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Customer Satisfaction Index of Singapore 2018: Q3 Results

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CUSTOMER SATISFACTION INDEX OF SINGAPORE 2018

Q3 SCORES
FOOD & BEVERAGE AND TOURISM

RESULTS OVERVIEW

INSTITUTE OF SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY

CSISG
Customer Satisfaction Index of Singapore

2018 Q3 SCORES
FOOD & BEVERAGE AND TOURISM

75.1 Tourism

75.3 Hotels

Luxury & Upscale Hotels

- **75.7** The Ritz-Carlton
- **75.5** Marina Bay Sands
- **74.9** Grand Hyatt
- **74.7** Pan Pacific Singapore
- **74.4** Shangri-La
- **74.0** Hotel Michael
- **73.2** Marina Mandarin
- **73.1** Mandarin Orchard

Economy Hotels

- **71.3** Fragrance Hotel
- **70.6** Hotel 81

- **75.8** Other hotels

74.1 Attractions

- **75.6** Sentosa
- **74.7** Singapore Zoo
- **74.4** Gardens By The Bay
- **74.2** Jurong Bird Park
- **73.9** Singapore Flyer
- **73.9** River Safari
- **73.6** S.E.A. Aquarium
- **73.1** Universal Studios
- **72.8** Night Safari
- **72.8** Adventure Cove
- **70.9** Singapore Discovery Centre
- **72.0** Other attractions

74.2 Food & Beverage

75.3 Snack Bars & Food Kiosks

- **74.5** Old Chang Kee
- **71.7** Jollibean
- **75.8** Other snack bars & food kiosks

74.4 Restaurants

- **76.9** TungLok Signatures*
- **75.2** Crystal Jade Kitchen
- **74.9** Soup Restaurant
- **74.7** Fish & Co
- **74.6** Boon Tong Kee
- **74.6** Thai Express
- **74.5** Sakae Sushi
- **74.5** Din Tai Fung
- **74.5** Swensen's
- **74.2** Jack's Place
- **74.2** Astons
- **74.1** Ajisen Ramen
- **74.0** Manhattan Fish Market
- **73.8** Sushi Tei
- **73.8** Seoul Garden
- **73.6** Crystal Jade La Mian Xiao Long Bao
- **73.0** Dian Xiao Er
- **72.7** Nando's
- **72.0** Pizza Hut
- **71.6** Xin Wang Hong Kong Cafe
- **75.2** Other restaurants

73.9 Cafes & Coffee Houses

- **75.6** Starbucks
- **72.3** Ya Kun
- **71.4** Toast Box
- **74.2** Other cafes & coffee houses

73.6 Fast Food Restaurants

- **74.9** McDonalds
- **74.2** Burger King
- **72.7** KFC
- **71.9** Mos Burger
- **71.9** Subway
- **72.1** Other fast food restaurants

This chart summarises the results of the CSISG 2018 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 2017 to 2018
- statistically significant decrease in customer satisfaction from 2017 to 2018
- no significant year-on-year change in customer satisfaction score

CSISG 2018 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 twelfth year of measurement.

THIRD QUARTER RESULTS HIGHLIGHTS

Customer satisfaction saw statistically significant* year-on-year improvements in both Food & Beverage (F&B) and Tourism sectors. The F&B sector climbed 3.5% year-on-year to score 74.2 points on a 0 to 100 scale. The Tourism sector recorded a relatively more modest 1.2% year-on-year improvement to score 75.1 points.

In both instances, these performances represented a fourth consecutive year of increase in customer satisfaction scores and the highest recorded scores in the 12-year history of the national CSISG study.

The F&B sector comprises of four sub-sectors: Cafes & Coffee Houses, Fast Food Restaurants, Restaurants, and Snack Bars & Food Kiosks. While each of these four sub-sectors saw higher scores year-on-year, significant improvements were only recorded for the Fast Food Restaurants and Restaurants sub-sectors. Fast Food Restaurants scored 73.6 points, a 2.7% improvement, while Restaurants scored 74.4 points, a 4.0% improvement.

