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**AMERICAN CUSTOMER SATISFACTION INDEX RELEASES 1ST QUARTER
REPORT:**

*Satisfaction Is Up For The First Time Ever For Airlines And Is Now At A
Six-Year High For U.S. Industries, In General.*

MILWAUKEE, May 20, 2002---In spite of the enormous impact that Sept. 11 has had on our nation's airlines, from increased wait times to more stringent security checks for passengers, air travelers are happier with America's commercial airlines than they have been in five years, according to the American Customer Satisfaction Index (ACSI).

The airline industry improved its ACSI score by 8 percent (from 61 to 66) from a year ago---marking the only time that the airlines have shown improvement in customer satisfaction since the inception of the ACSI in 1994. In fact, all of the major airlines showed improvement.

Overall, the national aggregate ACSI score for 35 industries in the 1st quarter of 2002 rose to 73 (out of a possible 100), the second straight quarterly improvement and the highest overall score in six years.

Improved customer satisfaction, combined with growing disposable personal income, implies more consumer spending, says Claes Fornell, professor of business and director of the University of Michigan Business School's National Quality Research Center, which compiles and analyzes the quarterly ACSI data. And more consumer spending, of course, means companies will be better off financially and better able to weather stock price volatility.

"Even though stock prices of the most widely held companies are down substantially for the year and the broader market indices are in negative territory, companies that have highly satisfied customers tend to be relatively sheltered from a market fall in stock prices," he says. "Because high customer satisfaction is often a sign of a healthy company, companies that do well on the ACSI tend to do well in the stock market."

Fornell says that the biggest surprise among industries measured in the current ACSI report is the improvement in customer satisfaction with the nation's airlines---which comes at a time when losses are mounting for most of them.

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"The decline in air travel since Sept. 11, particularly among business travelers, has meant less-crowded planes and more time available per passenger from flight attendants," he says. "This is in spite of the fact that overall passenger load has not changed much. But, in order to fill seats, airlines also have slashed fares and offered bargains."

Once again, Southwest Airlines leads the way in airline customer satisfaction, with an ACSI score of 74, followed by Continental Airlines (68) and Delta Airlines (66). The largest improvement, however, came from Northwest Airlines, which saw its ACSI score jump 16 percent (from 56 to 65).

In addition to airlines, the ACSI's 1st quarter 2002 report measured customer satisfaction for energy utilities, telecommunication companies, broadcast and cable/satellite television, parcel delivery services, the U.S. Postal Service, newspaper publishing, hotels, hospitals, the motion picture industry and health care insurance.

While the airline industry posted the largest gain in the current ACSI, energy utilities also showed healthy improvement in customer satisfaction, raising their collective score nearly 6 percent (from an industry-low 69 to 73).

Pacific Gas & Electric made the biggest stride among all of the gas and electric companies as its ACSI score climbed 18 percent to 58 (up from 49, the lowest score ever for a company in the history of the ACSI). However, PG&E still finished at the bottom among the 28 utilities measured.

Southern Co. (81), Allegheny Energy (80), PPL Corp. (80) and Duke Energy Corp. (79) were the leaders in customer satisfaction, while Xcel Energy, Consolidated Edison, Sempra Energy, Reliant Energy and Edison International registered double-digit percentage increases in their ACSI scores.

"Overall, the improved ACSI scores for utilities have been helped by the mild winter and moderating natural gas prices, as consumers spent less money for both gas and electricity compared to the year before," says utilities expert Andy Morrison, president of Market Strategies Inc. "In addition, there were no major problems with energy shortages and a relatively trouble-free year for most utilities in terms of reliability problems.

"The ACSI model shows that both the perceived service quality and reliability of the relationship and the perceived value have significant impacts on satisfaction, and the industry improved on both quality and value over the last year."

Another sector that showed some improvement in customer satisfaction, albeit small, was the telecommunication industry, inching upward from an ACSI score of 70 last year to 71 this year. Sprint Corp. and Verizon Communications Inc. paced the long-distance phone companies with scores of 74, while BellSouth Corp. topped the local phone services with the same mark.

Verizon did not fare as well with its local service, as its score dropped 8 percent to 67, while Qwest Communications also saw its score for local phone service fall by the same percentage to an industry-low 56.

