

**Press Contacts:**

**ASQ:**

Chris Lochemes  
800-248-1946

**CFI:**

Sally Hart Petersen  
734-930-9090

**University of Michigan**

**Business School:**

Barbara Everitt Bryant  
734-763-9062

HOLD FOR RELEASE UNTIL May 15

**ACSI DOWN SLIGHTLY, BUT SEVERAL COMPANIES IMPROVE  
CUSTOMER SATISFACTION**

MILWAUKEE, May 15, 2000--Although the American Customer Satisfaction Index (ACSI) is down slightly for the first quarter of 2000, several companies have actually improved customer satisfaction. Overall, ACSI drops by 0.3 points (-0.4%) – a marginal decline. Despite this, the trend since the beginning of 1998 continues to be slightly positive. Among the companies that registered the largest increases in ACSI are Northwest Airlines and GTE Corporation.

Following mishandled snowstorms and labor problems, Northwest had the lowest customer satisfaction score of all companies in the 1999 ACSI: 53 on a 0-100 scale. Northwest has climbed from the bottom of the satisfaction ladder to an ACSI of 62--up 9-points or 17%. This is the largest gain any company has made in a single year since ACSI started its national measurements seven years ago.

Northwest still has a way to go. It remains well below the national ACSI of 72.5 for all companies and government agencies. But Northwest is within one point of the consistently poorly scoring airline industry average of 63. The score for the airline industry is unchanged from 1999 because perennial leader Southwest is down two points (from 72 to 70) as is number two, Delta Airlines (from 68 to 66).

GTE Corporation is in a similar situation to Northwest Airlines. GTE's ACSI for local telephone service improved by 9.5%--from 63 to 69. Nevertheless, 69 is a weak score in the telephone service industry with an average ACSI of 72.

In the latest ACSI measure of the transportation/communications/utilities sector, the unchanged ACSI of the airline industry is coupled with one to two-point gains for TV broadcasting, parcel delivery/express mail, the U.S. Postal Service, and electric utilities and marginal drops for telephone service and newspapers. In the service sector, the ACSI for the hotel industry is unchanged; there is a marginal drop for hospitals and a 3 point drop for motion pictures.

– more –

Looking at a consistently leading industry for customer satisfaction, the parcel delivery and express mail business continues to do well. UPS and the Postal Service show higher scores than last year (81 and 72, respectively), whereas Federal Express maintains its leadership position at 83. Overall, this is one of the highest scoring industries in ACSI, with a reading of 81 (up 2.5%). UPS is off to a good start in 2000 following its public offering of stocks in 1999. As its ACSI improved, so did its financial results. Last quarter was the company's best ever with net income up by 63%. "In the new economy, it will be very interesting to follow UPS and Federal Express", says Professor Claes Fornell of the University of Michigan Business School. "Both companies are at the hub of Internet business in the sense that someone has to ship all the goods ordered on the net. With high customer satisfaction and good operations, they are in an excellent position to capitalize on this explosive business."

"The quarterly results show the absolute necessity of continuous improvement. In areas of intense competition and rivalry, such as with parcel delivery and express mail, when a company is on top, the competition is always watching, learning, and nipping at their heels," said Jack West of the American Society for Quality (ASQ).

ACSI is updated on a rolling basis. New scores for the transportation/communications/utilities and service sectors replace those collected one year ago and are added to scores of five other sectors of the economy measured during the intervening year.

The American Customer Satisfaction Index is produced through a partnership of the University of Michigan Business School, ASQ, and CFI Group. The data collection for the Index is conducted by Market Strategies, Inc., a major corporate sponsor for the ACSI.

Company scores can be found on ASQ's website: <http://www.asq.org> and on the University of Michigan Business School's website: <http://www.bus.umich.edu>. The website for CFI Group is <http://www.cfigroup.com>.

###

**Changes in ACSI 1994-2000<sup>1</sup>**  
(0-scale)

<b>Sector/Industry</b>	<b>Baseline 1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>% Chg '99-'00</b>
<b>National ACSI (as measured in 1<sup>st</sup> Qtr of each year)</b>	74.5	74.1	73.0	70.7	71.9	72.1	72.5	+0.6
<b>Transportation/ Communications / Utilities</b>	75.5	75.1	75.5	71.6	71.2	70.3	70.6	+0.4
Airlines (scheduled)	72	69	69	67	65	63	63	0.0
Broadcasting/TV network news	77	76	70	62	65	62	64	+3.2
Electric service	75	74	75	73	73	74	75	+1.4
Newspapers	72	68	69	69	66	69	68	-1.4
Parcel delivery/express mail <sup>2</sup>	81	81	85	80	78	79	81	+2.5
Telecommunications/wired telephone service	80	80	79	75	74	73	72	-1.4
U.S. Postal Service	61	69	74	69	71	71	72	+1.4
<b>Services</b>	74.4	74.2	71.2	67.7	72.2	70.4	69.4	-1.4
Hotels	75	73	72	71	71	72	72	0.0
Hospitals	74	74	71	67	72	70	69	-1.4
Motion pictures	77	77	74	71	76	71	68	-4.2

