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### Customer Satisfaction Index of Singapore 2014: Full Year Overview

Institute of Service Excellence, SMU

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# CUSTOMER SATISFACTION INDEX OF SINGAPORE 2014

## RESULTS OVERVIEW



INSTITUTE OF  
SERVICE EXCELLENCE  
SINGAPORE MANAGEMENT UNIVERSITY



## CSISG 2014 FULL YEAR AND FOURTH QUARTER 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. The fourth quarter results mark the end of measurement for CSISG 2014. Singapore's 2014 national score is computed using the data collected during these four quarters.

### FULL YEAR RESULTS HIGHLIGHTS

The annually computed national satisfaction index rose for the fourth consecutive year to 71.1-points (on a 0 to 100 scale), a significant\* 0.43-point (+0.6%) increase from 2013.

This is the fourth year running that the index has shown a significant improvement and represents a record high since the CSISG started tracking Singapore's customer satisfaction levels in 2007. Looking internationally at similar indices as comparison, the United States scored 75.2-points, while South Korea scored 73.0-points in 2014.

Two of the nine measured industry sectors, Finance & Insurance and Healthcare, made significant improvements year-on-year. Another two, the Info-communications and Public Education sectors, registered similar performances from the previous year. Five of the sectors recorded significant year-on-year declines: Food & Beverage, Private Education, Retail, Tourism, and Transport & Logistics. The most recent year-on-year changes for each sector are illustrated in Figure 1.

| CSISG 2014            | 71.1 | ▲ | +0.6% |
|-----------------------|------|---|-------|
| Finance & Insurance   | 72.4 | ▲ | +4.7% |
| Healthcare            | 71.0 | ▲ | +1.6% |
| Public Education      | 73.0 | ■ | +0.1% |
| Info-communications   | 66.8 | ■ | -1.3% |
| Transport & Logistics | 72.1 | ▼ | -0.8% |
| Retail                | 69.6 | ▼ | -3.5% |
| Food & Beverage       | 65.8 | ▼ | -6.5% |
| Tourism               | 69.1 | ▼ | -7.3% |
| Private Education     | 65.8 | ▼ | -8.9% |

Figure 1: CSISG 2014 performance by sector and year-on-year change in percentage, arranged in descending order of change.

### FOURTH QUARTER RESULTS HIGHLIGHTS

The two measured sectors in Q4, namely Finance & Insurance and Healthcare, registered significant improvement in 2014 over the previous year. The Finance & Insurance sector scored 72.4-points, a 3.24-point (+4.7%) improvement over its 2013 performance. The Healthcare sector scored 71.0-points, a 1.09-point (+1.6%) year-on-year increase.

Together, these two Q4 sectors helped nudge the national CSISG into positive territory despite the majority of the measured sectors, five out of nine, registering significantly lower year-on-year scores. This is because the CSISG is GDP-weighted, with relatively larger weights coming from the Finance & Insurance sector.

Within the Finance & Insurance sector, the Life Insurance sub-sector led with the largest improvement. Year-on-year, the sub-sector increase by 7.52-points (+11.4%) to 73.6-points. Improvements were similarly observed in the Health & Medical Insurance sub-sector, which scored 72.4-points (+3.28-points/+4.7%), the Banks sub-sector, which scored 72.2-points (+2.81-points/+4.1%), and the Motor & Other Personal Insurance sub-sector, which scored 71.5-points (+1.29-points/+1.8%). For the Finance & Insurance sector and its four constituent sub-sectors, these scores represent a record high. The year-on-year changes are illustrated in Figure 2A.

The Healthcare sector's improvements were more subdued at the sub-sector level, with two out of its five sub-sectors registering significant year-on-year improvements. The Polyclinics sub-sector and Specialised Healthcare sub-sector made significant improvements, scoring 68.9-points (+3.00-points/+4.6%) and 72.2-points (+1.98-points/+2.8%), respectively. On the other hand, the General Practitioners sub-sector's 1.64-point (+2.4%) year-on-year increase to 71.5-points and the Restructured Hospitals sub-sector's 0.38-points (+0.5%) year-on-year increase to 69.3-points were not statistically significant. For the Private Hospitals sub-sector, its score fell 0.60-points (-0.8%) from the previous year to 71.6-points, although this was not a statistically significant movement. These changes are illustrated in Figure 2B.

## FOURTH QUARTER KEY FINDINGS

### IMPROVING COMPLAINT HANDLING ABILITY IN THE FINANCE & INSURANCE SECTOR REVEAL A POSITIVE TREND

Despite the CSISG improving across all four Finance & Insurance sub-sectors, complaint rates were also observed to have increased from 2013.