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"With the exception of BellSouth, which has a history of solid performance in satisfying customers, local phone service typically lags long distance in the ACSI," Fornell says. "The likely reason is that consumers have more meaningful choices among long-distance carriers. There is still little competition in local phone service and though rates for both wireless and long distance have dropped, they have increased for local calling."

Fornell says that the 32 percent difference in ACSI scores between the leader in local phone service, BellSouth, and Qwest, which is at the opposite end of the spectrum, is remarkable for companies in the same industry.

"It is even more remarkable in view of the fact that before 1997, Qwest had the same or higher ACSI scores than BellSouth has now," says Fornell, who notes that Qwest's stock has lost 90 percent of its value since August 2000. "Declining customer satisfaction may well be a warning signal about many things gone wrong in a company. It is the customers, after all, who represent its ultimate economic asset. If that asset is treated poorly and deteriorates in value, one wonders how other assets are managed."

While customer satisfaction improved overall for the airlines, utilities and phone companies, the cable and satellite television industry was not as fortunate, as its ACSI score fell nearly 5 percent (from 64 to 61). DIRECTV Inc. remained at the top with a score of 70, but other major companies lost ground--Charter Communications plunged 16 percent to an industry-low 53, Comcast Corp. dropped more than 12 percent to 56 and AT&T Corp. declined 10 percent to 56.

"People just don't like their cable companies," says Jack West of the American Society for Quality. "This industry reinforces the trend we've been witnessing in many other industries--namely, that increased competition leads to greater satisfaction."

In other industries, customer satisfaction was up 1 percent among parcel delivery-express mail services (from 78 to 79), as Federal Express Corp. held steady with a score of 82 and United Parcel Service improved to 80; the U.S. Postal Service saw its score rise from 70 to 73; hotels remained the same at 71, with Hilton (76), Marriott (76) and Hyatt (75) leading the way; hospitals went up from 68 to 70; broadcast television rose from 62 to 65; and newspapers (63) and motion pictures (70) both declined, 7 percent and 1 percent, respectively. Health care insurance, measured for the first time, scored 68.

"The general improvement in consumer satisfaction with service industries is encouraging," West says. "It demonstrates that quality improvement techniques are just as effective in the service area as they are in the production of manufactured goods."

The ACSI is a national economic indicator of customer evaluations of the quality of goods and services available to household consumers in the United States. It is updated each quarter with new measures for different sectors of the economy replacing data from the prior year. The overall ACSI score for a given quarter factors in scores from 190 companies in 35 industries and from government agencies over the previous four quarters.

The index is produced by a partnership of the U-M Business School, American Society for Quality and CFI Group, and supported in part by Market Strategies Inc., a major corporate sponsor. Company scores and other information about the ACSI can be found on the ACSI Web site: www.theacsi.org.

