11-2014

Customer Satisfaction Index of Singapore 2014: Q3 Results

Institute of Service Excellence, SMU

CUSTOMER SATISFACTION INDEX OF SINGAPORE 2014

Q3 SCORES
FOOD & BEVERAGE AND TOURISM

RESULTS OVERVIEW

INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY

CSISG
Customer Satisfaction Index of Singapore

CSiSG

Customer Satisfaction Index of Singapore

2014 Q3 SCORES
TOURISM AND FOOD & BEVERAGE

69.1 Tourism

72.6 Attractions*
- **73.2** Universal Studios
- **71.6** Sentosa
- **70.8** Singapore Zoo
- **70.7** Night Safari
- **70.1** Jurong Bird Park
- **69.1** Other attractions

69.4 Hotels
- **74.4** MBS*
- **72.9** Shangri-La*
- **72.8** The Ritz-Carlton*
- **72.6** Swissotel the Stamford*
- **71.9** RWS Hotels*
- **71.2** Mandarin Orchard*
- **69.6** Grand Hyatt
- **68.1** Other hotels

67.4 Travel & Tour Services

65.8 Food & Beverage

70.0 Bars & Pubs*

69.0 Fast Food Restaurants*
- **71.6** McDonalds*
- **69.6** Burger King
- **67.9** KFC
- **62.6** Other fast food restaurants

65.6 Cafes & Snack Bars
- **69.3** Coffee Bean & Tea Leaf*
- **69.1** Starbucks*
- **65.6** Other cafes & snack bars

66.1 Food Courts
- **67.7** Food Republic
- **66.7** Koufu
- **66.0** Kopitiam
- **65.1** Other food courts

64.1 Restaurants
- **70.0** Tung Lok*
- **68.8** RE&S*
- **68.7** Sakae Holdings*
- **68.6** Crystal Jade*
- **63.4** Other restaurants

This chart summarises the results of the CSISG 2014 satisfaction scores in the Food & Beverage and Tourism sectors 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.

* Companies indicated with an asterisk(*) are companies that have performed significantly above their sub-sector average.

* Sub-sectors indicated with an asterisk(*) are sub-sectors that have performed significantly above their 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 2013 to 2014
- statistically significant decrease in customer satisfaction from 2013 to 2014
- no significant year-on-year change in customer satisfaction score

CSISG 2014 THIRD QUARTER RESULTS 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 is the CSISG's eighth year of measurement.

THIRD QUARTER RESULTS HIGHLIGHTS

Between 2013 and 2014, customer satisfaction for the Food & Beverage (F&B) sector fell a significant 4.56-points (-6.5%) to 65.8-points (on a 0 to 100 scale). The Tourism sector also registered a similarly significant decline in customer satisfaction, falling 5.44-points (-7.3%) to 69.1-points.

For F&B, three of the five measured sub-sectors performed on par with the previous year's scores.

These are the sub-sectors of Bars & Pubs, Food Courts, and Fast Food Restaurants, scoring 70.0-points (-0.59-points/-0.8%), 66.1-points (+0.58-points/+0.9%), and 69.0-points (+1.06-points/ +1.6%) respectively.

The two F&B sub-sectors that registered a significant year-on-year decline in customer satisfaction was the Restaurants sub-sector, falling 7.51-points (-10.5%) to 64.1-points, and the Cafes & Snack Bars sub-sector, falling 4.87-points (-6.8%) to 66.2-points.

In the Tourism sector, two of the three sub-sectors registered significantly lower customer satisfaction scores.

The Attractions sub-sector fell 7.22-points (-9.0%) to 72.6-points, while the Hotels sub-sector declined 8.07-points (-10.4%) to 69.4-points, its poorest performance since 2009.

The Travel & Tour Services sub-sector's year-on-year performance remained statistically unchanged, recording a dip of 1.25-points (-1.8%) in 2014 to score 67.4-points.

