6-2013

# Customer Satisfaction Index of Singapore 2013: Q1 Results

Institute of Service Excellence, SMU


# CUSTOMER SATISFACTION INDEX OF SINGAPORE 2013

## Q1 SCORES
## RETAIL AND INFO-COMMUNICATIONS

## RESULTS OVERVIEW

INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY

CSISG
Customer Satisfaction Index of Singapore

CSISG
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# 2013 Q1 SCORES
# RETAIL AND INFO-COMMUNICATIONS

## 72.2 Retail

**75.2** Departmental Stores*
**79.8** DFS*
**76.2** Isetan
**75.8** C K Tang
**75.2** Takashimaya
**75.1** Metro
**75.0** Robinson & Co
**71.1** Mustafa
**70.7** OG
**73.0** All Others

**74.9** Furniture*
**75.5** IKEA
**74.6** All Others

**73.1** Motor Vehicles

**72.0** Clocks & Watches

**71.5** Fashion Apparels

**70.7** Jewellery

**70.6** Petrol Service Stations
**72.4** Shell
**70.9** Esso
**70.4** SPC
**67.4** Caltex

**70.0** Supermarkets
**71.4** NTUC Fairprice
**69.5** Cold Storage
**66.8** Sheng Siong
**66.3** All others

## 67.7 Info-Communications

**67.7** Mobile Telecom
**69.3** SingTel
**66.8** StarHub
**64.3** M1

**67.5** Broadband
**67.7** SingTel
**67.5** Starhub
**64.3** M1

This chart summarises the Retail and Info-Communications results of CSISG 2013 at the sector, sub-sector and company levels.

The sector scores (in gold) represents a weighted average 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.

All scores displayed are accurate to one-decimal place. Entities are presented in decreasing levels of satisfaction.

* Sub-sectors and companies indicated with an asterisk(*) are those that have performed significantly above their sector or sub-sector average.

The sparklines indicate the satisfaction score of their respective sectors, sub-sectors and companies over the past few years.

- statistically significant increase in customer satisfaction from 2012 to 2013
- statistically significant decrease in customer satisfaction from 2012 to 2013
- insignificant year-on-year change in customer satisfaction score

## OVERVIEW

The Customer Satisfaction Index of Singapore (CSISG) computes customer satisfaction scores at the national, sector, sub-sector, and company levels. The CSISG serves as a quantitative benchmark of the quality of goods and services produced by the Singapore economy over time and across countries. This set of Q1 results begins the CSISG's seventh year of measurement.

## FIRST QUARTER RESULTS HIGHLIGHTS

The retail sector saw a year-on-year improvement. Its satisfaction score rose a significant 3.0-points (4.3%) to 72.2-points. And like the info-communications sector, this is also a record score for the retail sector's CSISG performance.

Within the retail sector, all measured sub-sectors posted record scores and significant year-on-year improvements, with the exception of the motor vehicles and jewellery sub-sectors. The retail sub-sectors that improved significantly from their 2012 performance are the departmental stores with 75.2-points (+4.9-points/+7.0%), furniture stores with 74.9-points (+7.2-points/+10.6%), petrol service stations with 70.6-points (+1.8-points/+2.7%), and supermarkets with 70.0-points (+2.1-points/+3.1%). These year-on-year movements are shown in Figure A.

