



Customer Perception Survey

Customer Strategy

Q3 2013

Every quarter, SGI asks a sample of 1,000 customers how they feel about SGI. This report summarizes the perceptions that customers have of the company and how these perceptions have changed over time.



# EXECUTIVE SUMMARY

Between September 28<sup>th</sup> and October 9<sup>th</sup> 2013, SGI conducted its customer perception tracking survey, surveying a sample of 1,000 customers through Inshtrix Research's online panel.

While perceptions of SGI have dropped in the past two quarters, customer sentiment experienced a boost in the most recent survey. The most significant increase was noted around perceptions of SGI as it relates to how well the company provides high standards of customer service. Approximately six out of ten (59%) respondents thought SGI is doing a good or excellent job of providing high standards of customer service compared to only 50% in June 2013. The recent improvement in results between June and September has brought customers' perceptions of SGI in line with what they were a year ago.

Similar improvements were also noted between June and September 2013 results with respect to customers' overall impression of SGI. Despite experiencing a drop in the number of customers who have a positive impression of SGI in the past two quarters, results have bounced back and once again are in line with 2012 levels. In September, 59% of customers indicated they had a positive impression of the company compared to 51% in June 2013 and 61% a year ago.

These recent improvements resulted in an Auto Fund Value Index score of 68% in September 2013. The index is based on three questions measuring customers' perceived value for products and services provided and satisfaction with service. While the score has increased since June, the 2013 average rests at 64.5%, currently falling short of the 2013 year-end target score of 69%.

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# METHODOLOGY

In March 2012, SGI, in partnership with Insightrix Research Inc, began conducting its customer perception tracking survey on a quarterly basis. Since then, a survey has been conducted at the end of every quarter (i.e. March, June, September and December).

In each quarter, a sample of 1,000 randomly selected respondents from Insightrix's SaskWatch online panel were surveyed. To ensure all results reflect the attitudes and opinions of the Saskatchewan public, sample quotas were set for age, gender, region and aboriginal ancestry.

Analysis and charting was performed in Tableau or Excel, while SPSS (industry standard statistical software) was used for statistical testing and to verify the accuracy of all figures presented in this report. Symbols "▲" and "▼" are used to denote statistical significance at the 95% confidence level.

# KEY MEASURES

## Auto Fund Value Index

In 2013, the Auto Fund Value Index was combined with the Auto Fund Service index. The new index combines results from three questions on the quarterly perception tracking survey regarding the products and services provided by SGI; as well as customer service. Customers are asked to indicate the extent to which they agree with the following three statements:

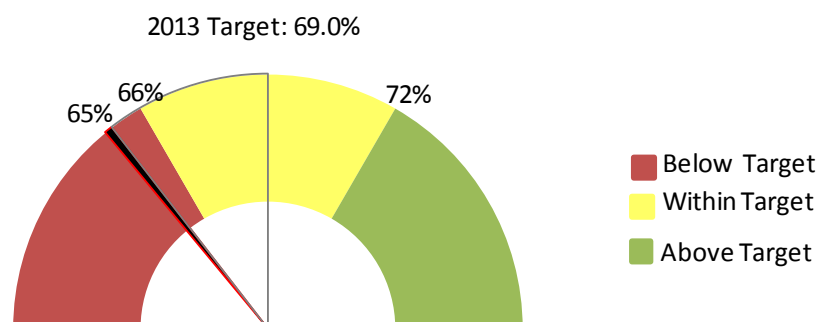
- SGI auto insurance products and services generally seem to be focused on what's best for customers.
- SGI offers good value at the best price
- SGI is doing a good or excellent job of providing high standards of customer service

Unlike the decline noted in customers' perceptions of SGI between March and June in 2013, an increase in results was noted between June and September. In September 2013, 74% of customers indicated that "SGI offers good value at the best price" compared to 72% in June 2013, while 71% of customers indicated "SGI's products and services are focused on what's best for customers" compared to 64% in June 2013. Currently, results are comparable with perceptions of SGI a year ago.

Customers' perceptions of SGI as it relates to customer service also remained consistent with September 2012 results with 59% of customers indicating that SGI is doing a good job of providing high standards of customer service. While this was found to increase dramatically from June results (50%), a number of customers still feel that SGI could do a better job from a service perspective.

The result in September was an Auto Fund Value Index score of 68% compared to 62% in June. When averaged out across the year, SGI currently has an Auto Fund Value Index score of 65%, falling below the year end target of 69%.