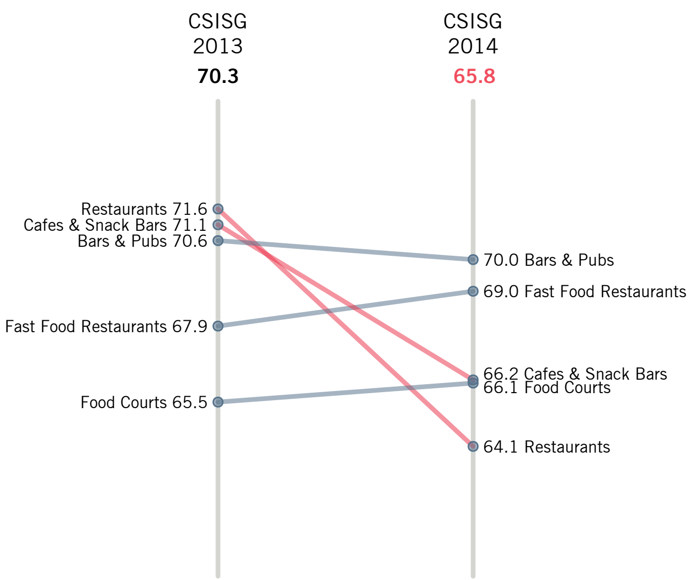

Figure 1a: Food & Beverage sub-sectors year-on-year performance

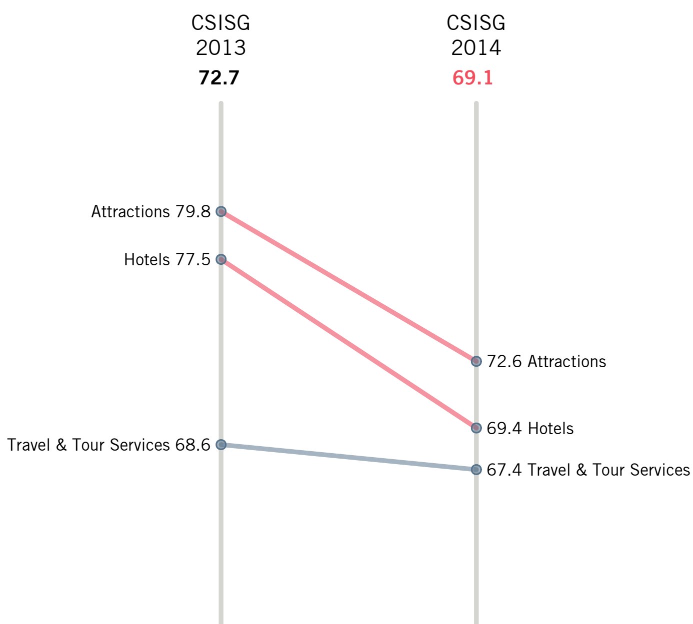

Figure 1b: Tourism sub-sectors year-on-year performance

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

Impact of F&B touchpoints different for Tourist and Local customers

F&B touchpoints affect customers' perceptions of quality to varying degrees. Different F&B establishments and customer types also determine what factors are important.

	For Locals	Rating 2013		Rating 2014
1	Quality of food	7.3	▲	7.6
2	Staff responsiveness	7.1	▲	7.6
3	Order process	7.2	▲	7.5
4	Time taken to receive food	7.0	▲	7.6
5	Waiting time to be seated	6.9	▲	7.6

Figure 2a: Top five restaurant touchpoints in 2014, arranged in decreasing order of importance for local customers

	For Tourists	Rating 2013		Rating 2014
1	Bill timeliness and accuracy	8.8	▼	7.6
2	Cleanliness	8.8	▼	7.8
3	Quality of food	8.8	▼	7.3
4	Ease of reservation	8.5	▼	7.6
5	Time taken to receive food	8.5	▼	7.5

Figure 2b: Top five restaurant touchpoints in 2014, arranged in decreasing order of importance for tourist customers

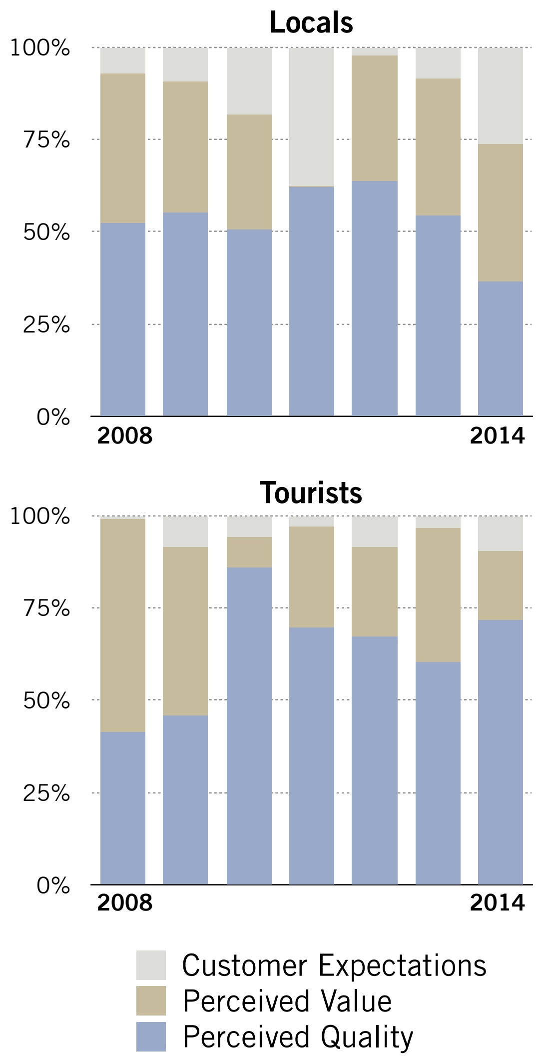

Figure 3: Drivers of Satisfaction for the Attractions sub-sector, 2008-2014

As illustrated in Figure 2, Tourists customers are, for example, relatively more sensitive to bill timeliness/accuracy and cleanliness at restaurants, compared to local customers. It is also noteworthy that tourists gave poorer year-on-year ratings in all the restaurant touchpoints measured; this is a contributing factor to lower perceived quality and customer satisfaction for tourist respondents.

