6-2015

Customer Satisfaction Index of Singapore 2015: Q1 Results

Institute of Service Excellence, SMU

CUSTOMER SATISFACTION INDEX OF SINGAPORE 2015

Q1 SCORES
RETAIL AND INFO-COMMUNICATIONS

RESULTS OVERVIEW

INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY

CSISG
Customer Satisfaction Index of Singapore

Customer Satisfaction Index of Singapore

2015 Q1 SCORES
RETAIL AND INFO-COMMUNICATIONS

70.0 Retail

72.8 Motor Vehicles*

70.7 Petrol Service Stations
- **71.7** SPC
- **71.5** Esso
- **70.1** Shell
- **67.5** Caltex

70.6 Supermarkets
- **71.6** Cold Storage
- **70.7** NTUC Fairprice
- **69.4** Sheng Siong
- **67.3** Other supermarkets

69.3 Jewellery

69.3 Fashion Apparels

69.2 Clocks & Watches

68.6 Departmental Stores
- **71.7** DFS*
- **70.9** Takashimaya*
- **70.8** Isetan*
- **69.4** OG
- **69.4** Robinsons
- **67.3** Tangs
- **67.0** Metro
- **65.6** Mustafa
- **65.8** Other departmental stores

66.7 Furniture
- **68.4** IKEA
- **66.2** Other furniture

67.4 Info-Communications

68.4 Mobile Telecom
- **69.4** Singtel
- **69.0** StarHub
- **63.9** M1

65.1 PayTV
- **66.6** StarHub
- **64.4** Singtel

64.9 Broadband
- **66.9** StarHub
- **66.2** M1
- **64.1** Singtel

59.6 Wireless@SG

This chart summarises the results of the CSISG 2015 satisfaction scores in the Retail and Info-Communications sectors at the sector, sub-sector and company levels.

Each sector score (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 2014 to 2015
- statistically significant decrease in customer satisfaction from 2014 to 2015
- no significant year-on-year change in customer satisfaction score

CSISG 2015 FIRST 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. 2015 is the CSISG's ninth year of measurement.

FIRST QUARTER RESULTS HIGHLIGHTS

Between 2014 and 2015, customer satisfaction for the Retail sector rose by 0.4-points (+0.5%) to 70.0-points (on a 0 to 100 scale). The Info-communications sector also registered a higher score, rising 0.6-points (+0.9%) year-on-year to 67.4-points. However, neither increase was significant*.

Of the eight sub-sectors measured within the Retail sector, two recorded significant improvements: the Motor Vehicles sub-sector increased by 2.2-points (+3.1%) to 72.8-points, while the Petrol Service Stations sub-sector increased by 1.4-points (+2.1%) to 70.7-points. The other six Retail sub-sectors, namely Clocks & Watches (69.2-points), Departmental Stores (68.6-points), Fashion Apparels (69.3-points), Furniture Stores (66.7-points), Jewellery Stores (69.3-points), and Supermarkets (70.6-points), recorded changes that were not considered significant.

Within the Info-communications sector, the Mobile Telecoms sub-sector saw its score increase by 1.1-points (+1.7%) to 68.4-points, while the Broadband (64.9-points), Pay TV (65.1-points), and Wireless@SG (59.6-points) sub-sector scores all inched lower by 0.4-points (-0.6%), 1.5-points (-2.2%), and 1.9-points (-3.1%), respectively. These movement were also not significant.

The year-on-year movements are illustrated in Figures 1A and 1B.

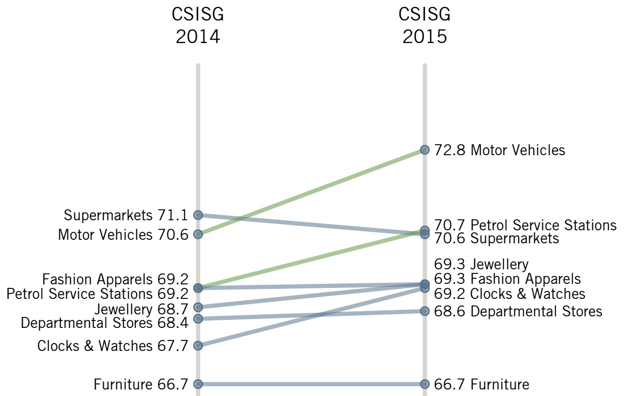

Figure 1A: CSISG scores for the Retail sub-sectors from 2014 to 2015.

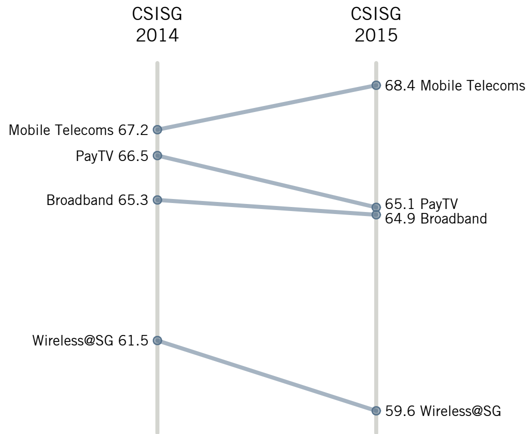

Figure 1B: CSISG scores for the Info-communications sub-sectors from 2014 to 2015.