Figure 1: Auto Fund Value Index Score (2013 Average) vs. Target

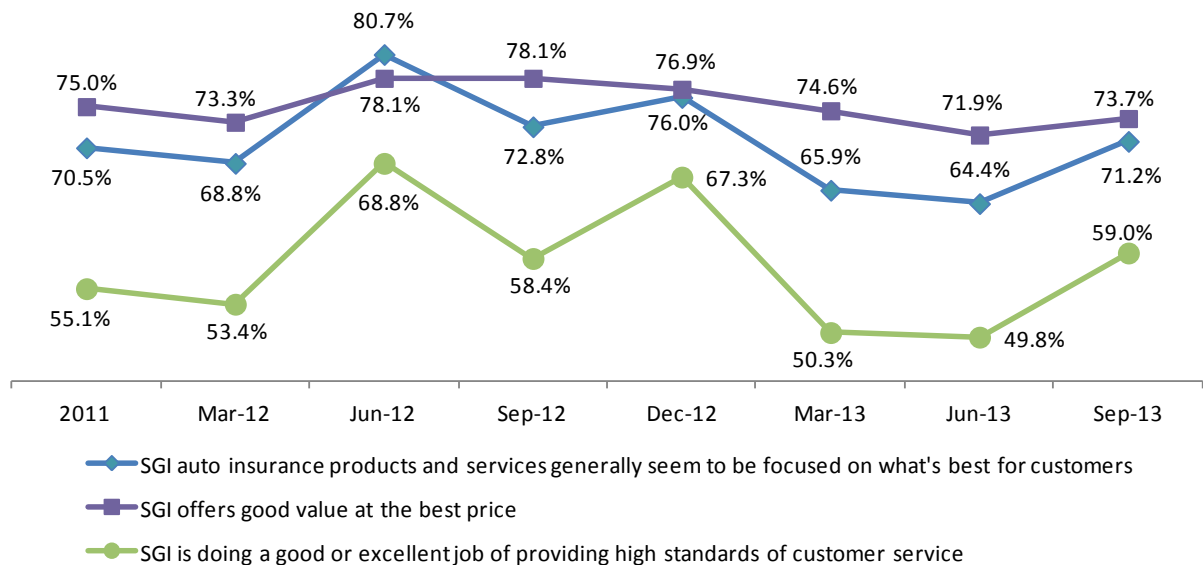


Note: Target limits are based on the "margin of error" for 95% confidence intervals.

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Figure 2: Auto Fund Value Index Question Results (Percent of Favourable Responses)

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### High Standards of Customer Service

In June 2013, “high standards of customer service” received the lowest scores since measuring customers’ perceptions of SGI on a quarterly basis (and online). To further understand and explain why these scores are as low as they are, respondents were also asked to indicate why they rated SGI the way they did in terms of proving “high standards of customer service.”

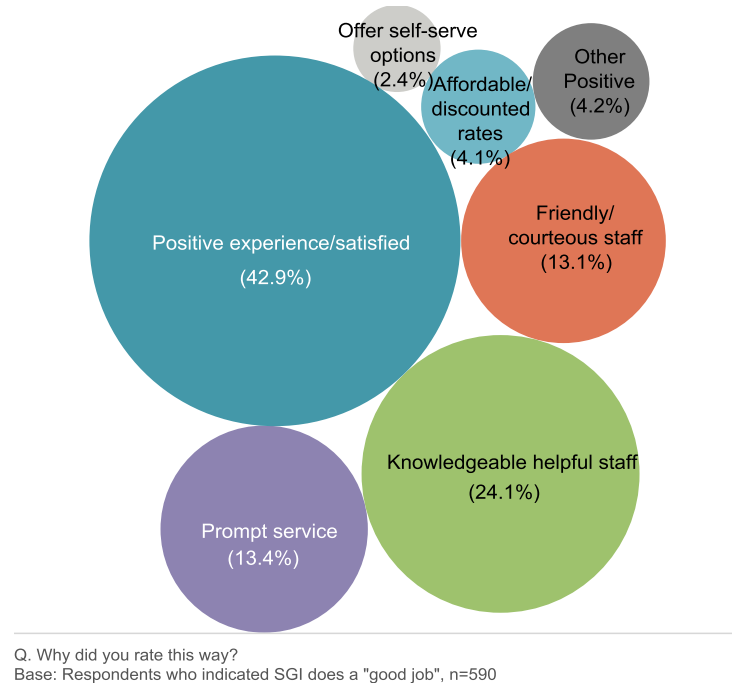
Three-quarters (78%) of respondents who thought SGI did a good job also had positive things to say about the company. With feedback provided by this group, 43% of them were more generic in their responses, indicating they have generally had positive experiences with SGI. In addition, 24% indicated that they have found staff to be knowledgeable and helpful. Some comments included:

- “I have always been very happy with the customer service. Never had a problem that they could not fix quickly.”
- “Good service, knowledgeable staff.”
- “I have always had a positive experience with them.”

