results released the following quarter. Companies in the Retail and Info-Communications sectors were measured in the first quarter, Air Transport, Land Transport, Logistics, Public, and Private Education in the second quarter, Food & Beverage and Tourism sectors in the third quarter, and finally the companies of Finance & Insurance and Healthcare sectors, in the fourth quarter.

CSISG 2015 Q4 marks the end of measurement for 2015. The CSISG 2015 national score is computed using the data collected during these four quarters.

The Finance & Insurance sector comprises of the Banks sub-sector, Health & Medical Insurance sub-sector, Motor & Other Personal Insurance sub-sector, and Life Insurance sub-sector. The Healthcare sector consists of the Private Hospitals sub-sector, Restructured

Hospitals sub-sector, Polyclinics sub-sector, General Practitioners sub-sector, and Other Healthcare sub-sector.

Survey data for the Finance & Insurance and Healthcare sectors was collected between October 2015 and January 2016. This was conducted through face-to-face interviews with Singapore residents at their homes. The survey was also conducted with departing tourists at Changi Airport.

The Q4 fieldwork garnered 9,399 interviews with locals and 350 with departing tourists at the airport. In total, there were 9,749 unique responses covering 622 companies and entities in the Finance & Insurance and Healthcare sectors; 35 entities have published scores.

To recap the fieldwork timeframes for the previous quarters of 2015, similarly rigorous data collection processes for each sector were conducted as follows:

- Info-Communications and Retail sectors: January to March 2015
- Air Transport, Land Transport, Logistics, Public Education, and Private Education sectors: April to June 2015
- Food & Beverage and Tourism sectors: July to September 2015
- Finance & Insurance and Healthcare sectors: October 2015 to January 2016

In total, the CSISG 2015 survey data comprised of 42,501 responses covering 2,330 companies in the 11 measured industry sectors.

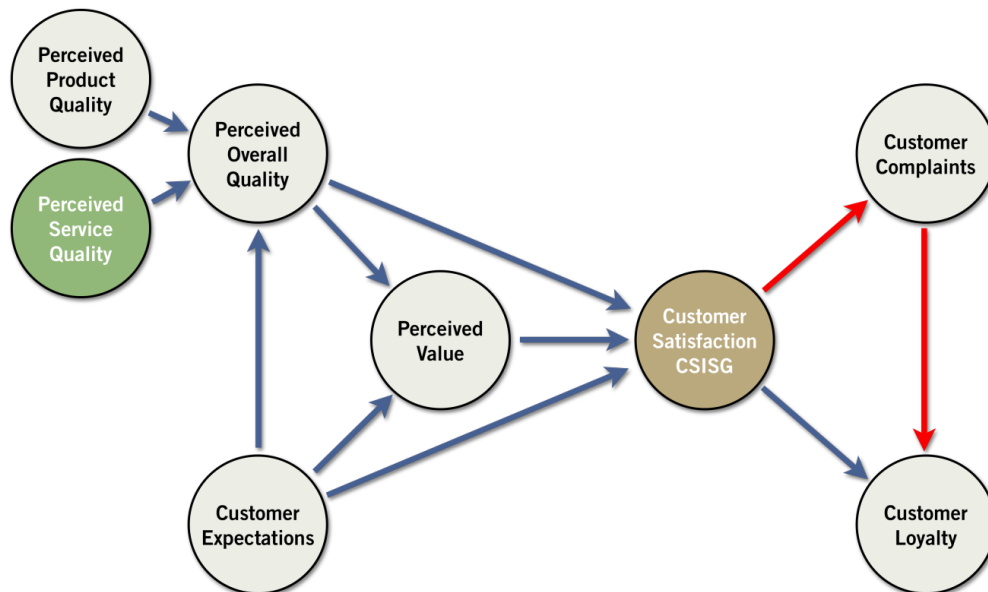
Methodology of CSISG

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.

- 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.