<sup>1</sup> STATISTICAL NOTE: For the national ACSI a difference greater than +/-0.3 points on a scale of 0-100 between any two years is greater than could be caused by sampling error at the 90% confidence level. For the transportation/communications/utilities sector a difference greater than +/-0.3 is greater than could be caused by sampling error. For industries within the sector, on average, differences greater than +/-2.1 points are greater than could be caused by sampling error. In the services sector the same numbers are +/-0.9 and +/-2.8. On average, differences in company ACSIs, or differences for the same company in different years, of +/- 3.0 points are statistically significantly greater than could be caused by sampling error.

<sup>2</sup>Parcel delivery and express mail services of the U.S. Postal Service are measured in this industry along with private sector firms. Monopoly services of the USPS are measured in the U.S. Postal Service industry.

ACSI Over Time									From	From First
	4/29/00	(Q1/00)							Previous	Year
									Year	Measured
		BASELINE	1995	1996	1997	1998	1999	2000	% Change	% Change
<b>TRANSPORTATION - COMMUNICATIONS - UTILITIES</b>										
		<b>75.5</b>	<b>75.1</b>	<b>75.5</b>	<b>71.6</b>	<b>71.2</b>	<b>70.3</b>	<b>70.6</b>	<b>0.4%</b>	<b>-6.5%</b>
	<b>Parcel delivery-express mail</b>	<b>81</b>	<b>81</b>	<b>85</b>	<b>80</b>	<b>78</b>	<b>79</b>	<b>81</b>	<b>2.5%</b>	<b>0.0%</b>
	Federal Express Corporation	85	85	86	82	80	83	83	0.0%	-2.4%
	United Parcel Service of America, Inc.	82	83	87	82	77	79	81	2.5%	-1.2%
	U.S. Postal Service-Package & Express	69	70	74	70	75	75	75	0.0%	8.7%
	<b>U.S. Postal Service</b>	<b>61</b>	<b>69</b>	<b>74</b>	<b>69</b>	<b>71</b>	<b>71</b>	<b>72</b>	<b>1.4%</b>	<b>18.0%</b>
	<b>Airlines-scheduled</b>	<b>72</b>	<b>69</b>	<b>69</b>	<b>67</b>	<b>65</b>	<b>63</b>	<b>63</b>	<b>0.0%</b>	<b>-12.5%</b>
	Southwest Airlines Corporation	78	76	76	76	74	72	70	-2.8%	-10.3%
	Delta Airlines, Inc.	77	72	67	69	65	68	66	-2.9%	-14.3%
	All Others	NM	70	74	70	62	67	63	-6.0%	-10.0%
	American Corporation (AMR)	70	71	71	62	67	64	63	-1.6%	-10.0%
	Continental Airlines, Inc.	67	64	66	64	66	64	62	-3.1%	-7.5%
	Northwest Airlines Corporation	69	71	67	64	63	53	62	17.0%	-10.1%
	United Corporation (UAL)	71	67	70	68	65	62	62	0.0%	-12.7%
	USAir Group, Inc.	72	67	66	68	65	61	62	1.6%	-13.9%
	<b>Telecommunication</b>				<b>75</b>	<b>74</b>	<b>73</b>	<b>72</b>	<b>-1.4%</b>	<b>-4.0%</b>
	<b>Telecommunication-long distance</b>	<b>82</b>	<b>82</b>	<b>81</b>						
	All Others	NM	NM	80	78	76	75	77	2.7%	-3.8%
	AT&T Corporation	85	83	83	80	81	79	75	-5.1%	-11.8%
	GTE Corporation	NM	NM	NM	77	73	74	73	-1.4%	-5.2%
	MCI WorldCom	75	75	78	72	74	73	70	-4.1%	-6.7%
	Sprint Corporation	79	83	80	76	76	74	70	-5.4%	-11.4%
	<b>Telecommunication-local</b>	<b>79</b>	<b>78</b>	<b>77</b>						
	BellSouth Corporation	83	83	83	78	78	76	75	-1.3%	-9.6%
	Bell Atlantic Corporation	NM	NM	NM	NM	71	73	71	-2.7%	0.0%
	All Others	77	76	74	71	72	71	70	-1.4%	-9.1%
	SBC Communications (includes Ameritech)	NM	NM	NM	NM	71	71	70	-1.4%	-1.4%
	GTE Corporation	76	72	72	68	65	63	69	9.5%	-9.2%
	US WEST, Inc.	77	76	74	71	68	67	64	-4.5%	-16.9%
	<b>Broadcasting-TV</b>	<b>77</b>	<b>76</b>	<b>70</b>	<b>62</b>	<b>65</b>	<b>62</b>	<b>64</b>	<b>3.2%</b>	<b>-16.9%</b>

