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### Customer Satisfaction Index of Singapore 2019: Q3 Results

Institute of Service Excellence, SMU

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# CUSTOMER SATISFACTION INDEX OF SINGAPORE 2019





















## Q3 RESULTS OVERVIEW FOOD & BEVERAGE AND TOURISM






## 2019 Q3 SCORES FOOD & BEVERAGE AND TOURISM

### 76.9 Food & Beverage





#### 78.3 Restaurants\*

-  82.3 Sakae Sushi\*
-  82.0 Tung Lok Signatures\*
-  79.5 Crystal Jade la Mian Xiao
-  Long Bao
-  78.5 Sushi Tei
-  78.4 Seoul Garden
-  78.3 Swensen's
-  78.1 Ajisen Ramen
-  77.9 Jack's Place
-  77.2 Astons
-  77.0 Crystal Jade Kitchen
-  77.0 Nando's
-  76.7 Thai Express
-  76.7 Manhattan Fish Market
-  76.6 Soup Restaurant
-  76.6 Pizza Hut
-  76.4 Din Tai Fung
-  76.0 Boon Tong Kee
-  75.7 Dian Xiao Er
-  75.1 Fish & Co
-  80.2 Other restaurants





#### 75.9 Snack Bars & Food Kiosks

-  74.7 Old Chang Kee
-  73.7 Jollibean
-  76.3 Other snack bars & food kiosks

#### 74.8 Cafes & Coffee Houses














-  76.4 Starbucks
-  73.1 Toast Box
-  72.7 Ya Kun
-  75.1 Other cafes & coffee houses

#### 74.6 Fast Food Restaurants

-  76.2 McDonald's
-  75.0 Burger King
-  74.1 Mos Burger
-  73.7 Subway
-  73.6 KFC
-  72.3 Other fast food restaurants

### 75.8 Tourism

#### 75.9 Hotels

-  Luxury & Upscale Hotels
-  77.5 Marina Bay Sands
-  77.1 The Ritz-Carlton
-  76.8 Grand Hyatt
-  76.7 Shangri-La
-  75.5 Pan Pacific Singapore
-  74.9 Hotel Michael
-  74.0 Marina Mandarin
-  73.7 Mandarin Orchard
-  Economy Hotels
-  71.7 Fragrance Hotel
-  71.3 Hotel 81
-  76.5 Other hotels

#### 75.1 Attractions

-  76.5 Sentosa
-  75.7 Singapore Zoo
-  75.4 Gardens By The Bay
-  74.9 S.E.A. Aquarium
-  74.9 Jurong Bird Park
-  74.8 Singapore Flyer
-  74.7 River Safari
-  74.5 Universal Studios
-  73.9 Night Safari
-  73.7 Adventure Cove
-  72.0 Singapore Discovery Centre
-  73.2 Other attractions

This chart summarises the results of the CSiSG 2019 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 2018 to 2019
-  statistically significant decrease in customer satisfaction from 2018 to 2019
-  no significant year-on-year change in customer satisfaction score

## CSISG 2019 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 13th year of measurement.

### THIRD QUARTER RESULTS HIGHLIGHTS

The Food & Beverage sector scored 76.9 points on a 0 to 100 scale. This was a significant\* 3.6% improvement over last year. The Tourism sector scored 75.8 points, also a statistically significant, albeit more modest, 0.9% improvement over the previous year. These performances represented record highs for both industry sectors since they were tracked on the CSISG in 2007.

However, the broad improvements in customer satisfaction was tempered with mixed performance in Customer Loyalty levels: Of the six sub-sectors measured in the Food & Beverage and Tourism sectors, only one, Restaurants, recorded a significant year-on-year improvement; three posted relatively smaller upticks in performance, while two recorded lower scores. These movements are illustrated in Figure 1.

The Food & Beverage sector saw customer satisfaction scores for all four of its constituent sub-sectors increased year-on-year, continuing the trend of steady increments for the fifth consecutive year.

While the sub-sectors of Cafes & Coffee Houses, Fast Food Restaurants, and Snack Bars & Food Kiosks recorded small upticks to score 74.8, 74.6, and 75.9 points respectively, the Restaurants sub-sector drove sectoral improvements, scoring a record 78.3 points, a 5.2% year-on-year improvement.

The Tourism sector also saw improved customer satisfaction in 2019, with both its constituent sub-sectors posting higher CSISG scores: The Attractions sub-sector scored 75.1 points, a significant 1.4% year-on-year improvement, while the Hotels sub-sector performed similar to last year, scoring 75.9 points.

