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Customer Satisfaction Index of Singapore: Executive Summary 2009

Institute of Service Excellence, SMU

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EXECUTIVE SUMMARY 2009

Customer Satisfaction Index of Singapore

INSTITUTE OF SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY

CSiSG
Customer Satisfaction Index of Singapore

BACKGROUND

Since 2007, customer satisfaction from the consumption of products and services in 8 key economic sectors of Singapore were measured and scores released annually through the Customer Satisfaction Index of Singapore (CSISG). Currently the CSISG is undergoing a transition from an annual to quarterly release of results. CSISG results of 6 economic sectors were released in October 2009. The release of results for the 2 remaining sectors: Healthcare, and Finance & Insurance, and an update to the national score concludes the measurement for 2009. Starting from 2010, CSISG company, sub-sector, and sector scores will be updated quarterly, on a rolling basis, with new data for two or more economic sectors replacing data collected the prior year. National scores for each year will be updated in January the following year.

CSISG scores are generated based on the econometric modelling of survey data collected from users after actual consumption of products and services. Sub-sector scores are derived based on the size of companies' market shares in a sub-sector. Sector scores are then derived based on the sub-sectors' contributions to each sector. Finally, the national score is weighted according to each sector's contribution to GDP. CSISG scores customer satisfaction on a scale of 0 to 100 with higher scores representing better performance.

THE CONCEPT UNDERLYING THE INSTRUMENT

The research behind customer satisfaction has developed around two different types of evaluations: transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction is the customer's evaluation based on a specific service encounter or product episode. In contrast, cumulative satisfaction is the customer's evaluation based on his or her overall experience to date with a product or service provider. Transaction-specific satisfaction is important and helpful for improving or resolving targeted service issues. However, an important advantage of cumulative satisfaction over transaction-specific satisfaction is its ability to predict customer loyalty and financial performance. This is because customers make repurchase evaluations and decisions based on their purchase and consumption experience to date, and not just based on a particular transaction or episode. CSISG measures cumulative satisfaction, and is therefore better able to help companies link the strength of their customer relationships to financial outcomes, effectively predicting future performance.

FIELDWORK PROCESS

For the Retail, Food & Beverage, and Info-Communications sectors, survey data was collected between April and May 2009. Survey data for the Education, Transportation & Logistics, and Tourism, Hotels, & Accommodation Services sectors were collected between July and August 2009. Finally, survey data for the Healthcare and Finance & Insurance sectors were collected between October and December 2009.

In this face-to-face survey, respondents from 15,128 households completed 28,587 questionnaires. Almost all respondents answered two questionnaires, with each questionnaire asking about a business entity in one of 36 sub-sectors across 8 economic sectors. Customers from a total of 92 business entities (companies) were surveyed.

The same survey was also conducted with 4,301 departing tourists with each tourist filling out one questionnaire about a single business entity in one of 19 sub-sectors.

For CSISG 2009, a total of 32,888 questionnaires were completed. The questionnaires were designed to measure aspects of the respondents' cumulative as well as most recent experiences with the business entity.

THE IMPORTANCE OF KEEPING YOUR PROMISE

CSISG 2009 data confirms that the consequences of not meeting expectations are severe, with customer loyalty dropping at an alarming rate each time expectations are not met. The data also shows that even though exceeding expectations results in higher customer loyalty, the incremental benefit gained is much smaller compared to the incremental loss of not meeting customer expectations.

To put it in another way, consider the benefits of delighting one customer versus the costs of disappointing another customer. Our data shows that the latter greatly exceeds the former. This means that delighting one customer at the expense of failing to meet up to the expectations of another customer will result in a net loss in loyalty.

The priority for companies should therefore be to ensure that they have kept their promises to all their customers before attempting to delight any customers. Keeping the promise first entails communicating the promise, followed by delivering on the promise. How well companies communicate their value proposition will impact the formation of customers' expectations, which in turn will influence customer perceptions of how well their expectations have been met.

RESULTS HIGHLIGHTS

Compared to 2008 results, two sectors improved significantly. They are Healthcare and Finance & Insurance. Here, *significant improvement* is defined as scoring above the previous year at a 90% level of confidence. Sub-sectors that scored significantly higher compared to 2008 include Commercial Banks, Private Hospitals, General Practitioners, Universities, and Cafes, Coffee Houses & Snack Bars. Similarly, companies in 2009 that experienced significant year-on-year improvement include the Hongkong and Shanghai Banking Corporation, McDonald's Restaurants, Mount Alvernia Hospital, NTUC Income Insurance Co-operative (Life Insurance), Singapore Management University, Thomson Medical Centre, and United Overseas Bank.