While customer complaints have risen, banks and insurers were handling their complaints better, with ratings on the upward trend since 2012. An analysis of CSISG complaints data shows that well-handled complaints consistently result in significantly higher satisfaction scores, as illustrated in Figure 3.

Another CSISG metric, the True Non-Complaint Rate (TNCR), or the proportion of customers who did not complain because they had no reason to, also improved significantly from the previous year. The TNCR takes into consideration, aside from complaints lodged with the company, complaints that were not made because the customer either felt it was too difficult to complain, there was no point to do so, or some other reasons that otherwise deterred the feedback. A high TNCR bodes well for the banks and insurers of Q4 2014.

The finding here suggests companies would do well to enhance complaint handling ability and engage their customers; well-handled complaints and a robust feedback framework will result in participative and committed customers. This has a direct and positive impact on satisfaction.

| 2013 | 2014 | Finance & Insurance sub-sector      |
|------|------|-------------------------------------|
| 66.1 | 73.6 | Life Insurance                      |
| 69.1 | 72.4 | Health & Medical Insurance          |
| 69.4 | 72.2 | Banks                               |
| 70.2 | 71.5 | Motor & Personal Accident Insurance |

Figure 2A: Finance & Insurance sub-sectors' year-on-year performance, in descending order of 2014 performance. A green score represents a significant improvement over the 2013 score.

| 2013 | 2014 | Healthcare sub-sector  |
|------|------|------------------------|
| 70.2 | 72.2 | Specialised Healthcare |
| 72.2 | 71.6 | Private Hospitals      |
| 69.9 | 71.5 | General Practitioners  |
| 68.9 | 69.3 | Restructured Hospitals |
| 65.9 | 68.9 | Polyclinics            |

Figure 2B: Healthcare sub-sectors' year-on-year performance, in descending order of 2014 performance. A green score represents a significant improvement over the 2013 score.

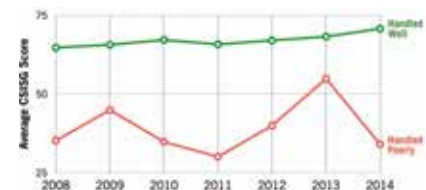


Figure 3: Difference in CSISG performance between well- and poorly-handled complaints in the Finance & Insurance sector.

## IMPROVEMENTS IN BANKS SUB-SECTOR DUE TO THE SEVEN LARGEST CONSUMER BANKS

The improvements in the Banks sub-sector score can be largely attributed to the performance of the seven individually measured banks.

The CSISG score is made out of three component questions: Overall satisfaction, the ability to meet expectations, and the company's similarity to the customer's imagined ideal. In analyzing the score breakdown of these seven banks, it was notable that, year-on-year, they had significantly higher ratings for "overall satisfaction" and "similarity to ideal", as illustrated in Figure 4. This means that, compared to 2013, customers in 2014 were more satisfied and felt their bank was closer to their imagined ideal. The change in their "ability to meet expectations" was not significant.

The finding serves as a reminder for banks to constantly review the consistency of their service delivery and enhance their service proposition to keep abreast of customers' expectations. Doing well in these key levers will drive customer satisfaction.

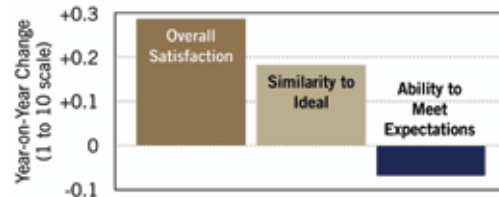


Figure 4: Individually measured banks improved on two of the three CSISG component questions, year-on-year.

## POLYCLINIC TOUCHPOINTS IMPROVED BUT WITH POTENTIAL PROCESS BOTTLENECK

A key observation for the Healthcare sector was the strong year-on-year improvement in the Polyclinics sub-sector. The record performance at the sub-sector was driven in part by significantly improved perceptions of quality at the Polyclinics.

Additional analysis of the Polyclinics' touchpoints, which directly impact perceptions of quality, reveal significant improvements in six of the eleven measures, with the largest improvement coming from patients' satisfaction with Wait Times. This is illustrated in Figure 5. At the same time, it is also noteworthy that patients' satisfaction with the efficiency of the Medication collection process and Payment process has declined considerably.

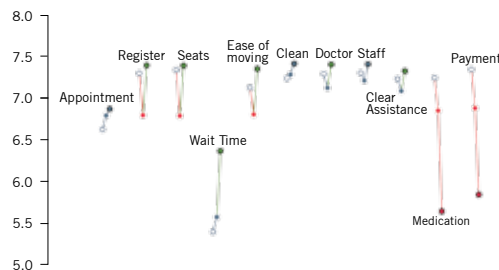


Figure 5: Polyclinics sub-sector touchpoints, 2012-2014. A green line indicates a significant year-on-year improvement, a red line indicates a significant decline, and a blue line denotes no significant change from the prior year.