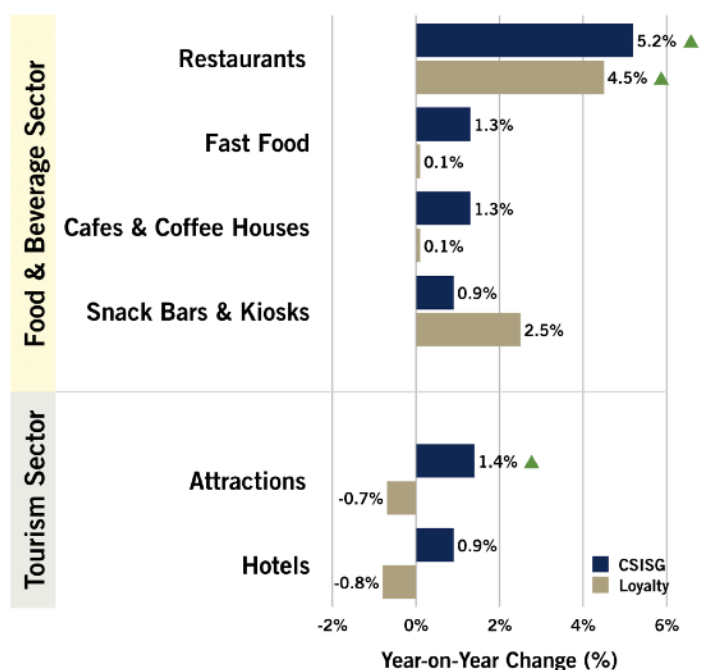


Figure 1: CSISG2019 Q3 measured sub-sectors and their respective Year-On-Year changes for the CSISG and Customer Loyalty metric. A Green Arrowhead denotes a statistical improvement over the previous year; other changes were not considered significant.

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

## THIRD QUARTER KEY FINDINGS

### Restaurants' Strong Year-on-Year Performance Coming From Local Customers

The Restaurants sub-sector's strong year-on-year performance came from local diners. Local diners surveyed saw higher scores and ratings across the board, with improvements in key areas such as product, service staff, and ordering. Conversely, tourist diners surveyed were observed to have generally lower scores and ratings when compared year-on-year and against local diners; Figure 2 illustrates this.

Analysis suggest restauranters can focus on staff, ordering, and product-related areas to improve tourist customers' perceptions of quality. In descending order of importance, the five most important attributes to tourists' perceptions of quality at a restaurant were:

1. Proactiveness of staff in offering help
2. Staff provides prompt and quick service
3. Food served within a reasonable time
4. Pleasant ambience
5. Easy to find what is needed when ordering

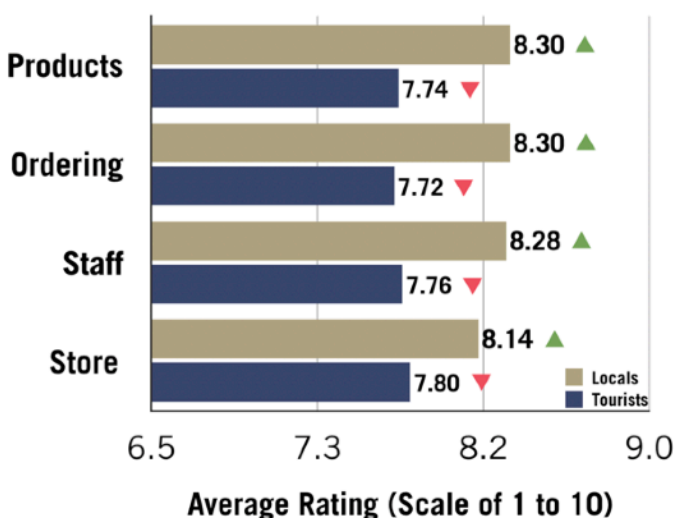


Figure 2: Local and Tourist respondents' average ratings for the four measured Quality dimensions in the Restaurants sub-sector. Each Green/Red Arrowhead denotes a statistically significant improvement/decline compared to the previous year.

### Increased Perceptions of Value Not Translating to Increased Spending

Across the F&B sector, all four sub-sectors were recorded with higher year-on-year scores for Perceived Value, i.e., customers felt the quality of the F&B received, given the price paid, has improved over time.

However, the average stated spending per person, across the same period(s) only saw marginal changes. As an example, the Fast Food Restaurants sub-sector's Perceived Value scores and Average Spending between 2015 and 2019 is illustrated in Figure 3.

Given the observed reluctance of individual consumers to spend more, F&B operators should consider exploring additional avenues for growth, such as attracting new customer segments or boosting customer traffic during off-peak periods.

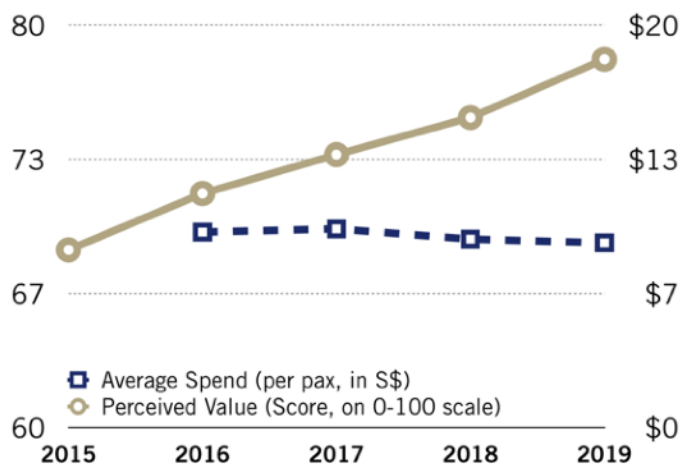


Figure 3: Fast Food Restaurants' Perceived Value Scores and Average Spending, 2015 to 2019.

