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Customer Satisfaction Index of Singapore 2021: Q1 Results

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SINGAPORE MANAGEMENT
UNIVERSITY

INSTITUTE OF
SERVICE
EXCELLENCE

CUSTOMER SATISFACTION INDEX OF SINGAPORE 2021

Q1 RESULTS OVERVIEW
RETAIL AND
INFO-COMMUNICATIONS



Customer Satisfaction Index of Singapore

LEE KONG CHIAN
SCHOOL OF
BUSINESS



2021 Q1 SCORES RETAIL AND INFO-COMMUNICATIONS

HOW WELL DID COMPANIES SATISFY THEIR CUSTOMERS?

72.4 Retail

73.3 Fashion Apparels

- 74.1 Giordano
- 73.6 G2000
- 72.4 Uniqlo
- 71.9 Cotton On
- 71.2 H&M
- 73.9 Other fashion apparels

72.7 Department Stores

- 75.7 Takashimaya
- 74.6 Tangs
- 74.5 Mustafa
- 73.2 Isetan
- 73.1 Metro
- 71.2 Marks & Spencer
- 70.9 BHG
- 68.7 OG

72.0 Supermarkets

- 76.1 Market Place/Jasons*
- 75.2 Sheng Siong
- 74.8 Cold Storage
- 70.3 NTUC FairPrice
- 69.9 Giant
- 68.4 Prime

71.1 e-Commerce

- 75.8 Amazon*
- 72.7 Taobao/Tmall
- 72.3 Lazada
- 71.8 Zalora
- 71.1 Fave
- 70.1 Carousell
- 69.8 Qoo10
- 69.5 Aliexpress
- 68.6 Shopee
- 73.2 Other e-Commerce

68.5 Info-Communications

- 73.4 Video Streaming Services*
 - 75.1 Apple TV+
 - 75.0 Viu
 - 74.2 Netflix
 - 70.6 Amazon Prime Video
 - 70.4 HBO Go
 - 64.6 MeWatch
- 69.8 Wireless@SG

69.2 Mobile Telecom

- 70.2 StarHub
- 69.1 Singtel
- 69.1 Circles.Life
- 68.6 M1
- 68.3 Other Mobile Telecom Providers

66.9 Broadband

- 68.0 StarHub
- 66.4 Singtel
- 66.2 M1

65.3 PayTV

- 66.2 Singtel
- 63.9 StarHub

This chart summarises the results of the CSISG 2021 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 2020 to 2021

statistically significant decrease in customer satisfaction from 2020 to 2021

no significant year-on-year change in customer satisfaction score

Entities shown in this scorecard have samples of N≥50.

CSISG 2021 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. 2021 marks the 15th year of measurement for the CSISG national study.

FIRST QUARTER RESULTS HIGHLIGHTS

The Retail sector recorded a significant* 1.9% year-on-year improvement to score 72.4 points (on a 0 to 100 scale) in customer satisfaction. This upswing came via incremental upticks in the performance of the Department Stores (72.7 points), Fashion Apparels (73.3 points), and Supermarkets (72.0 points) sub-sectors. In contrast, the fourth constituent Retail sub-sector, e-Commerce, registered a significant decrease in CSISG performance, falling 2.4% to score 71.1 points.

This year's study of the traditionally brick and mortar businesses included customers that had exclusively patronised the retailers through their digital channels, be it their online web store or app. In previous years, respondents must have had at least visited the physical store. This change was made as more consumers gravitated to online shopping.

The other industry measured in Q1, the Info-communications sector, declined by a significant 4.0% year-on-year to 68.5 points. This fall came on the back of a smaller decline of 1.0% in the previous year.

The Info-Communications sector comprised of five constituent sub-sectors: Mobile Telecom, Broadband, Pay TV, Wireless@SG, and Video Streaming Services, the latter being a new addition in 2021. The Mobile Telecom (69.2 points), Broadband (66.9 points), and PayTV (65.3 points) sub-sectors all registered significant year-on-year declines in their customer satisfaction scores, falling 3.5%, 4.5%, and 7.4%, respectively. The Wireless@SG service (69.8 points) was not comparable with previous years due to a lack of tourist respondents, while the Video Streaming Services (73.4 points) sub-sector is making its debut on the Index.

The Mobile Telecom sub-sector also saw additions to its make-up, with customers from Mobile Virtual Network Operators (MVNOs), such as Circles.Life and MyRepublic, added to the survey. However, these new additions did not change the general decline in the sub-sector's CSISG performance. Excluding MVNOs, all key CSISG dimensions, including customer expectations, perceived quality, value, and loyalty, had register significantly poorer year-on-year scores.

Figure 1 illustrates the CSISG performance for each sub-sector measured in Q1.