The Tourism sector comprises of the Attractions and the Hotels sub-sectors. Year-on-year, Attractions saw a significant 1.1% improvement in customer satisfaction, scoring 74.1 points, while the Hotels sub-sector's performance, at 75.3 points, remained statistically unchanged.

Figure 1 illustrates the Q3 results and each sector and sub-sectors respective year-on-year movements.

	CSISG 2018	Year-on-Year Change
Tourism	75.1	▲
Hotels	75.3	■
Attractions	74.1	▲
Food & Beverage	74.2	▲
Snack Bars & Food Kiosks	75.3	■
Restaurants	74.4	▲
Cafes & Coffee Houses	73.9	■
Fast Food Restaurants	73.6	▲

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

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

Satisfaction with Attractions Significantly Higher When Visitors' Search for Information Prior to Visit

Visitors that searched for information about the attraction prior to their visit were significantly more satisfied than those that did not. In fact, these visitors that did prior research also had significantly higher scores in several other metrics recorded in the study, including Customer Expectations, Perceived Quality, Perceived Value, and Customer Loyalty.

Analysis between tourist and local visitors reveal this observation was seen primarily among tourist respondents; these significant differences are illustrated in Figure 2.

This suggest that Attraction operators can use this opportunity to shape and frame customer expectations beforehand through interaction channels such as marketing communications and social media; it can set the stage for these guests to better experience their product offering.

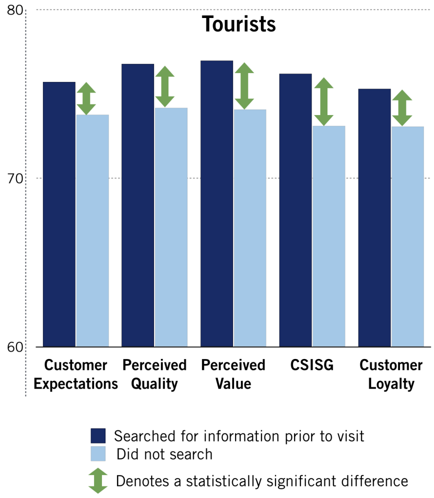

Figure 2: Performance of the five core CSISG model dimensions for Attractions sub-sector tourist respondents, segmented by those that searched for information prior to visit and those that did not.

Product and Service Process Attributes at Upscale & Luxury Hotels Improve Year-on-Year; Staff Attributes Remain Flat

Although several product and service process attributes at Upscale & Luxury Hotels improved year-on-year, staff-related attributes remain unchanged.

Specifically, the attributes "Responsiveness of staff", "Helpfulness of staff", "Staff's ability to communicate professionally", and "Staff's ability to provide local recommendations and information" did not record any significant year-on-year movements.

Impact analysis of the segment reveal the lattermost attribute, i.e., "Staff's ability to provide local recommendations and information", was the largest driver of guests' perceptions of quality.

Figure 3 illustrates the top five drivers of quality for the Luxury & Upscale Hotels segment; Service elements remain key differentiators.

Hotel operators should focus on improving attributes that have the greatest impact on quality; this will afford them the most efficient use of resources when improving customer satisfaction.

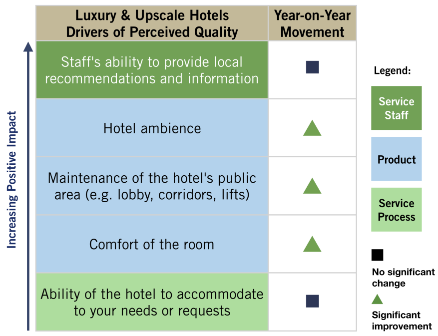

Figure 3: Luxury & Upscale Hotels' top 5 attributes with impact on Perceived Quality.