## Hotels' Increasing Perceived Quality And Value Met With Decreasing Loyalty

While Perceived Quality and Value at the Hotels sub-sector rose in the past two years, Customer Loyalty, and specifically guests' price tolerance, i.e., their willingness to pay more for their stay, has declined.

Compared to 2017, Hotel guests' Perceived Quality and Value rose 1.9% and 5.7% respectively, while Loyalty declined by 2.0%. These movements are illustrated in Figure 4.

Impact analysis suggest hoteliers could focus on both product-related attributes, such as ambience and in-room amenities, and service, such as staff's ability to provide guests with local recommendations, to drive improvements in Customer Loyalty.

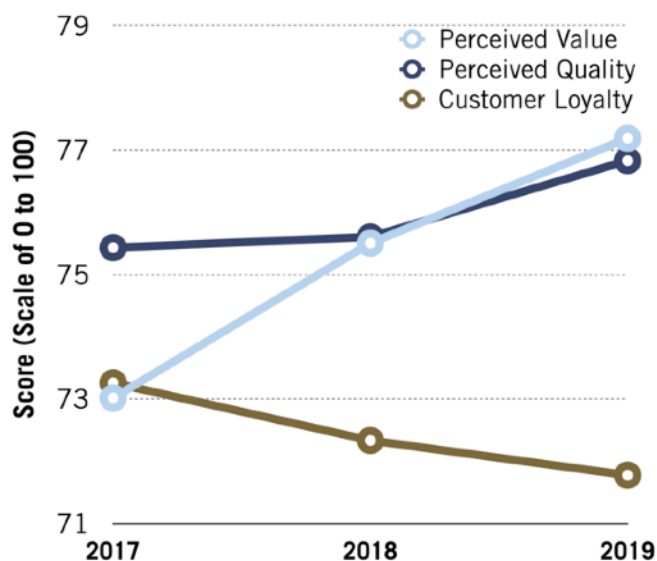


Figure 4: Performance of Perceived Quality, Perceived Value, and Customer Loyalty for the Hotels sub-sector, 2017 to 2019.

## Positive Quality-Expectations Gap Widening for Locals At Attractions

The Attractions sub-sector's positive CSISG 2019 performance came primarily from local respondents. In fact, local visitors rated 11 of the 15 measured quality attributes significantly higher year-on-year:

1. Amenities
2. Clarity of directions
3. Cleanliness
4. Ease of finding information
5. Entertainment or educational value
6. Quality of food and beverage given the prices
7. Range of activities/exhibits
8. Range of food and beverage options
9. Safety and security measures
10. Staff friendliness and courtesy
11. Staff helpfulness

Notably, locals' level of Perceived Quality has exceeded their Predicted Quality to a greater degree this year, compared to 2018; this is illustrated in Figure 5. This widening Quality-Expectations gap suggests Attractions here were better able to meet and exceed these visitors' expectations.

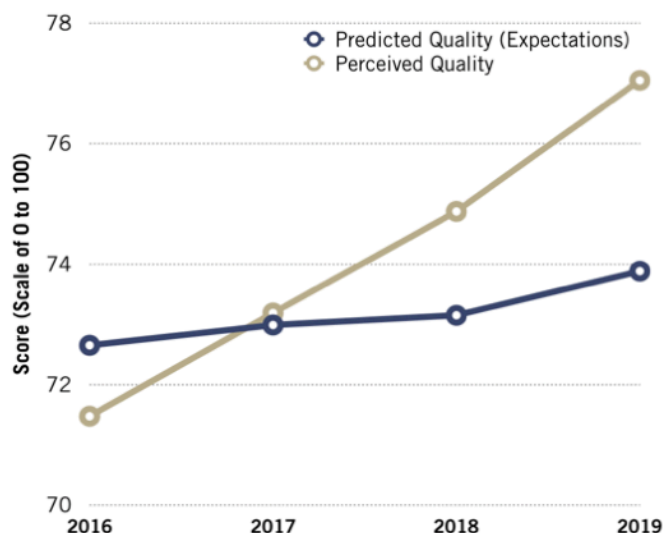


Figure 5: Comparison between the Attractions sub-sector's performance in Perceived Quality and Predicted Quality, 2016 to 2019.

## 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 this third quarter, and finally the companies of Finance & Insurance and Healthcare sectors, in the fourth quarter. The national score for 2019 will then be computed using the data collected over these four quarters.

For this third quarter of 2019, 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 2019 FIELDWORK PROCESS

Survey data was collected between July and October of 2019. Responses were collected via face-to-face interviews with Singapore residents at their homes and departing tourists at Changi Airport.

The Q3 fieldwork garnered 2,955 face-to-face interviews with locals and 3,845 with tourists at the airport.

In total, there were 6,800 unique responses covering 386 companies and entities in the Food & Beverage and Tourism sectors; 56 entities have published scores.

## CONTACT US

For more details on the CSISG, the ISE Corporate Membership programme, and customised research, please reach us at

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