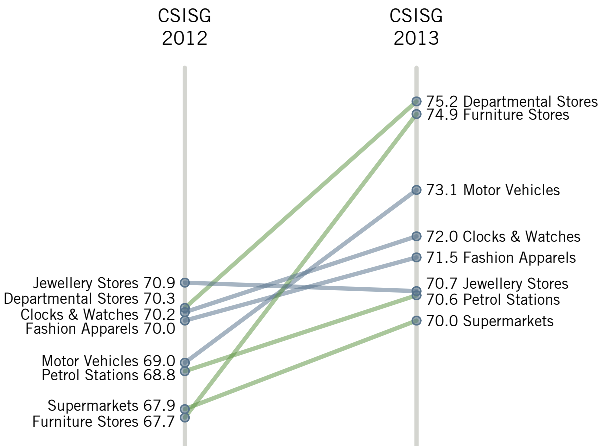


*Figure A: CSISG scores for the retail sub-sectors from 2012 to 2013.*

Between 2012 and 2013, customer satisfaction for the info-communications sector rose 1.7-points to 67.7-points (on a 0 to 100 scale). This is a significant 2.6% year-on-year improvement and is also the highest score the sector has recorded since tracking begun in 2007.

Within the info-communications sector, the broadband sub-sector registered a significant 3.3-point (5.2%) improvement from 2012, scoring 67.5-points. However, the mobile telecommunications sub-sector remained statistically unchanged from the previous year's performance. Figure B illustrates their year-on-year performance.

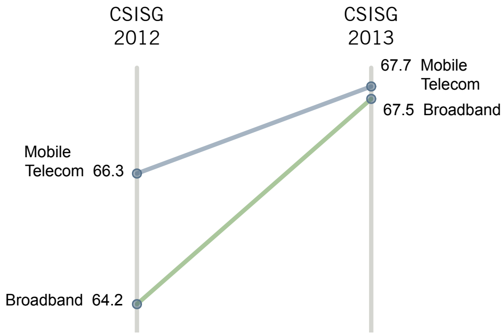


*Figure B: CSISG scores for the Info-Communications sub-sectors from 2012 to 2013.*

## KEY FINDINGS

### DEPARTMENTAL STORES' IMAGE-RELATED TOUCHPOINTS SIGNIFICANTLY IMPACT PERCEIVED QUALITY

Touchpoints analysis for the departmental stores sub-sector shows local customers' perceptions of quality were significantly influenced by image-related attributes such as the level of trust they have with the departmental store, as well as their degree of belief in how ethical the store is when dealing with customers and employees. In fact, these attributes were more important to these local department store customers than how competitive the prices were. These attributes are rank-ordered in Figure C.

| Rank in order of importance | Departmental stores touchpoint description |
|---|---|
| 1 | Satisfaction with courtesy & helpfulness of staff |
| 2 | Satisfaction with layout & ambience |
| 3 | Customer knows the store procedures well |
| 4 | Customer has a high level of trust with the store |
| 5 | The store has high ethical standards when dealing with its customers & employees |
| 6 | Satisfaction with professionalism & product knowledge of staff |
| 7 | The store has competitive prices |

*Figure C: Department stores touchpoints rank ordered by importance to quality.*

This finding suggests that customers' beliefs and opinions of trust and ethics play a significant and important role in colouring the perceptions of quality they are receiving.

### SERVICE QUALITY FOR SUPERMARKETS IMPROVED SIGNIFICANTLY YEAR-ON-YEAR

The supermarkets sub-sector saw its 2013 score improved significantly to an all-time high of 70.0-points. Contributing to this improvement was customers' perceptions of service quality; this metric was the only satisfaction driver to make a significant year-on-year improvement. Interestingly, this

*Statistical significance for the CSISG study is measured at a confidence interval of 90%.

is also the first time service quality has not trailed product quality, as illustrated in Figure D.

