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SAS Index™

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STUDY SHOWS MEDIHELP CUSTOMERS MOST SATISFIED WITH THEIR MEDICAL AID

Medihelp took pride of place with the most satisfied customers, with Discovery Health not lagging far behind, according to the annual South African Satisfaction Index (SAS Index™) results for the medical aid industry announced by research experts Synovate and the Department of Trade and Industry yesterday.

“SAS Index™, which is sponsored by the dti, is an initiative that aims to encourage competitiveness across industries in South Africa,” said Albert McLean, managing director of Synovate South Africa. “It is consumer driven, objective, neutral and comparative in achieving this. In addition, unlike similar ‘benchmark’ offerings, SAS Index™ is comparable to the American (ACSI) and European (EPSI) customer satisfaction studies.”

This is the fourth year that SAS Index™ is being conducted by global research company Synovate, South Africa’s biggest market research company. The study also includes other industries that have been measured in previous years, such as telecommunications and banking, and these results will be conducted and released later in the year. SAS Index™ is a not-for-profit initiative undertaken by Synovate in conjunction with the Department of Trade and Industry.

The Synovate SAS Index™ study consists of standardised questions, consistent for all industries, and incorporates 27 critical drivers of customer satisfaction and delight for each industry. Importantly, the questionnaire does not only measure performance, but also expectations. All customers who have interacted with the service in the last six months are interviewed.

For the first quarter of 2005, two new industries, medical aids and municipalities, have been measured in conjunction with the dti in what is called a ‘first wave’ research of selected

entities. SAS Index™ research is expected to be expanded to include these two industries in total in the near future.

“When it comes to medical aids, spiralling membership costs and the uncertainty due to changing legislation have exacerbated negative sentiment felt by many South Africans towards what is essentially a grudge purchase, their medical cover,” said McLean.

“It is therefore perhaps not surprising that the SAS Index™ results indicate that customers are not entirely satisfied with their suppliers. While this industry has not previously been measured by the SAS Index™, a comparison with a similar industry, the Long Term Assurance industry (79.8%), points to some dissatisfaction with Medical Aids (73.4%).”

According to McLean, two of the medical aid suppliers measured have managed to overcome the inherent difficulties in the industry.

“For all the companies measured, perceived value was the greatest stumbling block, with customers clearly not considering the costs to be reasonable. Recent changes to legislation, which will make medical aid more accessible to lower income groups, may make it increasingly difficult to meet customers’ expectations in this regard.”

A slightly different way of looking at the results is to examine the variety of responses. The table below demonstrates some of these differences and here; the scores are ranked on what is called the 'Excellence Index'. This index is a measure of the proportion of people who rated the service that they received as 9/10 or 10/10. This score is most useful, however, if it is compared to the Dissatisfaction Index which reflects the proportion of people who rated the service that they received as being 5/10 or less.

Service providers who are delivering consistently high levels of service will have a high Excellence Index and a low Dissatisfaction Index. A service provider that is scoring well on the Excellence Index but with a relatively high Dissatisfaction Index score is offering inconsistent service i.e. sometimes very good and sometimes very poor. Where the Excellence Index is low and the Dissatisfaction Index is high, service delivery is generally poor.

Excellence and Dissatisfaction Indices, including overall SAS Index™ scores

	SAS Index™ Score	Excellence Index	Dissatisfaction Index
Medical Aids Averages	73.4	49.5	16.3
Medihelp	81.0	60.2	8.8
Discovery Health	78.9	54.8	10.0
Other Medical Aid	73.5	47.6	15.3
Bonitas Medical Scheme	64.6	42.6	26.3

“It is expected that the SAS Index™ will be rolled out across all major industries in South Africa in the near future. This measurement of all industries will then serve both local and international comparisons to fuel the ongoing drive of local businesses to achieve world-class customer satisfaction,” said McLean.

SAS Index™ was first introduced in October 2001, after the National Productivity Institute enlisted the help of Synovate to start a research programme to assess the country’s customer satisfaction ratings.

“Customer satisfaction is a key driver of customer loyalty. Although individual customer needs and brand attachment also play crucial roles, without customer satisfaction, these attributes alone will not result in brand loyalists or advocates,” said McLean. “It is therefore imperative for companies to focus their efforts on outstanding service quality as the entry-level requirement for long-term customer loyalty and advocacy. SAS Index™ focuses on measuring customer satisfaction.”

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About Synovate

Synovate is one of the leading market research companies in the world with 4 500 employees in 44 countries, including South Africa.

Synovate provides clients with industry specific and branded solutions utilising best-in-class research tools and proprietary practices. Synovate harnesses the latest technology and thinking in both its methodologies and knowledge delivery to ensure solid scientific, independent and objective research.

Synovate in South Africa was formerly known as Proactive Insight. Visit www.proactive.co.za and www.synovate.com for further information.