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SAS Index™

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CAPE TOWN ANNOUNCED AS TOP MUNICIPALITY IN SYNOVATE'S SAS INDEX™ SURVEY

The City of Cape Town was announced as South Africa's top-performing municipality according to the annual South African Satisfaction Index (SAS Index™) results announced by research experts Synovate and the Department of Trade and Industry yesterday.

Ethekwini Municipality (Durban), the City of Johannesburg Metropolitan Municipality and the Nelson Mandela Metropolitan Municipality, the other three municipalities in this initial study, could not match Cape Town's performance, and also did not meet the standards set by most of the organisations measured by SAS Index in other industries. There are plans to expand this study to include more municipalities in the future. The City of Johannesburg disappointed its ratepayers, and areas of particular concern were health and transportation.

"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 this research will be conducted and released later in the year.

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. Customers who have interacted with the service in the last six months are interviewed.

"In the private sector, organisations wanting to compete successfully in any given industry have little choice with regard to the service levels they provide," said McLean. "Quite simply,

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if their customers are not satisfied with their service levels, the organisation in question will lose their customers,” said McLean.

“The question often asked is whether if the improved service levels are also applicable to the public arena. Municipalities were therefore measured for the first time in the latest SAS Index™ survey, and the results are certainly interesting.”

McLean explains that given South Africa's isolation in the apartheid years, many South Africans expressed doubts as to whether service levels here were comparable to international standards. “SAS Index™ results over the past few years have dispelled these doubts, reporting satisfaction levels that often exceed those of their European and American equivalents. Organisations are not relaxing given their acceptable service levels - two key industries, banking and telecommunications, have shown great improvements since they were first measured on the SAS Index™ in 2001.”

When it comes to municipalities, the study found that their restructuring around the country in 2000 saw the previous fragmented system disappear in favour of the new unicity concept. While this overcame the problem of duplication of systems and services, and widely dispersed authority, it did mean these new metropolitan municipalities needed to service areas ranging from the extremely wealthy (e.g.Sandton) to the poverty-stricken informal settlements (e.g. Orange Farm).

“Satisfying the diverse needs of these different groups within one municipality is never going to be a simple task,” said McLean. “The results indicate, however, that it is indeed achievable, with Cape Town leading the way. Having achieved a SAS Index™ score of 79.9%, satisfaction levels reported for the Cape Town Municipality are comparable to those reported for Telkom, Metropolitan Life and Discovery Health in 2004. Although there are areas that need further attention, the municipality staff came across as empathetic and friendly.”

Caught between criticism of high rates and expensive services on the one hand, and inadequate service delivery on the other, it seems inevitable that municipalities have to compromise the satisfaction of one group in order to meet the needs of others. “However difficult, Cape Town appears to have balanced these opposing needs relatively well, and are providing an example worth following,” said McLean.

The Nelson Mandela Metropolitan Municipality had to meet exceptionally high expectations and failed to do so in the areas of health, sport, recreation and emergency services.

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
Municipalities Averages	71.3	29.6	22.8
City of Cape Town	79.9	48.8	14.6
Ethekwini Municipality (Durban)	70.2	29.5	25.2
Nelson Mandela Metropolitan Municipality (Port Elizabeth)	69.9	22.6	31.9
City of Johannesburg	66.5	30.8	24.8

“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. SAS Index™ is a not-for-profit initiative undertaken by Synovate in conjunction with the Department of Trade and Industry.

“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 loyalty.”

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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.