FIRST QUARTER KEY FINDINGS

Declining Importance of Perceived Value as a Driver of Satisfaction

Analysis of the Retail sector companies revealed that the importance of customers' perceptions of value in driving satisfaction has been on the decline. Figure 2 illustrates the impact each driver (Expectations, Perceived Quality, and Perceived Value) has on customer satisfaction when hypothetically raising their performance by 5 points. Of particular note is the more pronounced decrease of Value's impact on Tourists' satisfaction.

Essentially, this means that while price promotions can help drive customers into stores, it has become increasingly insufficient in driving satisfaction. Business should remain cognisant of its customer profiles and the levers that drive their satisfaction.

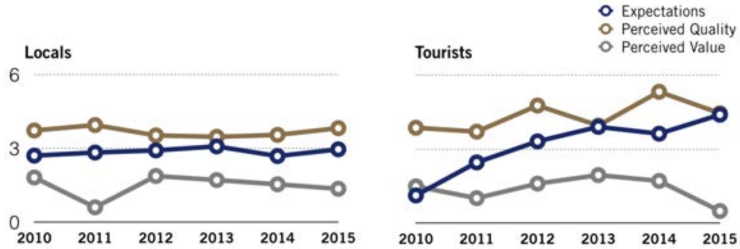

Figure 2: Impact of Value has declined for both local and tourist customers in the Retail sector.

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

Importance of Departmental Store Touchpoints Varies Between Local and Tourist Customers

Different departmental store touchpoints affect tourists' and locals' perceptions of quality differently. In general, service-related touchpoints such as "courtesy" and "professionalism" are the largest drivers of Quality, as illustrated in Figure 3. However, stores with good layout and ambience are relatively more important for tourist customers while less so for locals.

Companies can use such similar analysis to assist in resource allocation at the margin and to ensure the customer experience matches expectations.

Impact on Quality (in descending order)	
Locals	Tourists
Courtesy	Courtesy
Professional	Layout
Variety	Professional
Exchange	Variety
Promotions	Promotions
Layout	Exchange

Figure 3: Importance of Departmental Stores touchpoints for local and tourist customers.

Revisiting Perceptions of Dispute Resolution for the Info-communications Sector

A key observation in the Info-communications sector was customers' perceptions of dispute resolution. Typically, a well-handled complaint results in satisfaction levels similar to customers who have no reason to complain. For example, in 2014, Info-communication customers with well-handled complaints were only 3.2% less satisfied than those with no reason to complain. However, in 2015, Info-communications customers with well-handled complaints had, on average, a satisfaction score 22.5% lower than those who had no reason to complain, as illustrated in Figure 4.

This could point towards fundamental issues customers may be having with the product or service, which customer service may not be able to resolve. Thus, companies should use the opportunity to review its value proposition and offerings, rethink what customers are looking for, and if its contact channels' complaint resolution processes are still relevant.

	Poorly-handled Complaints	Well-handled Complaints	No Reason to complain
Info-communications sector (2014)	30.6	66.3	68.6
		3.2% less than no reason to complain	
Info-communications sector (2015)	29.9	54.1	69.8
		22.5% less than no reason to complain	

Figure 4: Difference in Info-communicatons respondents' CSISG scores based on their complaint resolution.

Strong Expectations Key to Satisfaction

Analysis of Q1's respondent profiles show that customers with high satisfaction for a company have correspondingly high level of expectations, regardless of whether these expectations were met or not. This is illustrated by the Blue Bars (i.e., top 50 percentile of satisfied customers) in Figure 5. Correspondingly, customers with low satisfaction were found to have relatively lower expectations of the company.

This finding can serve as an impetus to shape customer expectations using branding, and to communicate and position a product and service accurately. In essence, businesses should work towards attracting a group of customers that understands, knows what to expect, and appreciates the company's unique service proposition.

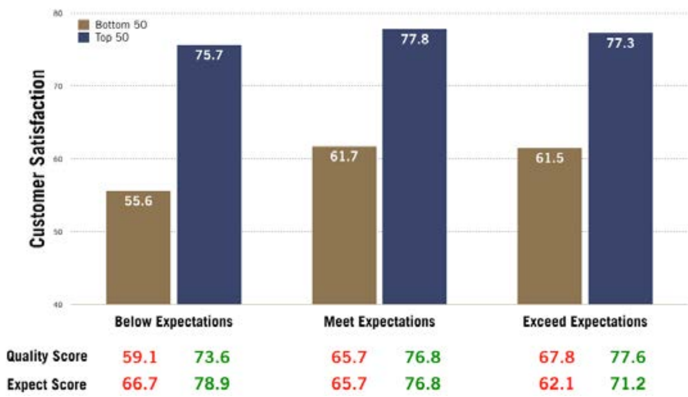

Figure 5: Respondents segmented by their CSISG scores and the difference between their Expected and Perceived Quality.

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 2015 will then be computed using the data collected over these four quarters.

For the first quarter of 2015, results for the Retail and Info-communications sectors were collected and analysed. The former includes the Clocks & Watches, Departmental Stores, Fashion Apparels, Furniture Stores, Jewellery, Motor Vehicles, Petrol Service Stations, and Supermarkets sub-sectors. The latter consists of the Broadband, Mobile Telecoms, Pay TV, and Wireless@SG sub-sectors.

CSISG 2015 FIELDWORK PROCESS

Survey data for the Retail and Info-communications sectors was collected between January and March 2015. Responses were primarily collected via face-to-face interviews with Singapore residents at their homes and departing tourists at Changi Airport. 7,790 unique responses were collected from locals and 1,210 unique responses were collected from tourists.

In total, 9,000 responses for 545 companies and entities were recorded for the Retail and Info-communications sectors; 25 entities have published scores.

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