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Customer Satisfaction Index of Singapore 2016: Q3 Results

Institute of Service Excellence, SMU

CUSTOMER SATISFACTION INDEX OF SINGAPORE 2016

Q3 SCORES
FOOD & BEVERAGE AND TOURISM

RESULTS OVERVIEW

INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY

CSISG
Customer Satisfaction Index of Singapore

Customer Satisfaction Index of Singapore

2016 Q3 SCORES
FOOD & BEVERAGE AND TOURISM

71.1 Tourism

72.8 Attractions*
- **74.3** Sentosa
- **73.3** Singapore Zoo
- **73.1** Universal Studios
- **72.8** S.E.A. Aquarium
- **72.6** Jurong Bird Park
- **72.3** River Safari
- **72.2** Night Safari
- **72.1** Gardens By The Bay
- **71.2** MBS Skypark
- **71.1** Adventure Cove
- **70.1** Singapore Discovery Centre
- **70.5** Other attractions

72.5 Hotels*
- **77.2** Marina Bay Sands*
- **75.6** Shangri-La*
- **74.9** The Ritz-Carlton*
- **73.9** Marina Mandarin
- **73.9** Pan Pacific Singapore
- **73.6** Swissotel the Stamford
- **73.3** Mandarin Orchard
- **73.0** Grand Hyatt
- **67.8** Hotel 81
- **66.8** Fragrance Hotel
- **72.5** Other hotels

68.7 Travel & Tour Services

67.7 Online Travel Agencies

70.1 Food & Beverage

72.7 Bars & Pubs*

70.7 Fast Food Restaurants
- **72.3** McDonalds
- **71.0** Burger King
- **70.4** KFC
- **69.5** Mos Burger
- **68.8** Subway
- **67.9** Other fast food restaurants

70.7 Cafes & Snack Bars
- **72.7** Starbucks
- **72.2** Delifrance
- **70.2** Coffee Bean & Tea Leaf
- **70.1** Ya Kun
- **69.6** Toast Box
- **68.6** Other cafes and snack bars

69.8 Restaurants
- **71.7** Fish & Co
- **71.4** Boon Tong Kee
- **71.3** Din Tai Fung
- **71.2** Sushi Tei
- **71.1** Tung Lok Signatures
- **70.9** Crystal Jade Kitchen
- **70.8** Dian Xiao Er
- **70.6** Pizza Hut
- **70.4** Thai Express
- **70.2** Swensen's
- **70.1** Manhattan Fish Market
- **70.1** Jack's Place
- **70.1** Astons
- **70.0** Nando's
- **70.0** Ajisen Ramen
- **69.8** Sakae Sushi
- **69.7** Crystal Jade La Mian Xiao Long Bao
- **69.6** Seoul Garden
- **69.3** Xin Wang Hong Kong Cafe
- **68.3** Imperial Treasure Noodle & Congee
- **68.0** Other restaurants

69.2 Food Courts
- **70.6** Food Republic
- **70.5** Food Junction
- **70.0** NTUC Foodfare
- **68.7** Kopitiam
- **67.9** Koufu
- **66.4** Other food courts

This chart summarises the results of the CSISG 2016 satisfaction scores in the Food & Beverage, and Tourism sectors at the sector, sub-sector and company levels. Tracking of scores for Restaurants and Hotels sub-sectors will start from 2016 due to revision of survey methodology.

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 2015 to 2016
- statistically significant decrease in customer satisfaction from 2015 to 2016
- no significant year-on-year change in customer satisfaction score

CSISG 2016 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 tenth year of measurement.

THIRD QUARTER RESULTS HIGHLIGHTS

Customer satisfaction saw statistically significant* year-on-year improvements in the Tourism (71.1 points/+1.7 points or +2.4%) and Food & Beverage (70.1 points/+2.98 points or +4.4%) sectors, compared to 2015. Scores are based on a 0 to 100 scale.

Within the Tourism sector, four sub-sectors were measured: Attractions, Hotels, Travel & Tour Services, and Online Travel Agencies. The Attractions and Hotels sub-sectors performed significantly better than the Tourism sector average, scoring 72.8 points and 72.5 points respectively. The Attractions sub-sector performance was also significantly better than last year.[1]

The Travel & Tour Services sub-sector scored 68.7 points, a performance similar to last year's. The Online Travel Agencies sub-sector scored 67.7 points; this was the first year of measurement for the sub-sector.

The Food & Beverage (F&B) sector was made up of five sub-sectors: Bars & Pubs, Fast Food Restaurants, Cafes & Snack Bars, Restaurants, and Food Courts. Out of these, the Bars & Pubs sub-sector (72.7 points) performed significantly above the Food & Beverage sector average. This performance was also a significant improvement over the previous year.

	CSISG 2016	Year-on-Year Change
Tourism	71.1	▲
Attractions	72.8	▲
Hotels	72.5	NA[1]
Travel & Tour Services	68.7	■
Online Travel Agencies	67.7	NA[3]
Food & Beverage	70.1	▲
Bars & Pubs	72.7	▲
Fast Food Restaurants	70.7	■
Cafes & Snack Bars	70.7	▲
Restaurants	69.8	NA[2]
Food Courts	69.2	▲

Figure 1: Tourism and F&B Sectors and sub-sector performance. A green marker denotes a statistically significant improvement while the blue marker denotes no significant change from the previous year.