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Figure 3: Reasons for Indicating Good Customer Service

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For customers who were more neutral in their feelings about SGI's standards of customer service, the majority (54%) had something negative to say about the company and opinions were found to be quite diverse (Appendix A, page 2). Specific problem areas for these customers were long processes/slow response times, lack of knowledge among staff, lack of courtesy among staff and claims being undervalued (i.e. unfair).

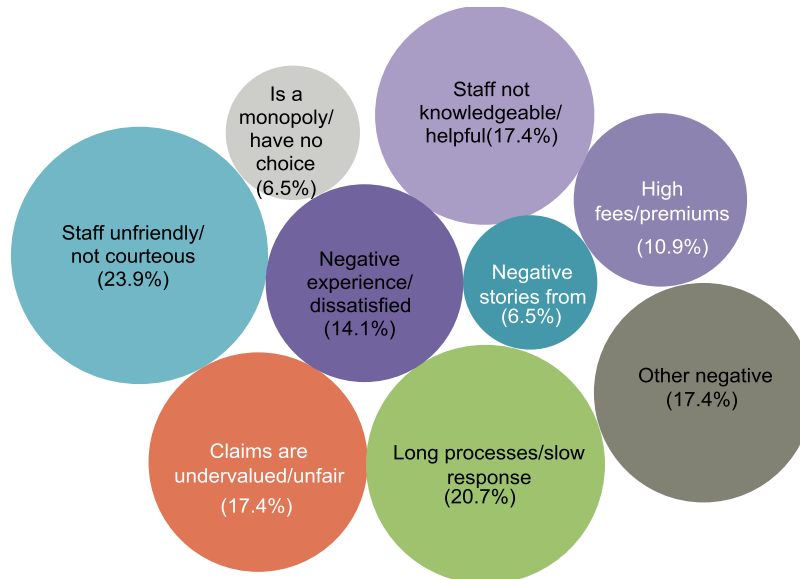
Nearly all (94%) those who indicated SGI does a poor job in terms of customer service also had negative things to say about the company. Although only 9% of customers think SGI is doing a poor job in this respect, the reasons for feeling this way appear to be quite diverse. Similar to those who provided a neutral rating, dissatisfied customers are unhappy because of unfriendly staff (24%), long processes or slow response times (21%), staff not being helpful or knowledgeable (17%) and claims being unfair or undervalued (17%). Some comments included:

- "Long waits and staff wasn't knowledgeable."
- "Don't feel like they put the customer first. Happy to take our premiums but when a claim needs to be made we are treated poorly."
- "Unfriendly staff, no customer service needed due to monopoly."

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Figure 4: Reasons for Indicating Poor Customer Service

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Q. Why did you rate this way?  
Base: Respondents who indicated SGI does a "poor job", n=92

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## Demographic Trends

Similar to previous results, analysis of all responses reveals an increase in overall perceptions of the company for most measures and demographics for September 2013. However, very few results were found to be statistically different for each demographic measured but several trends are worth noting.