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CSISG
Customer Satisfaction Index of Singapore

2009 NATIONAL SCORE
68.0

Healthcare 68.9

Private Hospitals **72.4**

- **73.3** Thomson Medical Centre
- **73.0** Raffles
- **72.3** Mount Alvernia
- **72.1** Parkway Holdings

General Practitioners **70.8**

All Others **69.0**

Restructured Hospitals **67.1**

- **69.4** Singapore General*
- **67.2** Tan Tock Seng
- **66.8** Alexandra
- **66.2** KK Women & Children's
- **66.0** National University
- **64.9** Changi General

Polyclinics **65.9**

- **65.9** SingHealth
- **65.8** NHG

Transportation & Logistics 68.7

Airlines **72.6**

- **75.7** Singapore Airlines*
- **71.4** Cathay Pacific
- **71.3** Emirates
- **70.4** SilkAir
- **70.1** Qantas
- **67.0** All Others

Airport **71.6**

- **71.6** Changi Airport +

Mass Rapid Transit System **67.0**

- **67.3** SMRT
- **66.3** SBS Transit

Taxi Services **64.4**

- **64.1** ComfortDelGro
- **63.9** SMRT
- **64.7** All Others

Courier & Postal Services **64.1**

- **65.6** SingPost
- **64.5** DHL
- **63.9** FedEx
- **63.2** UPS
- **63.0** All Others

Public Buses **62.9**

- **64.4** SMRT
- **62.2** SBS Transit

Water Transportation **61.5**

Budget Airlines **59.0**

Education 68.4

Universities **70.7**

- **74.7** SMU*
- **69.5** NTU
- **69.0** NUS
- **65.7** UniSIM

Polytechnics **68.7**

- **70.6** Singapore*
- **69.2** Ngee Ann
- **68.9** Temasek
- **66.4** Nanyang
- **65.7** Republic

Commercial Schools **66.0**

Finance & Insurance 68.2

Commercial Banks **69.1**

- **72.7** HSBC*
- **71.5** UOB*
- **70.1** Citibank
- **68.5** OCBC
- **66.0** DBS
- **68.8** All Others

Life Insurance **66.6**

- **67.8** NTUC Income
- **67.4** Great Eastern
- **66.9** Prudential
- **65.3** American International Assurance
- **66.2** All Others

Motor & Other Insurance **64.8**

- **64.9** American Home Assurance
- **64.8** AXA
- **64.6** NTUC Income
- **64.8** All Others

Tourism, Hotels & Accommodation Services 67.1

Hotels **68.9**

- **78.0** The Ritz-Carlton*
- **77.0** Swissotel The Stamford*
- **74.4** Shangri-La*
- **74.4** Grand Hyatt*
- **73.5** Meritus Mandarin*
- **65.8** All Others

Attractions **67.9**

- **68.2** Wildlife Reserves
- **68.1** Underwater World
- **67.5** Sentosa
- **67.9** All Others

Travel Agencies, Tour Operators, & Ticketing Agencies **64.8**

Info-Communications 66.4

Mobile Telecom **66.6**

- **68.0** StarHub
- **66.3** SingTel
- **64.8** M1

Internet Service Providers **65.2**

- **66.1** StarHub Broadband
- **65.1** SingNet
- **60.3** Pacnet Internet

Retail 65.8

Jewellery **69.0**

Petrol Service Stations **67.8**

- **68.7** SPC
- **68.4** Shell
- **68.3** Caltex
- **67.0** ExxonMobil

Clocks & Watches **66.6**

Fashion Apparels **66.1**

Motor Vehicles **65.7**

- **66.5** Kah Motor
- **66.5** Borneo Motors
- **66.1** Tan Chong Motor
- **65.9** Cycle & Carriage
- **65.5** All Others

Departmental Stores **65.5**

- **66.4** Takashimaya
- **66.2** DFS
- **65.5** C K Tang
- **65.3** Robinson & Co
- **65.0** Isetan
- **64.5** Metro
- **62.9** OG
- **64.4** All Others

Supermarkets **64.1**

- **64.7** NTUC Fairprice
- **64.4** Cold Storage
- **63.8** Sheng Siong
- **63.6** Mustafa
- **63.7** All Others

Furniture **63.9**

Food & Beverage 65.0

Restaurants **65.8**

- **66.7** Crystal Jade
- **66.6** RE & S
- **66.4** Apex-Pal
- **66.1** Tung Lok
- **65.7** All Others

Bars and Pubs **65.0**

Cafes, Coffee Houses, & Snack Bars **64.4**

- **67.0** Starbucks*
- **65.1** Coffee Bean & Tea Leaf
- **63.6** Delifrance
- **64.3** All Others

Fast Food Restaurants **64.2**

- **65.8** McDonald's
- **63.6** Burger King
- **62.9** Pizza Hut, KFC
- **62.3** All Others

This chart summarises the results of the CSISG 2009 satisfaction scores at the national, sector, sub-sector and company levels. The national score of 68.0 represents a weighted average of the 8 sector scores (in gold), which themselves are weighted averages of their respective sub-sector scores (in blue). Satisfaction scores for sub-sectors with individual company scores are weighted averages of these individual company scores.

* Companies indicated with an asterisk(*) are companies that have performed significantly above their sub-sector average.   + The score for Changi Airport is significantly above its sector average.

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