The Polyclinic touchpoint satisfaction measures were designed to capture a patient's experience as he or she journeys through a typical polyclinic visit. The strong improvement in Wait Time at the start of this journey, followed by the significant decline in satisfaction for Medication dispensation and Payment, suggest there was a bottleneck in the patient flow process, and that the bottleneck was moved, rather than removed.

In redesigning an optimal service experience, it is often useful to introduce improvements at the tail end of the customer journey, and then work towards the start. Doing this would allow the later parts of the service process flow to better handle any increases in throughput due to improvements in the earlier parts of the customer journey.

## FULL YEAR KEY FINDINGS

### TOURIST RESPONDENTS SIGNIFICANTLY LESS SATISFIED

In 2014, a key observation was the fall in tourist satisfaction in all four quarters and across the various industry sectors. Every sub-sector tourists were measured in recorded a lower year-on-year CSISG score.

As illustrated in Figure 6, although tourists are still giving companies higher ratings than locals in 2014, the gap shrunk considerably, as compared with the relatively larger differences observed in the preceding years. This is the lowest tourist score at the national level since 2009.

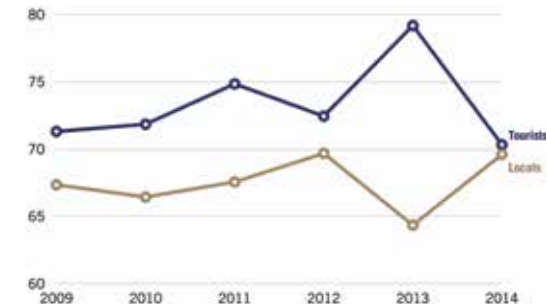


Figure 6: Tourists' and locals' CSISG performance.

The reasons for the significant decline in tourist satisfaction may be varied, potentially differing from sector to sector. Also, external environmental factors, such as changing tourist profiles, may have contributed to the change.

Nonetheless, this observation can serve as a poignant reminder for businesses to constantly identify new and evolving customer expectations, and to review and enhance their existing service proposition to satisfy these ever-changing needs.

### MONITORING COMPLAINT RATES NOT SUFFICIENT

Year-on-year, complaint rates have risen in eight of the nine sectors measured. As observed with this quarter's Finance & Insurance sector, handling complaints well leads to substantially more satisfied customers; this observation also remains true in the other sectors.

However, CSISG complaint metrics also reveal another group of customers that negatively impact satisfaction levels: Customers who did not complain because they felt it was too difficult to do so or there was no point in doing so. Figure 7 illustrates the large difference in satisfaction and reiterates the importance for business to not only focus on handling complaints well, but also its customer engagement efforts to understand underlying grievances that may not otherwise be captured by traditional feedback channels.



Figure 7: CSISG 2014 complaint metrics.

## 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 of the nine 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, Transport & 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. CSISG 2014 Q4 marks the end of measurement for 2014. The national index is computed using the data collected during these four quarters of 2014.

The Finance & Insurance sector comprises of the Banks sub-sector, Health & Medical Insurance sub-sector, Motor or Other Personal Insurance sub-sector, and Life Insurance sub-sector. The Healthcare sector consists of the Private Hospitals sub-sector, Restructured Hospitals sub-sector, Polyclinics sub-sector, General Practitioners sub-sector, and Specialised Healthcare sub-sector.

## CSISG 2014 FOURTH QUARTER FIELDWORK PROCESS




Survey data for the Finance & Insurance and Healthcare sectors was collected between October and December 2014. This was conducted through face-to-face interviews with Singapore residents at their homes. The survey was also conducted with departing tourists at Changi Airport.

The Q4 fieldwork garnered 10,168 interviews with locals and 300 with departing tourists at the airport. In total, there were 10,468 unique responses covering 760 companies and entities in the Finance & Insurance and Healthcare sectors; 34 entities have published scores.

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

The score card on the next page summarises results of the CSISG 2014 scores at the national, sector, sub-sector and company levels. The national index of 71.1 represents a weighted average of the nine 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.

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

-  statistically significant increase in performance from 2013 to 2014
-  statistically significant decrease in performance from 2013 to 2014
-  no statistically significant year-on-year change in performance from 2013 to 2014

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

- \* 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.

## CONTACT US

You may contact us for more details of our ISES Corporate Membership, CSISG Subscription and Custom Research.