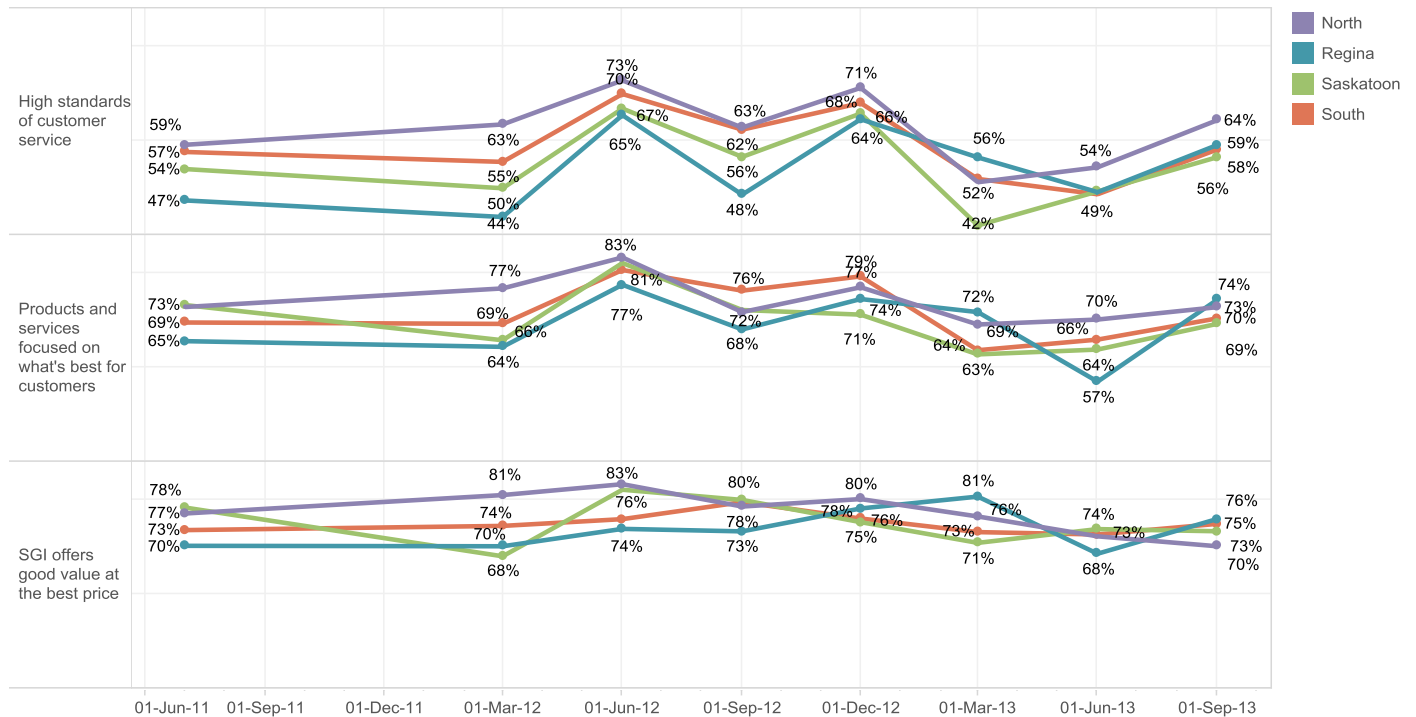
### Results by Region

Overall, improvements in customers' perceptions were noted geographically. Respondents in northern Saskatchewan continue to be happier with SGI than the other regions. More specifically, customers from northern rural locations are more likely to feel that SGI does a good job of providing high standards of customer service than customers from other areas of the province. This phenomenon has been present in the past two quarters of customer polling.

The most notable change in customer perceptions across geographies was for Regina. Customers here are especially more likely to feel that products and services are focussed on what's best for customers than they were in June (74% in September compared to 57% in June 2013). Regina customers are also more likely to feel SGI is doing a good job of providing high standards of customer service and feel that SGI offers good value at the best price than they were in June, improving by 10% and 8% respectively.

Figure 3 on the following page shows that the recent improvement in customer perceptions of SGI are not isolated to one or two regions.

Figure 5: Percentage of Favourable Responses by Region – Historical Trend



### Results by Age

Similar to the regional differences noted, customers' perceptions of SGI have increased between age groups since June 2013. There was a significant improvement in perceptions for "high standards of customer service" for individuals over the age of 35 compared to June 2013. In addition, perceptions also improved for "products and services focused on what's best from customers" for individuals between 45 to 54 (increased by 10%) and 65+ (increased by 14%). Conversely, customers' perceptions of SGI decreased slightly for all three of the Auto Fund Value Index questions for customers in the youngest age group. These results are shown in Figure 6 on the following page.

When comparing results to September 2012, only a couple of statistical differences were noted. Customers' perceptions for "products and services are focused on what's best for customers" decreased for individuals between 25 and 34 (decreased by 7%), as well as those between 55 and 64 (decreased by 10%). In addition, "SGI offers good value at the best price" decreased by 11% for customers between 25 and 34 but "high standards of customer service" improved by 11% for customers in the 35 to 44 age group.

