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CUSTOMER SATISFACTION INDEX OF SINGAPORE 2012

Q2 SCORES
EDUCATION AND
TRANSPORT & LOGISTICS

RESULTS OVERVIEW

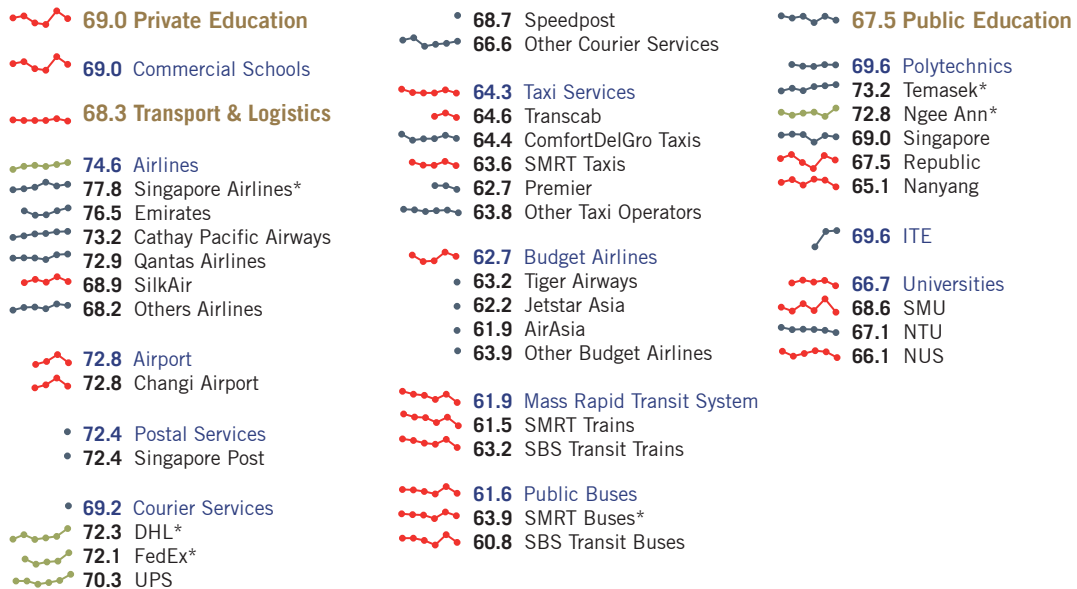


INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY





2012 Q2 SCORES
EDUCATION AND TRANSPORT & LOGISTICS



This chart summarises the results of the CSiSG 2012 satisfaction scores in the Education and Transport & Logistics sectors at the sector, sub-sector and company levels.

The sector scores (in gold) represents a weighted average of their respective sub-sector scores (in blue). Satisfaction scores for sub-sectors with individual company scores are weighted averages of these individual company scores.

All scores displayed are accurate to one-decimal place. Entities are presented in decreasing levels of satisfaction.

* Companies indicated with an asterisk(*) are companies that have performed significantly above their sub-sector average.

The sparklines indicate the satisfaction score of their respective sectors, sub-sectors and companies over the past few years.

- statistically significant increase in customer satisfaction from 2011 to 2012
- statistically significant decrease in customer satisfaction from 2011 to 2012
- no significant year-on-year change in customer satisfaction score

SECOND QUARTER RESULTS OVERVIEW

The Customer Satisfaction Index of Singapore (CSISG) computes customer satisfaction scores at the national, sector, sub-sector, and company levels. The CSISG serves as a quantitative benchmark of the quality of goods and services produced by the Singapore economy over time and across countries. This is the sixth year of measurement.

SECOND QUARTER RESULTS HIGHLIGHTS

Between 2011 and 2012, customer satisfaction for the Transport and Logistics sector fell by 1.8-points to 68.3-points (on a 0 to 100 scale). This is a statistically significant decline of 2.4%. Satisfaction in the education sectors also fell. The Public Education sector saw its satisfaction score dip 2.8-points (-4.0%) to 67.5-points, negating some of the strong gains in 2011. Similarly, the commercial schools of the Private Education sector declined 5.4-points (-7.4%) to 69.0-points, as shown in Figure A.

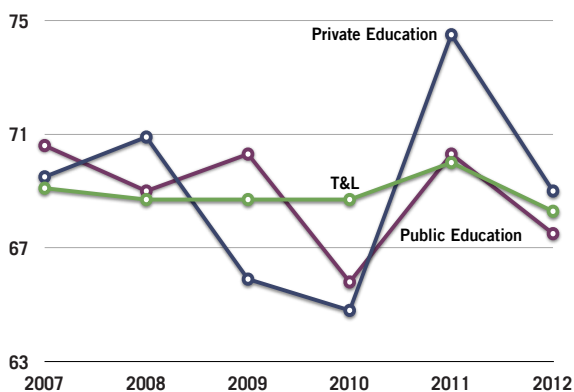


Figure A: CSISG scores for the Education and Transport & Logistics sectors from 2007 to 2012

Several sub-sectors within the Transport and Logistics sector contributed to its lower score in customer satisfaction.