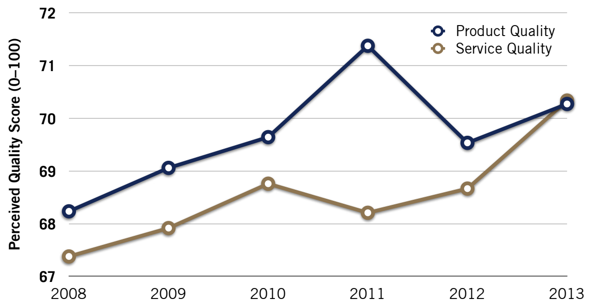


*Figure D: Perceived quality for supermarkets subsector from 2008 to 2013.*

Analysing the components that make up service quality in the CSISG, the data showed customers felt service at the supermarkets was significantly more reliable. Revealingly, when the top three supermarket touchpoints were ranked in order of importance to perceived quality, service-related touchpoints 'customer familiarity with procedures' and 'professionalism & product knowledge' came in ahead of 'variety of products'. These findings suggest improvements in service quality have an important role in shaping the overall customer experience to significantly drive satisfaction. Supermarkets, for the most part, carry similar products. By focusing on the total customer experience, i.e., service and product quality, a supermarket can positively differentiate itself from the competition.

## MOBILE TELECOMMUNICATIONS SUB-SECTOR HAS DECLINING CUSTOMER LOYALTY AMONGST ITS LONGER TENURED SUBSCRIBERS

When segmenting mobile telecommunications customers by their length of tenure with their telco, a noteworthy trend emerged. Customer loyalty ratings with the telcos traditionally moved in tandem, with longer tenured customers (i.e., ≥2 years) more loyal than newer customers (i.e., <2 years). However, in 2012, as new customers posted better CSISG loyalty scores, the converse was true for the longer tenured customers: They registered a marked decrease in loyalty, and this trend continued in 2013. As illustrated in Figure E, the latest Q1 findings show new customers

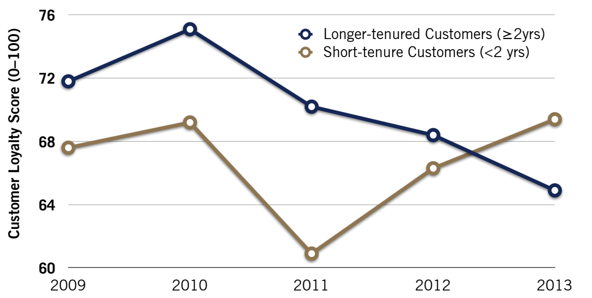


*Figure E: Customer loyalty for mobile telecommunications subsector from 2009 to 2013.*

seem to be more loyal than longer-tenured customers. Extant research suggests it is more productive for companies to retain and keep existing customers than expend resources to recruit new ones. Thus, it may be prudent for the mobile telecos to investigate why their longer-tenured customers are becoming less loyal over the years.

## CSISG BACKGROUND

CSISG scores are generated based on the econometric modelling of survey data collected from end-users after the consumption of products and services. Sub-sector scores are derived as a weighted average of company scores, in proportion to the revenue contributions of companies. Sector scores are derived in a similar fashion, aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions. 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. Under a quarterly measure-and-release system, up to three sectors are measured each quarter with their results released the following quarter. Companies in the retail and info-communications sectors were measured in this first quarter, transportation & logistics, public, and private education in the second quarter, food & beverage and tourism sectors in the third quarter, and finally the companies of finance & insurance and healthcare sectors, in the fourth quarter. The national score for 2013 will then be computed using the data collected over these four quarters. For the first quarter of 2013, results for the retail and info-communications sectors were analysed. The former includes the clocks & watches, departmental stores, fashion apparels, furniture, jewellery, motor vehicles, petrol service stations, and supermarkets sub-sectors. The latter consists of the mobile telecommunications and broadband sub-sectors. The broadband sub-sector was previously labelled as internet service providers. The name change for 2013 intends to more accurately reflect the responses contained therein; i.e., respondents were relating to their experiences in broadband access services and no longer include any dial-up services.

## CSISG 2013 Q1 FIELDWORK PROCESS

Survey data for the retail and info-communications sectors was collected between January and April 2013. Responses were primarily collected via face-to-face interviews with Singapore residents at their homes and departing tourists at Changi Airport. 6,172 unique responses were collected from locals and 1,484 unique responses were collected from tourists. In total, 7,656 responses for 649 companies and entities were recorded for the retail and info-communications sectors.

## CONTACT US

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