While Cafes & Snack Bars (70.7 points/+2.64 points or +3.9%) and Food Courts (69.2 points/+2.74 points or +4.1%) performed better year-on-year, Fast Food Restaurants (70.7 points) remained statistically unchanged. The Restaurants sub-sector scored 69.8 points.[2]

[1] The Hotel sub-sector's year-on-year performance was not comparable because the sub-sector's respondent selection had been changed to only include tourists, whereas in the past, locals were also surveyed.

[2] The Restaurants sub-sector's performance was not comparable to 2015 because the constituent entities were identified by brands this year, as opposed to being grouped together at a business holdings level in previous years.

[3] This is the first year of measurement for the Online Travel Agencies sub-sector.

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

F&B Service Elements Key Differentiators in Driving Quality

Results from the F&B sector suggests service elements can be key differentiators of quality. For example, in the Cafe & Snack Bars sub-sector, *Order-taking process*, *Ability to accommodate to special requests*, and *Attentiveness of service staff*, were identified as the top three attributes impacting perceived quality. At the Restaurants sub-sector, *Ease of making reservations* and *Waiting time to be seated* were observed to be among the top three top three attributes driving perceived quality. This is illustrated in Figure 2.

These service elements can be further segmented into process design attributes and staff attributes, highlighting the importance of process planning and design, as well as staff training and performance.

While product quality, e.g., food, beverage, ambience, will continue to be an integral part of customers' perceptions of quality and satisfaction, F&B operators that also pay due considerations to service elements will be most successful in driving customer satisfaction.

Top 3 Attributes with Impact on Quality	
Restaurants	**Cafe & Snack Bars**
Waiting time to be seated	Order-taking process
Serving portions	Ability to accommodate to special requests
Ease of making reservations	Attentiveness of service staff

Legend:

Service Process | *Service Staff* | *Product*

Figure 2: Top 3 attributes with impact on Quality, for the Restaurants and Cafe & Snack Bars sub-sectors

Ability to Customise a Common Differentiator of Loyalty for Tourism sub-sectors

Analysis of the Tourism sector showed that a common attribute impacting customer loyalty at three of the four constituent sub-sectors was the business' ability to customise and meet the needs of their customers.

Hotels' and Travel & Tour Services' *Ability to Accommodate to Special Requests*, and Online Travel Agencies' *Ease of Indicating Special Requests* were among the top three attributes that impacted Loyalty for each respective sub-sector. This is illustrated in Figure 3.

At a broader level, the top attributes that drive customer loyalty in the Tourism sub-sectors can be segmented into service elements and product attributes, an observation similar to the F&B sub-sectors. Companies that consistently track and improve upon these evolving attributes will be better placed to drive repeat business to their establishments and services.

Top 3 Attributes with Impact on Loyalty		
Hotels	**Travel & Tour Services**	**Online Travel Agencies**
Efficiency of check-in/ check-out process	Ease of making reservation / booking	Promotions and discounts
Internet connectivity	Ability to accommodate to special requests	Ease of making reservation / booking
Ability to accommodate to special requests		Ease of indicating special requests

Figure 3: Top 3 attributes with impact on Loyalty, for the Hotels, Travel & Tour Services, and Online Travel Agencies sub-sector

Expected Quality Declining Despite Improved Satisfaction

Despite the general uptrend in the F&B and Tourism sectors' customer satisfaction, Expected Quality was observed to be declining in several sub-sectors, i.e., Cafes & Snack Bars, Food Courts, Hotels, Tour & Travel Services. In particular, local customers' Expectations score fell significantly in the F&B sector. This is illustrated in Figure 4.

A continued decline in Expected Quality may adversely affect on customer satisfaction and repurchase intentions in the future. Businesses should work towards aligning expectations with perceptions of quality and aim to improve both these drivers of satisfaction in tandem.

	Local Customers' Expectations Score	Year-on-Year Change
Restaurants	69.5	NA
Fast Food Restaurants	71.4	■
Cafes & Snack Bars	70.1	▼
Bars & Pubs	71.4	▼
Food Courts	67.1	▼

Figure 4: Local customers' Expectations Score, on a scale of 0 - 100, for the F&B sub-sectors. A red marker denotes a statistically significant decline while the blue marker denotes no significant change from the previous year.

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.

Company scores are weighted based on a separate incidence study. This incidence study helps determine each company's sample profile and the local-tourist weights. Sub-sector scores are derived as a weighted average of company scores, in proportion to the local and tourist incidence interactions with the constituent companies. Sector scores are derived by 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, distinct industry sectors measured within each calendar quarter have their results released the following quarter. Companies in the Retail and Info-Communications sectors were measured in the first quarter, Air Transport, Land 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. The national score for 2016 will then be computed using the data collected over these four quarters.

For this third quarter of 2016, 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, Travel & Tour Services, and Online Travel Agencies sub-sectors.

CSISG 2016 FIELDWORK PROCESS

Survey data for the F&B and Tourism sectors was collected between July and October 2016. 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.

This year's survey expanded the Index's coverage by measuring more companies and brands within each sub-sector. The selection of companies was based on the aforementioned incidence study.

In all, the Q3 fieldwork garnered 4,121 interviews with locals and 4,442 with departing tourists at the airport. Together, there were 8,563 unique responses covering 631 distinct entities in the Food & Beverage and Tourism sectors; 59 entities have published scores.

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