F&B operators should determine what matters most to each of its specific customer segments and ensure it performs well in these aspects.

Locals' Satisfaction of Attractions increasingly driven by Customer Expectations

Local customers' satisfaction at attractions in Singapore have been increasingly tied to the expectations they had of the attractions.

As illustrated in Figure 3, the grey bar of Locals' "customer expectations" has been increasing over the past two years while the blue bar of Tourists' "perceived quality" continued to dominate as the driver of satisfaction.

Customer expectations refer to the predicted experience a visitor to the attraction will presume even before he/she visits the actual attraction. It is influenced by previous experiences and external cues from family, friends, and the attractions' public branding and image.

Attractions targeting local residents should corroborate the observations from Figure 3 with the behaviour of their own customers and tweak promotional efforts to shape and optimise the visitor experience.

Fall in Tourists' Expected and Perceived Reliability across both F&B and Tourism sectors

In both the F&B and Tourism sectors, analysis revealed significantly lower year-on-year ratings of tourist respondents' expectations and perceptions of reliability. This is a contributing factor to the significant year-on-year decline in satisfaction. As illustrated in Figure 4, all three reliability attributes have fallen from 2013's peak levels.

Providing consistent and reliable service is an important aspect of customer satisfaction. Businesses will be prudent to review their operating processes and manage variability in their service delivery.

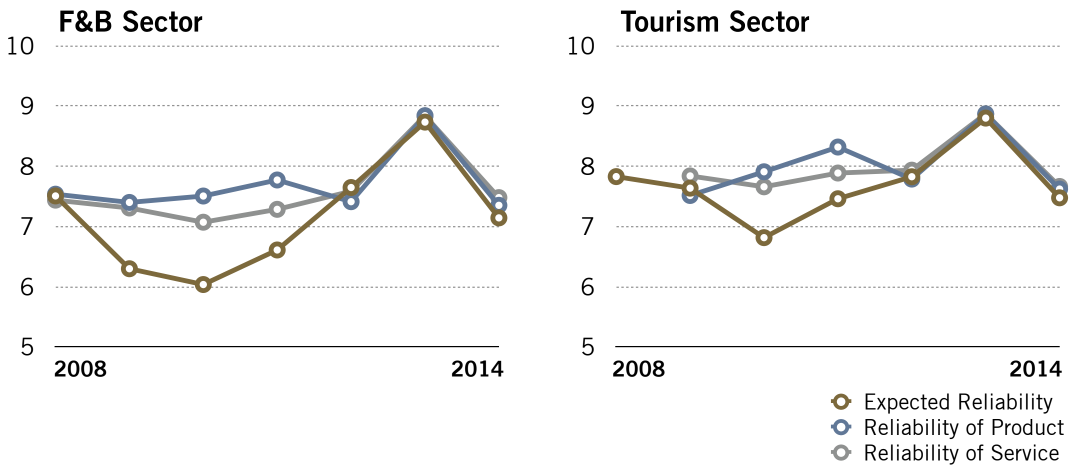

Figure 4: Reliability attributes' performance for tourist respondents in the F&B and Tourism sectors, 2008-2014

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 the first quarter, Transportation & Logistics, Public, and Private Education in this 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 2014 will then be computed using the data collected over these four quarters.

For this third quarter of 2014, results for the F&B and Tourism sectors were collected and analysed.

The F&B sector is made up of the Bars & Pubs, Cafes & Snack Bars, Fast Food Restaurants, Food Courts, and Restaurants sub-sectors.

The Tourism sector comprises of the Attractions, Hotels, and Travel & Tour Services sub-sectors.

CSISG 2014 FIELDWORK PROCESS

Survey data for the F&B and Tourism sectors was collected between June and September 2014. This was primarily conducted through face-to-face interviews with Singapore residents at their homes. The survey was also conducted with departing tourists at Changi Airport.

The Q3 fieldwork garnered 4,850 interviews with locals and 3,750 with departing tourists at the airport. In total, there were 8,600 unique responses covering 901 distinct entities in the Food & Beverage and Tourism sectors; 24 entities have published scores.

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