ACSI Over Time		(Q1/02)	Nat'l ACSI for Q1/2002 = 73.0, up from 72.6 in Q4/2001									From	From First
Source:	University of Michigan Business School National Quality Research Center	BASELINE	1995	1996	1997	1998	1999	2000	2001	2002	Previous Year	Year Measured	
											% Change	% Change	
TRANSPORTATION - COMMUNICATIONS - UTILITIES		75.5	75.1	75.5	71.6	71.2	70.3	70.6	68.4	70.2	2.6%	-7.0%	
Parcel delivery-express mail		81	81	85	80	78	79	81	78	79	1.3%	-2.5%	
	Federal Express Corporation	85	85	86	82	80	83	83	82	82	0.0%	-3.5%	
	United Parcel Service of America, Inc.	82	83	87	82	77	79	81	78	80	2.6%	-2.4%	
	U.S. Postal Service-Package & Express	69	70	74	70	75	75	75	73	73	0.0%	5.8%	
U.S. Postal Service		61	69	74	69	71	71	72	70	73	4.3%	19.7%	
Airlines-scheduled		72	69	69	67	65	63	63	61	66	8.2%	-8.3%	
	Southwest Airlines Corporation	78	76	76	76	74	72	70	70	74	5.7%	-5.1%	
	All Others	NM	70	74	70	62	67	63	64	72	12.5%	2.9%	
	Continental Airlines, Inc.	67	64	66	64	66	64	62	67	68	1.5%	1.5%	
	Delta Airlines, Inc.	77	72	67	69	65	68	66	61	66	8.2%	-14.3%	
	Northwest Airlines Corporation	69	71	67	64	63	53	62	56	65	16.1%	-5.8%	
	United Corporation	71	67	70	68	65	62	62	59	64	8.5%	-9.9%	
	AMR Corporation	70	71	71	62	67	64	63	62	63	1.6%	-10.0%	
	USAir Group, Inc.	72	67	66	68	65	61	62	60	63	5.0%	-12.5%	
Telecommunication					75	74	73	72	70	71	1.4%	-5.3%	
Telecommunication-long distance		82	82	81									
	Sprint Corporation	79	83	80	76	76	74	70	71	74	4.2%	-6.3%	
	Verizon Communications, Inc.	NM	NM	NM	77	73	74	73	72	74	2.8%	-3.9%	
	All Others	NM	NM	80	78	76	75	77	74	73	-1.4%	-8.8%	
	AT&T Corporation	85	83	83	80	81	79	75	73	73	0.0%	-14.1%	
	WorldCom, Inc.	75	75	78	72	74	73	70	70	70	0.0%	-6.7%	
Telecommunication-local		79	78	77									
	BellSouth Corporation	83	83	83	78	78	76	75	74	74	0.0%	-10.8%	
	All Others	77	76	74	71	72	71	70	64	73	14.1%	-5.2%	
	SBC Communications	NM	NM	NM	NM	71	71	70	66	67	1.5%	-5.6%	
	Verizon Communications, Inc.	NM	NM	NM	NM	71	73	71	73	67	-8.2%	-5.6%	
	Qwest Communications	77	76	74	71	68	67	64	61	56	-8.2%	-27.3%	
Broadcasting-TV		77	76	70	62	65	62	64	62	65	4.8%	-15.6%	
Cable/Satellite TV		NM	NM	NM	NM	NM	NM	NM	64	61	-4.7%	-4.7%	
	DIRECTV, Inc.	NM	NM	NM	NM	NM	NM	NM	70	70	0.0%	0.0%	
	EchoStar Communications Corporation	NM	NM	NM	NM	NM	NM	NM	71	68	-4.2%	-4.2%	
	All Others	NM	NM	NM	NM	NM	NM	NM	62	63	1.6%	1.6%	
	AOL Time Warner Inc.	NM	NM	NM	NM	NM	NM	NM	63	61	-3.2%	-3.2%	
	AT&T Corporation	NM	NM	NM	NM	NM	NM	NM	62	56	-9.7%	-9.7%	
	Comcast Corporation	NM	NM	NM	NM	NM	NM	NM	64	56	-12.5%	-12.5%	
	Charter Communications, Inc.	NM	NM	NM	NM	NM	NM	NM	63	53	-15.9%	-15.9%	
Energy Utilities		75	74	75	73	73	74	75	69	73	5.8%	-2.7%	
	All Others	75	73	75	74	75	74	76	68	74	8.8%	-1.3%	
Gas Service													
	KeySpan Corporation	NM	NM	NM	NM	NM	NM	NM	68	72	5.9%	5.9%	