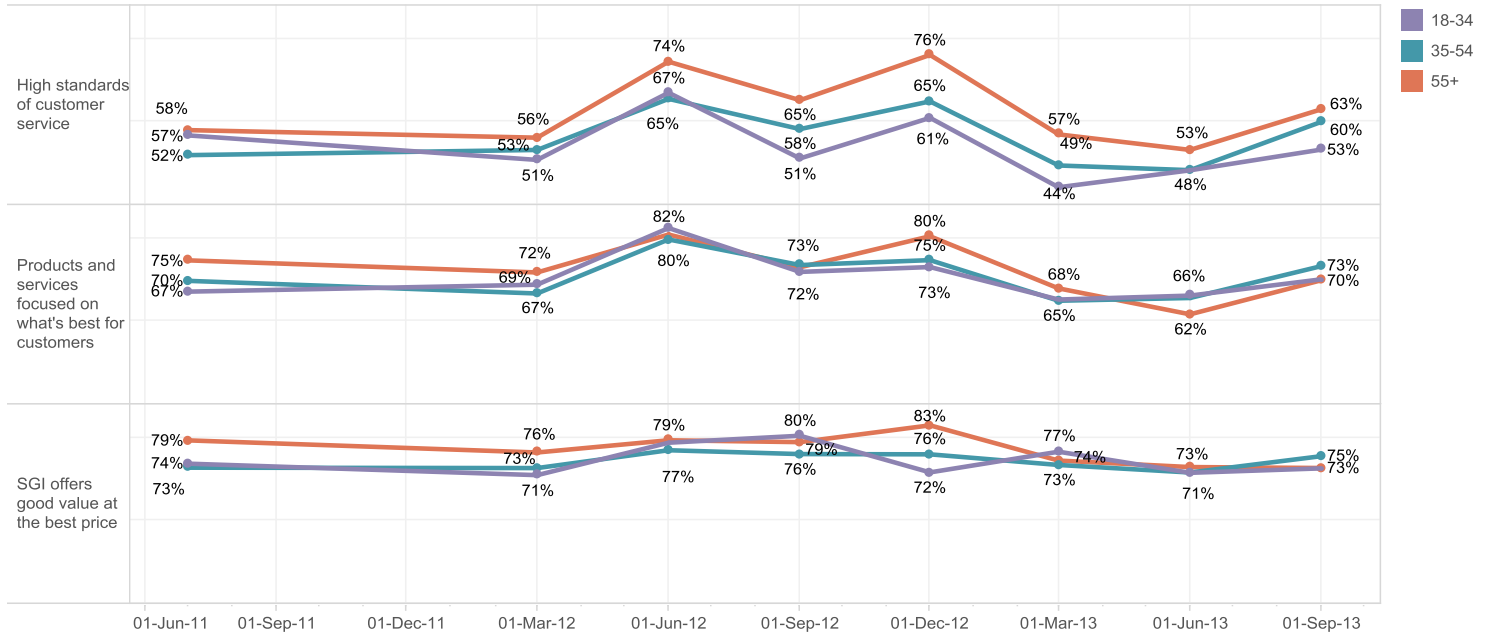
Figure 6: Percentage of Favourable Responses by Age – Historical Trend

		September 2012	March 2013	June 2013	September 2013	Difference Between Sept. 2012 & Sept. 2013	Difference Between Jun. 2013 & Sept. 2013
Products and services focused on what's best for customers	18 to 24	63%	61%	74%	70%	7% ▲	-4%
	25 to 34	77%	67%	64%	71%	-7% ▼	6% ▲
	35 to 44	73%	66%	69%	72%	-2%	2%
	45 to 54	74%	63%	64%	74%	0%	10% ▲
	55 to 64	74%	68%	62%	64%	-10% ▼	2%
	65 +	72%	70%	63%	77%	5%	14% ▲
SGI offers good value at the best price	18 to 24	75%	70%	75%	72%	-3%	-4%
	25 to 34	84%	80%	71%	73%	-11% ▼	2%
	35 to 44	79%	75%	72%	75%	-5%	3%
	45 to 54	74%	72%	72%	76%	2%	4%
	55 to 64	79%	73%	72%	73%	-6%	1%
	65 +	80%	79%	75%	71%	-9% ▼	-4%
High standards of customer service	18 to 24	48%	47%	52%	51%	2%	-1%
	25 to 34	53%	43%	48%	54%	1%	7%
	35 to 44	53%	52%	54%	64%	11% ▲	10% ▲
	45 to 54	61%	47%	45%	58%	-3%	13% ▲
	55 to 64	63%	54%	50%	60%	-3%	10% ▲
	65 +	68%	62%	59%	67%	-1%	8% ▲

When compared to June 2013 results, SGI experienced a slight improvement across nearly all age groups. As demonstrated in Figure 6, customers in nearly all age categories (35+) are more likely to feel that SGI is doing a good job of providing high standards of customer service today than they were in the prior two quarters. In addition, results were found to be consistent with those observed a year ago for all measures.