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

Fast Food Self-order Kiosk Users Found the Ordering Process Simpler

Within the Fast Food Restaurants sub-sector, customers that used Self-order Kiosks as their most frequent method to place their orders were found to have similar levels of customer satisfaction when compared to customers who most frequently place their orders via the traditional way, i.e., with a counter service staff.

In addition, the group of customers that frequent kiosks ordering rated a key metric 'Ordering process is simple' appreciably higher than customers ordering via the counter service staff. This is illustrated in Figure 4.

Further analysis showed that a simple ordering process was a significant driver of customers' perceptions of quality. Thus, Self-order Kiosks that can help simplify ordering processes will likely lead to a more positive dining experience over time.

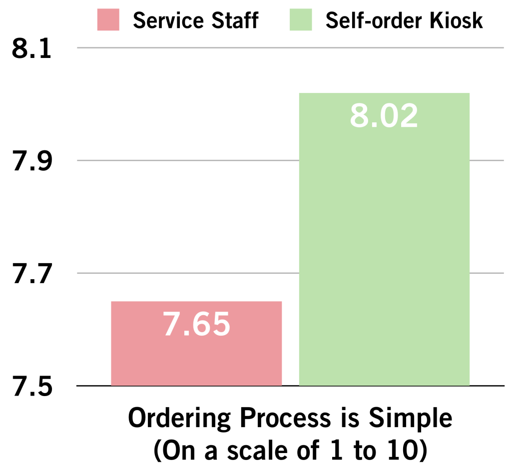

Figure 4: Fast Food respondents' Ratings for "Ordering Process is Simple", segmented by those that frequently used counter service staff and those that frequented Self-order Kiosks.

Majority of F&B Customers Still Prefer Ordering through Service Staff

The proportion of F&B respondents that prefer to use self-ordering systems is still in the minority, with a majority of respondents indicated a preference for service staff.

As illustrated in Figure 5, the most consumer resistance to adopting self-order systems was observed at Restaurants, with only 6.3% of respondents indicated a preference to self-order. Further analysis within demographic segments also reveal older customers, i.e., 50 years of age and above, as the most resistant group.

While recognising the potential benefits of self-order systems, F&B operators should be cognisant of these preferences when introducing new service processes and systems such as Self-order Kiosks.

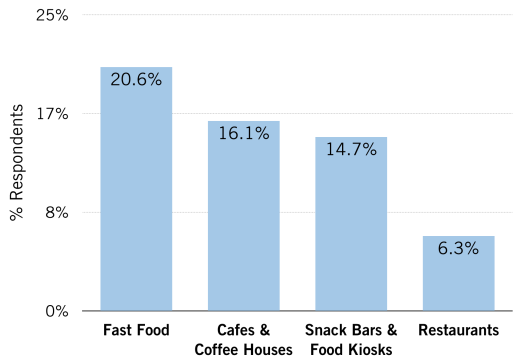

Figure 5: Proportion of F&B respondents that prefer to order through self-ordering systems at each F&B sub-sector.

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

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 and Land Transport 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 2018 will then be computed using the data collected over these four quarters.

For this third quarter of 2018, results for the F&B and Tourism sectors were collected and analysed. The F&B sector is made up of the Cafes & Coffee Houses, Fast Food Restaurants, Restaurants, and Snack Bars & Food Kiosks sub-sectors. The Tourism sector comprises of the Attractions and Hotels sub-sectors.

CSISG 2018 FIELDWORK PROCESS

Survey data for the F&B and Tourism sectors was collected between July and October 2018. Responses were through face-to-face interviews with Singapore residents at their homes and departing tourists at Changi Airport.

The Q3 fieldwork garnered 3,060 interviews with locals and 3,840 interviews with departing tourists at the airport. Altogether, there were 6,900 unique responses covering 352 distinct entities in the Food & Beverage and Tourism sectors; 57 entities have published scores.

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

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