Electric Service													
	Southern Company	78	78	76	77	79	78	80	80	81	1.3%	3.8%	
	Duke Energy Corporation	82	80	83	79	78	80	79	79	79	0.0%	-3.7%	
	FirstEnergy Corporation (includes GPU)	NM	NM	NM	NM	NM	NM	NM	72	77	6.9%	6.9%	
	American Electric Power Company	78	80	82	77	78	77	79	76	75	-1.3%	-3.8%	
	Entergy Corporation	75	76	75	70	70	69	74	69	74	7.2%	-1.3%	
	Reliant Energy, Inc.	NM	NM	NM	68	73	73	75	67	74	10.4%	10.4%	
	PacifiCorp	NM	NM	NM	NM	NM	NM	NM	72	71	-1.4%	-1.4%	
	FPL Group, Inc.	77	77	74	69	75	74	76	73	71	-2.7%	-7.8%	
	Edison International	76	74	77	78	75	73	78	60	66	10.0%	-13.2%	
Gas and Electric Service													
	Allegheny Energy, Inc.	NM	NM	NM	NM	NM	NM	NM	79	80	1.3%	1.3%	
	PPL Corporation	NM	NM	NM	NM	NM	NM	NM	80	80	0.0%	0.0%	
	Progress Energy, Inc.	NM	NM	NM	NM	NM	NM	NM	76	77	1.3%	1.3%	
	Ameren Corporation	NM	NM	NM	NM	NM	NM	NM	78	76	-2.6%	-2.6%	
	CMS Energy Corporation	79	76	77	75	73	76	76	75	76	1.3%	-3.8%	
	Public Service Enterprise Group, Inc.	79	80	77	75	74	73	78	75	76	1.3%	-3.8%	
	TXU Corporation	73	74	77	70	76	74	76	71	75	5.6%	2.7%	
	Consolidated Edison, Inc.	77	76	74	71	69	73	71	66	74	12.1%	-3.9%	
	Sempra Energy	NM	NM	NM	NM	NM	NM	NM	67	74	10.4%	10.4%	
	Xcel Energy, Inc.	NM	NM	NM	NM	NM	NM	NM	65	74	13.8%	13.8%	
	Energy East Corporation	NM	NM	NM	NM	NM	NM	NM	73	73	0.0%	0.0%	
	National Grid USA (Niagara Mohawk & NEES)	NM	NM	NM	NM	NM	NM	NM	73	N/A	N/A	N/A	
	Northeast Utilities	70	70	72	67	65	68	72	76	72	-5.3%	2.9%	
	Dominion Resources, Inc.	74	75	72	74	75	74	75	65	70	7.7%	-5.4%	
	Exelon Corporation	NM	NM	NM	NM	NM	NM	NM	66	69	4.5%	4.5%	
	DTE Energy Company	78	78	78	75	74	74	75	74	68	-8.1%	-12.8%	
	NiSource, Inc.	NM	NM	NM	NM	NM	NM	NM	67	68	1.5%	1.5%	
	PG&E Corporation	73	71	72	71	68	71	73	49	58	18.4%	-20.5%	
Publishing-newspaper		72	68	69	69	66	69	68	68	63	-7.4%	-12.5%	
SERVICES		74.4	74.2	71.2	67.7	72.2	70.4	69.4	68.8	70.2	2.0%	-5.6%	
Hotels		75	73	72	71	71	72	72	71	71	0.0%	-5.3%	
	Hilton Hotels Corporation	75	75	75	75	72	74	77	74	76	2.7%	1.3%	
	Marriott International Corporation	80	76	77	76	76	77	74	77	76	-1.3%	-5.0%	
	Hyatt Corporation	76	75	77	77	75	73	74	73	75	2.7%	-1.3%	
	All Others	NM	73	71	71	70	71	72	70	70	0.0%	-4.1%	
	Holiday Inn	69	69	NM	NM	69	68	71	71	69	-2.8%	0.0%	
	Starwood Hotels and Resorts Worldwide, Inc.	NM	NM	NM	NM	NM	NM	73	71	69	-2.8%	-5.5%	
	Ramada Inns	70	69	70	64	67	67	69	66	67	1.5%	-4.3%	
Hospitals		74	74	71	67	72	70	69	68	70	2.9%	-5.4%	
Motion Pictures		77	77	74	71	76	71	68	71	70	-1.4%	-9.1%	
FINANCE/INSURANCE													
Healthcare Insurance		NM	NM	NM	NM	NM	NM	NM	NM	68	N/A	N/A	
	All Others	NM	NM	NM	NM	NM	NM	NM	NM	70	N/A	N/A	
	Blue Cross Blue Shield Association	NM	NM	NM	NM	NM	NM	NM	NM	66	N/A	N/A	
	United Healthcare	NM	NM	NM	NM	NM	NM	NM	NM	66	N/A	N/A	
	Aetna, Inc.	NM	NM	NM	NM	NM	NM	NM	NM	64	N/A	N/A	

ACSI National Scores 1994 – Q1 2002

