**Annex A**
**About the Customer Satisfaction Index of Singapore (CSISG)**

Introduction
The Customer Satisfaction Index of Singapore (CSISG), currently in its seventh 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 2013
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 39 sub-sectors of the Singapore economy. For 2013, the full Index is planned to measure some 110 business entities from the Finance & Insurance, Info-Communications, Transport & Logistics, Retail, Food & Beverage, Healthcare, Private Education, Public Education, and Tourism sectors. Altogether, these sectors cover two-thirds of Singapore's GDP.

CSISG 2013 Third Quarter
Under a quarterly measure-and-release system, up to three of the nine sectors are measured each quarter, with their results released in the following quarter. For this third quarter of 2013, results for the Food & Beverage (F&B) and Tourism sectors were collected and analysed.

The F&B sector is made up of the Bars and Pubs, Cafes and Snack Bars, Fast Food Restaurants, Food Courts, and Restaurants sub-sectors. The Tourism sector comprises of the Attractions, Hotels, and Tour and Travel Services sub-sectors. The Hotels sub-sector was updated to include RWS Hotels.

The CSISG 2013 national score will be updated in the first quarter of 2014, based on the sector results from 2013's quarterly findings.

Survey data for the F&B and Tourism sectors was collected between August and September 2013. This was primarily conducted through face-to-face interviews with Singapore residents at their homes. The survey was also conducted with departing tourists at Changi Airport.

The Q3 fieldwork garnered 4,943 interviews with locals and 3,560 with departing tourists at the airport. In total, there were 8,503 unique responses covering 548 companies and entities in the Food & Beverage and Tourism sectors; 24 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*
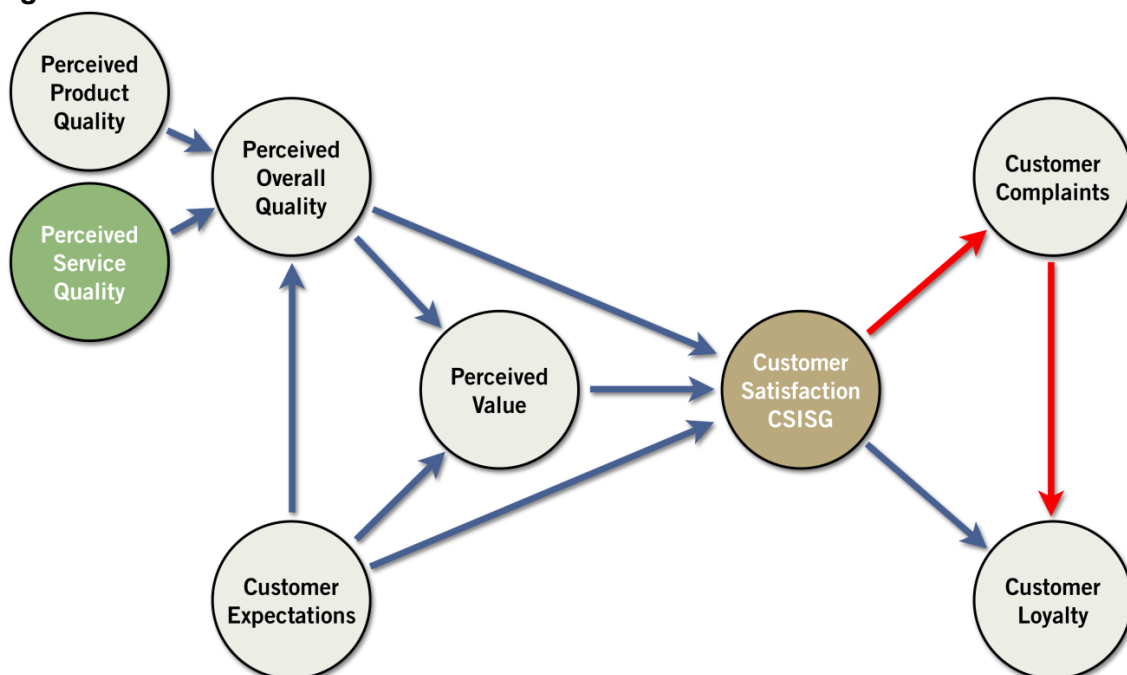
Benefits of the CSISG
Customer satisfaction is driven by a consistent business strategy. Companies can capitalise on the CSISG as a strategic business tool to gain valuable insights about customer satisfaction through the ISES Corporate Membership, CSISG Custom Research, and the CSISG Subscription.

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.