	<b>Utilities-electric service</b>	<b>75</b>	<b>74</b>	<b>75</b>	<b>73</b>	<b>73</b>	<b>74</b>	<b>75</b>		<b>1.4%</b>	<b>0.0%</b>
	The Southern Company	78	78	76	77	79	78	80		2.6%	2.6%
	American Electric Power Company, Inc.	78	80	82	77	78	77	79		2.6%	1.3%
	Central and South West Corporation	77	82	78	78	NM	76	79		3.9%	2.6%
	Duke Energy	82	80	83	79	78	80	79		-1.3%	-3.7%
	Edison International (Southern California Edison)	76	74	77	78	75	73	78		6.8%	2.6%
	GPU (General Public Utilities Corporation)	77	79	79	69	75	75	78		4.0%	1.3%
	Public Service Enterprise Group	79	80	77	75	74	73	78		6.8%	-1.3%
	All Others	75	73	75	74	75	74	76		2.7%	1.3%
	CMS Energy Corporation	79	76	77	75	73	76	76		0.0%	-3.8%
	FPL Group, Inc.	77	77	74	69	75	74	76		2.7%	-1.3%
	Texas Utilities Company, Inc.	73	74	77	70	76	74	76		2.7%	4.1%
	Dominion Resources, Inc.	74	75	72	74	75	74	75		1.4%	1.4%
	DTE Energy (The Detroit Edison Company)	78	78	78	75	74	74	75		1.4%	-3.8%
	Reliant Energy (Houston Industries, Inc.)	NM	NM	NM	68	73	73	75		2.7%	10.3%
	Entergy Corporation	75	76	75	70	70	69	74		7.2%	-1.3%
	PG&E Corporation (Pacific Gas & Electric Company)	73	71	72	71	68	71	73		2.8%	0.0%
	Northeast Utilities	70	70	72	67	65	68	72		5.9%	2.9%
	PECO Energy (Philadelphia Electric Power Company)	NM	72	70	65	66	71	72		1.4%	0.0%
	Consolidated Edison Company of New York	77	76	74	71	69	73	71		-2.7%	-7.8%
	Niagara Mohawk Power Corporation	69	73	64	65	68	68	69		1.5%	0.0%
	Unicom (Commonwealth Edison Company)	71	68	68	62	66	62	59		-4.8%	-16.9%
	<b>Publishing-newspaper</b>	<b>72</b>	<b>68</b>	<b>69</b>	<b>69</b>	<b>66</b>	<b>69</b>	<b>68</b>		<b>-1.4%</b>	<b>-5.6%</b>
<b>SERVICES</b>		<b>74.4</b>	<b>74.2</b>	<b>71.2</b>	<b>67.7</b>	<b>72.2</b>	<b>70.4</b>	<b>69.4</b>		<b>-1.4%</b>	<b>-6.7%</b>
	<b>Hotels</b>	<b>75</b>	<b>73</b>	<b>72</b>	<b>71</b>	<b>71</b>	<b>72</b>	<b>72</b>		<b>0.0%</b>	<b>-4.0%</b>
	Hilton Hotels Corporation (including Promus)	75	75	75	75	72	74	77		4.1%	2.7%
	Hyatt Corporation	76	75	77	77	75	73	74		1.4%	-2.6%
	Marriott International Corporation	80	76	77	76	76	77	74		-3.9%	-7.5%
	All Others	NM	73	71	71	70	71	72		1.4%	-1.4%
	Holiday Inn	69	69	NM	NM	69	68	71		4.4%	2.9%
	Ramada Inns	70	69	70	64	67	67	69		3.0%	-1.4%
	Starwood Hotels and Resorts Worldwide, Inc.	NM	NM	NM	NM	67	69	68		-1.4%	1.5%
	<b>Hospitals</b>	<b>74</b>	<b>74</b>	<b>71</b>	<b>67</b>	<b>72</b>	<b>70</b>	<b>69</b>		<b>-1.4%</b>	<b>-6.8%</b>
	<b>Motion Pictures</b>	<b>77</b>	<b>77</b>	<b>74</b>	<b>71</b>	<b>76</b>	<b>71</b>	<b>68</b>		<b>-4.2%</b>	<b>-11.7%</b>
Source:	University of Michigan Business School										
	National Quality Research Center										

# ACSI 1994 - Q1 2000