When comparing perceptions of SGI between age groups, customers over the age of 55 are found to be significantly more likely to have a positive perception of the company in terms of customer service compared to individuals between the age of 18 and 34 (Figure 7). In the September survey, 63% of customers over the age of 55 indicated SGI is doing a good job of providing high standards of customer service compared to only 53% of customers between 18 and 34. A difference of opinion, however, was not observed between age groups when it comes to “products and services are focused on what’s best for customers” and “offers good value at the best price”.

Figure 7: Percentage of Favourable Responses by Age – Historical Trend



### Results by Education and Income

Perceptions of SGI by income and education level were also found to improve since June and remain in line with September 2012 results. Customers have a more positive perception of SGI for “products and services are focused on what’s best for customers” and “high standards of customer service” compared to last quarter. The most notable changes in opinion since June were observed around perceptions of SGI’s standards of customer service. Perceptions improved by 12% for those with a high school diploma or some technical or university education (Figure 8) and 16% for individuals whose household income is between \$25,000 to \$49,999 (Figure 9).

However, customers’ perceptions of SGI offering good value at the best price decreased by 10% compared to June 2013 and decreased by 20% compared to September of last year for individuals with less than high school education (Figure 8).

Figure 8: Percentage of Favourable Responses by Education – Historical Trend

		September 2012	March 2013	June 2013	September 2013	Difference Between Sept. 2012 & Sept. 2013	Difference Between Jun. 2013 & Sept. 2013
Products and services focused on what's best for customers	Some high school (or less)	71%	60%	53%	57%	-14% ▼	4%
	Completed high school diploma	72%	72%	72%	74%	2%	2%
	Some technical or university education	73%	63%	62%	71%	-3%	8% ▲
	Technical diploma	70%	66%	61%	67%	-3%	6%
	University degree	75%	67%	69%	77%	2%	8% ▲
SGI offers good value at the best price	Some high school (or less)	74%	65%	63%	54%	-20% ▼	-10% ▼
	Completed high school diploma	74%	78%	74%	76%	2%	2%
	Some technical or university education	80%	73%	69%	71%	-10% ▼	2%
	Technical diploma	79%	75%	75%	73%	-6% ▼	-1%
	University degree	78%	76%	75%	79%	1%	4%
High standards of customer service	Some high school (or less)	48%	40%	43%	50%	2%	7% ▲
	Completed high school diploma	58%	47%	52%	63%	6% ▲	12% ▲
	Some technical or university education	59%	50%	47%	59%	0%	12% ▲
	Technical diploma	57%	48%	52%	56%	-1%	4%
	University degree	59%	57%	50%	60%	1%	10% ▲