The MRT sub-sector suffered the largest drop in satisfaction, falling 6.0-points (-8.7%) year-on-year to 61.9-points. Public Buses did not fare much better, falling 4.8-points (-7.2%) to 61.6-points. The Taxi sub-sector saw a more modest decline of 2.4-points (-3.5%) to 64.3-points.

Changi Airport, a sub-sector by itself, also posted a 5.8-point (-7.4%) year-on-year decline to 72.8-points, a score that is still significantly higher than the rest of the sector. Full-service Airlines improved by 1.4-points (+1.9%) to 74.6-points, also well above the sector score. Meanwhile, the Budget Airlines sub-sector fell 3.0-points (-4.6%) to 62.7-points.

This year also saw the Courier and Postal Services each get their own sub-sector. The new Courier services sub-sector scored 69.2-points while the Postal services sub-sector, made up entirely of SingPost, scored 72.4-points.

Within the Public Education sector, both the ITE and Polytechnics sub-sectors made no statistically significant changes from the previous year. Both sub-sectors also scored a similar 69.6-points.

The significant decline in the Public Education sector score was primarily contributed by the Universities sub-sector, falling 3.8-points (-5.4%) year-on-year to 66.7-points.

SECOND QUARTER KEY FINDINGS CUSTOMER EXPECTATIONS AND PERCEPTIONS OF QUALITY IN PUBLIC TRANSPORT ARE IMPORTANT LEVERS OF SATISFACTION

As shown in Figure B, there were no year-on-year changes to customer expectations in the MRT and Public Buses sub-sectors; commuters' reference points for these two sub-sectors' service quality and delivery have not changed.

However, commuters perceived that the quality experienced on these buses and trains have worsened. The data also indicated that commuters perceived that these two public transport systems were less able to meet their expectations.

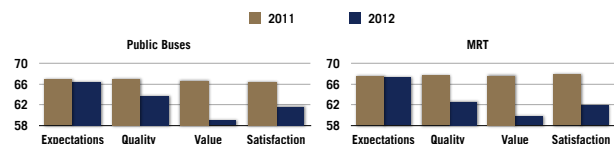


Figure B: Year-on-year changes in expectations, quality, value and satisfaction for Public Buses and MRT sub-sectors.

According to Figure C, the CSISG 2012 Q2 data also revealed that taxi customers had higher expectations of taxi services this year. This could be in part due to the fare revision that occurred in December 2011, giving taxi customers an implicit signal to expect better service quality. Nonetheless, commuters' perceptions of the taxis' quality level did not change.

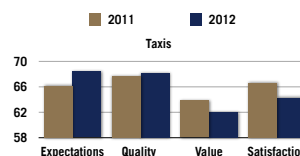


Figure C: Year-on-year changes in expectations, quality, value and satisfaction for Taxis sub-sector.

Consequently, these widening gaps between expectations and perceptions of quality in Singapore's public transport sub-sectors contributed to the significant decline in customer satisfaction and their respective CSISG scores.

Analysis of the data suggest that public transport operators may improve satisfaction most effectively by improving commuters' experiences (or perceived quality) and their expectations in tandem. The data also shows that reducing customer expectations to give a perception of over-delivering on service quality is not an effective method to improve satisfaction; lowered expectations prime commuters to service lapses and reinforces their negative perceptions.

WORK ON IMPROVING WHAT MATTERS TO THE COMMUTING PUBLIC

CSISG 2012 Q2 analysis also revealed several public transport touchpoints that have significant impact on commuters' perceptions of quality. And positive perceptions of quality is an important driver of customer satisfaction.

For 2012, MRT commuters indicated, in order of derived importance, Safety, Travel Time, Frequency, Operating Hours, and Comfort as attributes to their perceptions of quality, as shown in Figure D. Public Bus commuters indicated important quality touchpoints as Customer Service, Frequency, Comfort, Cleanliness, and Punctuality, respectively.

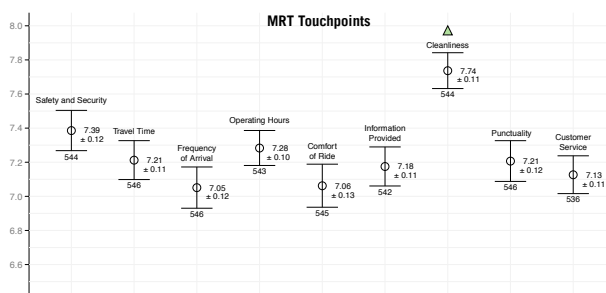


Figure D: Satisfaction with MRT sub-sector touchpoints.