**Institute of Service Excellence**  
**Singapore Management University**

81 Victoria Street  
Administration Building  
Singapore 188065

Tel: +65 6828 0111  
Fax: +65 6828 0690  
ise@smu.edu.sg

ises.smu.edu.sg





## 2014 NATIONAL SCORE

71.1

### 73.0 Public Education\*

- 74.3 ITE\*
- 73.5 Universities
- 79.2 SMU\*
- 74.3 NUS
- 70.6 NTU

- 71.1 Polytechnics
- 76.5 Singapore\*
- 71.6 Temasek
- 70.1 Ngee Ann
- 69.4 Republic
- 66.5 Nanyang

### 72.4 Finance & Insurance\*

- 73.6 Life Insurance\*
- 75.2 Great Eastern\*
- 75.2 AIA
- 73.9 Prudential
- 73.3 NTUC Income
- 71.6 Manulife
- 71.5 Other life insurers
- 72.4 Health & Medical Insurance
- 73.4 AIA
- 73.2 Prudential
- 72.6 NTUC Income
- 72.0 Great Eastern
- 71.8 Other health & medical insurers
- 72.2 Banks
- 75.8 DBS\*
- 75.7 Citibank\*
- 71.8 OCBC
- 71.6 UOB
- 71.2 Standard Chartered
- 69.5 HSBC
- 68.2 Maybank
- 67.0 Other banks

- 71.5 Motor & Personal Accident Insurance
- 75.0 AIG\*
- 73.9 NTUC Income\*
- 72.4 AXA
- 69.8 Other motor & personal accident insurers

### 72.1 Transport & Logistics\*

- 75.4 Airport\*
- 75.4 Changi Airport
- 73.3 Airlines\*
- 74.9 Singapore Airlines\*
- 73.3 Cathay Pacific
- 73.0 Emirates
- 71.7 Qantas
- 71.4 SilkAir
- 69.8 Other airlines
- 71.2 Postal Services
- 71.2 Singapore Post
- 71.2 Courier Services
- 72.6 FedEx
- 72.4 Speedpost
- 72.0 UPS
- 71.9 DHL
- 68.5 Other courier services
- 68.3 Budget Airlines
- 68.0 Jetstar Asia
- 66.9 AirAsia
- 65.2 Tigerair
- 71.5 Other budget airlines\*

- 63.2 Taxi Services
- 65.1 Premier
- 64.3 Transcab
- 63.5 SMRT
- 62.9 ComFortDelGro
- 59.5 Other taxi operators

- 59.7 Mass Rapid Transit System
- 60.3 SBS Transit
- 59.6 SMRT

- 58.5 Public Buses
- 60.5 SMRT
- 57.7 SBS Transit

### 71.0 Healthcare

- 72.2 Specialised Healthcare\*
- 71.6 Private Hospitals
- 72.4 Raffles
- 72.1 Parkway East
- 71.9 Mount Elizabeth
- 71.4 Thomson Medical Centre
- 70.8 Gleneagles
- 70.3 Mount Alvernia
- 71.5 General Practitioners
- 69.3 Restructured Hospitals
- 70.0 Changi General
- 69.7 Tan Tock Seng
- 69.6 National University
- 69.2 KK Women's & Children's
- 68.9 Khoo Teck Puat
- 68.9 Singapore General
- 68.3 Alexandra
- 68.9 Polyclinics
- 70.2 SingHealth
- 68.3 NHG
- 69.6 Retail
- 71.1 Supermarkets\*
- 71.7 Cold Storage
- 71.6 Sheng Siong

- 70.9 NTUC Fairprice
- 69.2 Other supermarkets

- 70.6 Motor Vehicles\*

- 69.2 Fashion Apparels

- 69.2 Petrol Service Stations
- 70.3 Shell
- 69.6 SPC
- 68.6 Caltex
- 68.3 Esso

- 68.7 Jewellery

- 68.4 Departmental Stores
- 71.4 DFS\*
- 69.7 Isetan
- 69.5 Takashimaya
- 69.4 Robinsons
- 68.0 Metro
- 67.9 Tangs
- 66.7 OG
- 65.6 Mustafa
- 66.0 Other departmental stores

- 67.7 Clocks & Watches

- 66.7 Furniture
- 68.1 IKEA
- 65.8 Other furniture

### 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 Marina Bay Sands\*
- 72.9 Shangri-La
- 72.8 The Ritz Carlton\*
- 72.6 Swissotel the Stamford\*
- 71.9 Resorts World Sentosa\*
- 71.2 Mandarin Orchard\*
- 69.6 Grand Hyatt
- 68.1 Other hotels

- 67.4 Tour & Travel Services

### 66.8 Info-Communications

- 67.2 Mobile Telecom
- 68.1 Singtel
- 67.2 StarHub
- 64.4 M1
- 66.5 PayTV
- 67.0 StarHub
- 65.0 Singtel

- 65.3 Broadband
- 66.2 M1
- 65.8 StarHub
- 65.1 Singtel

- 61.5 Wireless@SG

### 65.8 Private Education

- 65.8 Private Education Institutions

### 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