Figure 9: Percentage of Favourable Responses by Income – Historical Trend

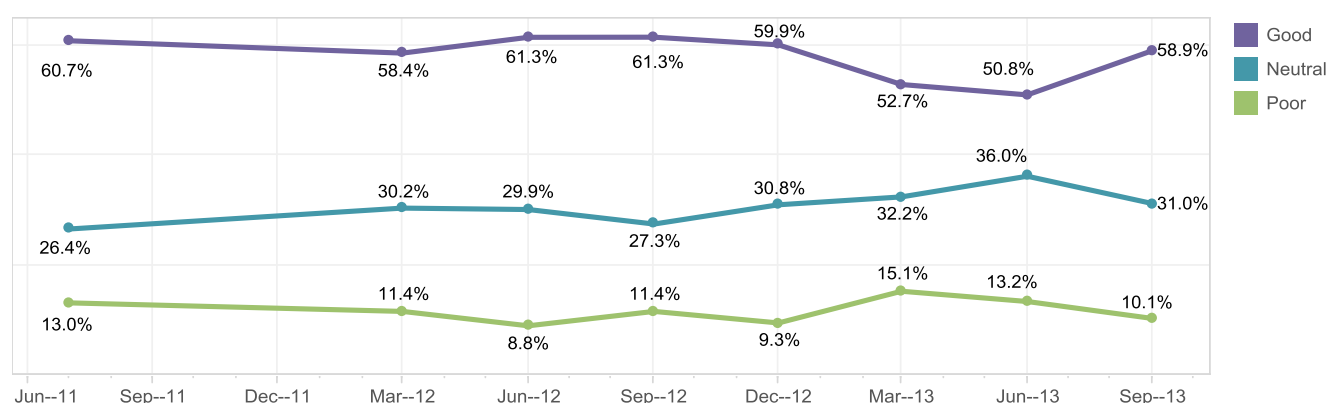
		September 2012	March 2013	June 2013	September 2013	Difference Between Sept. 2012 & Sept. 2013	Difference Between Jun. 2013 & Sept. 2013
Products and services focused on what's best for customers	Less than \$25,000	68%	66%	70%	74%	6%	4%
	\$25,000 to \$49,999	72%	73%	63%	73%	1%	11% ▲
	\$50,000 to \$100,000	76%	66%	66%	71%	-5%	5%
	Over \$100,000	74%	64%	66%	69%	-5%	3%
SGI offers good value at the best price	Less than \$25,000	79%	75%	70%	76%	-3%	6%
	\$25,000 to \$49,999	78%	78%	67%	75%	-3%	8% ▲
	\$50,000 to \$100,000	73%	75%	73%	76%	3%	3%
	Over \$100,000	75%	73%	77%	73%	-2%	-3%
High standards of customer service	Less than \$25,000	53%	49%	53%	64%	11% ▲	11% ▲
	\$25,000 to \$49,999	55%	55%	50%	66%	11% ▲	16% ▲
	\$50,000 to \$100,000	61%	50%	51%	58%	-3%	7% ▲
	Over \$100,000	59%	47%	49%	55%	-3%	6%

# CORPORATE IMAGE

## Overall Impression of SGI

Unlike previous quarters in 2013, overall impression of SGI has increased and now falls in line with September 2012 results. Analysis of all responses reveals a shift towards a positive perception of SGI – 59% of respondents indicated they view SGI positively compared to 51% in March 2013.

Figure 10: Overall Impression of SGI



Q. How would you rate your overall impression of SGI?  
Base: All online respondents; n=1,000

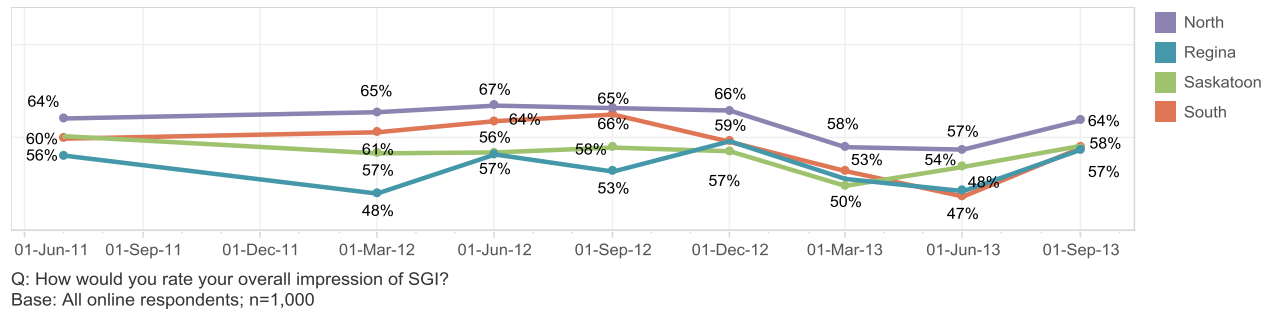
## Demographic Trends

Similar to key measures, additional analysis was conducted to identify any statistical differences for each demographic for customers' overall impression of SGI.

### Results by Region

Similar to the Auto Fund Value Index questions, overall impression of SGI increased for each geographic region. Customers from northern Saskatchewan continues to a more positive impression of SGI compared to Regina and southern Saskatchewan customers. While all regions appear to be happier with SGI today than they were three months ago, this difference of opinion (north vs. other regions) has carried through the past several surveys. This is illustrated in Figure 11 on the following page.