These important quality touchpoints made no significant improvements year-on-year. In fact, according to Figure E, Bus Frequencies was even perceived to be less satisfactory year-on-year. Improving these touchpoints may have a positive contributory effect on perceived quality and customer satisfaction.

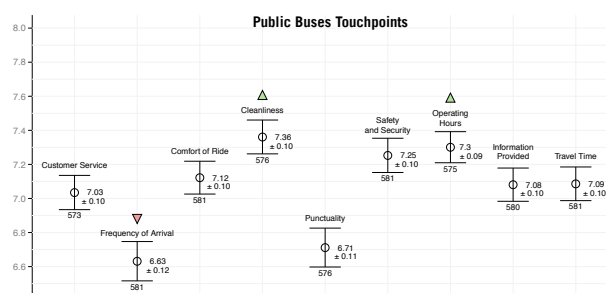


Figure E: Satisfaction with Public Buses sub-sector touchpoints.

UNIVERSITY STUDENTS HAVE INCREASING EXPECTATIONS

Student Expectations at the Universities sub-sector increased significantly on-year. This may be in part due to increasing tuition fees; students could be getting implicit messages of a higher quality educational experience.

However, students perceived a similar level of education quality. Relatedly, their perceptions of value fell significantly, as did their satisfaction. Satisfaction with important education touchpoints also declined year-on-year in the areas of Teaching Staff and Administrative Staff.

As displayed in Figure F, the consequence is significantly lower student loyalty towards their University; these students were less likely to recommend the University to their family and friends.

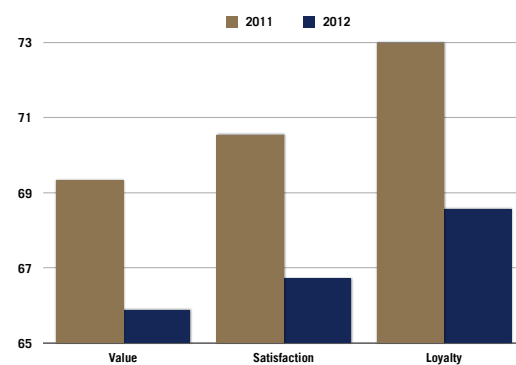


Figure F: Year-on-year changes in value, satisfaction and loyalty for Universities sub-sector.

SHAPING EXPECTATIONS

CSISG 2012 Q2 data on these varied sub-sectors has showed that customers have evolving levels of expectations. This affects their perceptions of quality and value, and in turn their satisfaction with the product or service.

Companies will do well to continuously track and measure what matters most to their customers. This in a constant process of engagement and gathering of feedback. Through this on-going process, businesses can co-opt its customers into its service design and offerings, and shape their expectations.

CSISG BACKGROUND

CSISG scores are generated based on the econometric modelling of survey data collected from end-users after the 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. Finally, the national score is weighted according to each sector's contribution to GDP. CSISG scores customer satisfaction on a scale of 0 to 100 with higher scores representing better performance.

Under a quarterly measure-and-release system, up to three

sectors are measured each quarter with their results released the following quarter. In Q1, the CSISG measured the Retail and Info-Communications sectors. Q3 will measure the Food & Beverage and Tourism sectors while the companies of Finance & Insurance and Healthcare sectors will be measured in Q4. A national score for 2012 will then be computed using the data collected over the past year.

For the second quarter of 2012, data for the organisations in Public Education, Private Education, and Transport & Logistics sectors was collected and analysed.

The Public Education sector is made up of the ITE, Polytechnics, and Universities sub-sectors, while Commercial Schools make up the Private Education sector. The Transport & Logistics sector comprises of Airlines, Budget Airlines, Changi Airport, Public Buses, MRT, Taxis, Courier Services and Postal Services sub-sectors.

This quarter's release also incorporated several updates to

the Transport & Logistics sector. Specifically, SingPost, Tiger Airways, Jetstar Asia, and AirAsia were added into the index as measured companies. The Courier and Postal Services sub-sector was also split into two. The Water Transport sub-sector was no longer measured.

CSISG 2012 FIELDWORK PROCESS

Survey data for the Public Education, Private Education, and Transport & Logistics sectors was collected between April and June 2012. It collated 11,807 unique responses with regards to customer experience in these sectors. This included face-to-face interviews with Singapore residents at their homes (each resident answered up to two questionnaires) and interviews with departing tourists at Changi Airport (each tourist answered one questionnaire). In all, the questionnaires covered about 273 companies in the Public Education, Private Education, and Transport & Logistics sectors.

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Please contact us for more details of our CSISG Corporate Subscription and Custom Research.

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