Figure 11: Overall Impression of SGI by Region



### Results by Age

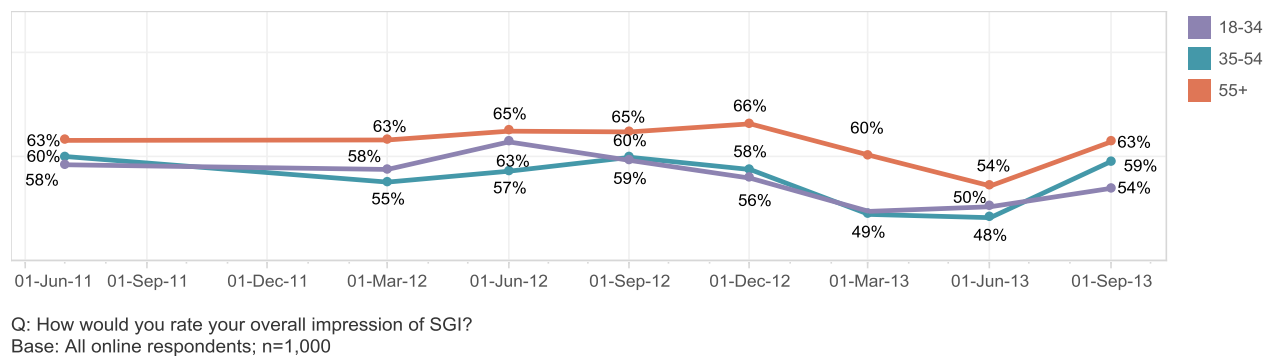
While no significant differences were noted between age groups, results improved across many age groups in September (when compared to June 2013 results). The most notable increase was for individuals between the ages of 45 and 54, improving by 13% (when compared to June 2013 results). As shown in Figure 12, results are very similar to last year at this time.

Figure 12: Overall Impression by Age – Quarterly Comparisons (% of positive responses)

		September 2012	March 2013	June 2013	September 2013	Difference Between Sept. 2012 & Sept. 2013	Difference Between Jun. 2013 & Sept. 2013
Overall impression	18 to 24	58%	53%	52%	54%	-4%	2%
	25 to 34	60%	48%	51%	54%	-6%	4%
	35 to 44	61%	51%	53%	61%	0%	9% ▲
	45 to 54	59%	47%	46%	58%	-1%	13% ▲
	55 to 64	63%	57%	53%	59%	-4%	5%
	65 +	69%	66%	58%	69%	0%	11% ▲

Compared to the previous two quarters in 2013, overall impression has increased across all age groups. In September 2013, 59% of customers between the ages of 35 and 54 were found to have a positive impression of SGI compared to 48% in June and 49% in March (Figure 14). Nevertheless, SGI's oldest customer segment consistently views SGI more positively than younger customers.

Figure 13: Overall Impression by Age – Historical Trend (% of positive responses)



### Results by Education and Income

When comparing results by education and income level, customers' impressions of SGI have improved since June 2013. The most notable difference on the basis of education level was for individuals with a university education which increased by 11% since June 2013 (Figure 14). Similar to the improvement noted in "high standards of customer service", the most noteworthy difference on the basis of income level was for individuals whose household income is between \$25,000 and \$49,999 – an increase of 14% from June 2013. Customers in the lowest income bracket also appear to be significantly happier with SGI than they were in June, improving by 12% (Figure 15).

Figure 14: Overall Impression by Education – Historical Trend (% of positive responses)

		September 2012	March 2013	June 2013	September 2013	Difference Between Sept. 2012 & Sept. 2013	Difference Between Jun. 2013 & Sept. 2013
Overall impression	Some high school (or less)	45%	44%	47%	50%	5%	3%
	Completed high school diploma	63%	51%	56%	57%	-6%	1%
	Some technical or university education	63%	52%	49%	59%	-4%	10% ▲
	Technical diploma	60%	52%	51%	58%	-2%	7%
	University degree	62%	58%	51%	62%	0%	11% ▲

Figure 15: Overall Impression by Income – Historical Trend (% of positive responses)

		September 2012	March 2013	June 2013	September 2013	Difference Between Sept. 2012 & Sept. 2013	Difference Between Jun. 2013 & Sept. 2013
Overall impression	Less than \$25,000	58%	51%	54%	66%	8% ▲	12% ▲
	\$25,000 to \$49,999	57%	60%	53%	66%	9% ▲	14% ▲
	\$50,000 to \$100,000	65%	52%	53%	58%	-7% ▼	5%
	Over \$100,000	64%	47%	51%	56%	-8% ▼	5%