Retail Sub-sectors	CSISG (0-100 Scale)	Year-on-Year Change (%)	Info-communications Sub-sectors	CSISG (0-100 Scale)	Year-on-Year Change (%)
Fashion Apparels	73.3	(+1.7%)	Video Streaming Services	73.4	NA
Department Stores	72.7	(+2.1%)	Wireless@SG	69.8	NA
Supermarket	72.0	(+3.1%)	Mobile Telecom	69.2	(-3.5%) ▼
e-Commerce	71.1	(-2.4%) ▼	Broadband	66.9	(-4.5%) ▼
			PayTV	65.3	(-7.4%) ▼

Figure 1: Retail and Info-communications sub-sectors' CSISG performance, arranged in descending order of performance. The ▼ indicator denotes a statistically significant year-on-year decline.

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

FIRST QUARTER KEY FINDINGS

Satisfaction for Brick and Mortar Retailers Boosted By Online Shopping

While CSISG scores for customers who had visited physical retail stores remained statistically unchanged from the previous year, it was observed that digital and omni-channel shopping appeared to provide customers with better experiences than a physical store-only experience.

Although the number of online-only customers formed a small proportion of the total respondent pool, it was observed they provided a sizeable uplift across many of the CSISG dimensions the study tracks.

For example, the CSISG score for Physical-only department store customers was 71.4 points, whereas omni-channel customers and digital-only customers scored 73.5 and 82.6 points, respectively. Similar observations were made for the Fashion Apparel and Supermarkets sub-sectors. Figure 2 illustrates these observations.

Notably, these brick and mortar industries' digital customers had generally higher levels of satisfaction, perceived quality, and loyalty, compared to e-commerce retailers.

These observations suggest retailers should explore synergising in-store experiences with digital shopping channels. Businesses that manage this omni-channel blend most effectively will be able to count on happier and more loyal customers.

	Department Stores			Fashion Apparels			Supermarkets			e-Commerce
	Physical store only	Digital only	Omni-channel	Physical store only	Digital only	Omni-channel	Physical store only	Digital only	Omni-channel	
CSISG	71.4	82.6	73.5	71.4	78.2	76.8	71.6	74.4	74.8	71.1
Quality	72.6	81.3	74.7	72.4	79.0	76.2	72.5	75.9	75.5	71.1
Loyalty	69.4	80.3	75.7	70.8	79.5	77.1	69.5	71.2	73.5	70.1

Figure 2: Retail sub-sectors' CSISG, Quality, and Loyalty scores, segmented by customers' shopping channel. A **GREEN** score indicates significantly **BETTER** performance than the respective sub-sector's 'Physical store only' performance.

Supermarket Customers Improved Perceptions of Quality During the Covid-19 Pandemic

Another interesting observation came from the Supermarkets sub-sector. Among all retail respondents that indicated having shopped physically at a store, supermarkets customers were the only segment to register a significant increase in perceived quality year-on-year. In fact, improvements were also seen across many of the Supermarkets' measured attributes, such as the availability of staff, product knowledge of staff, and payment process. Figure 3 lists the five most important drivers of quality for supermarkets, and their respective year-on-year ratings; each was a significant improvement over the previous year.

With people spending more time at home, grocery shopping had become a more important aspect of consumers' daily lives during the pandemic. This was also observed through increased spending at supermarkets.

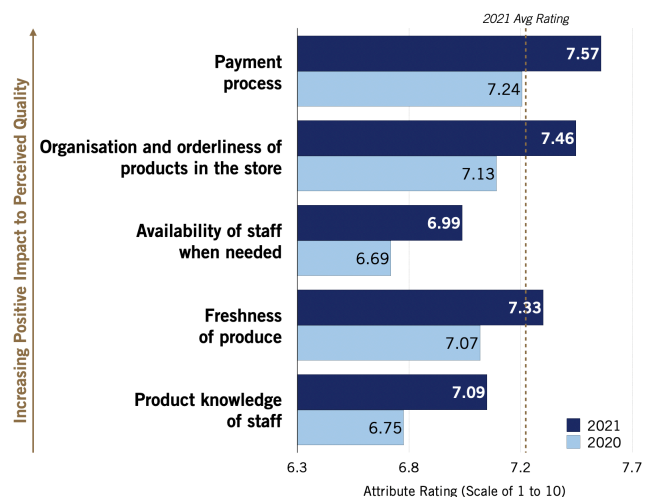


Figure 3: Top 5 drivers of perceived quality for the Supermarkets sub-sector and their respective performance. Ratings in 2021 were significantly better than 2020.

Despite the higher customer volume and some initial stockout issues, supermarkets appear to have been able to keep up with the increased operational challenges and improve their service levels.

Product and Responsiveness-related Attributes Led Decline of MNO's Drivers of Quality

Analysis of the 15 measured attributes for the three established Mobile Network Operators (MNOs), namely Singtel, StarHub, and M1, suggest product and responsiveness-related factors may be a key contributor for subscribers' lower levels of perceived quality and satisfaction.

Product attributes such as network coverage, reliability, data speeds, and range of subscription plans, as well as responsiveness attributes such as efficiency and promptness of service, all saw marked year-on-year declines in satisfaction. This is illustrated in Figure 4.

Similar declines in product and responsiveness-related attributes were also observed in the Broadband and PayTV sub-sectors.

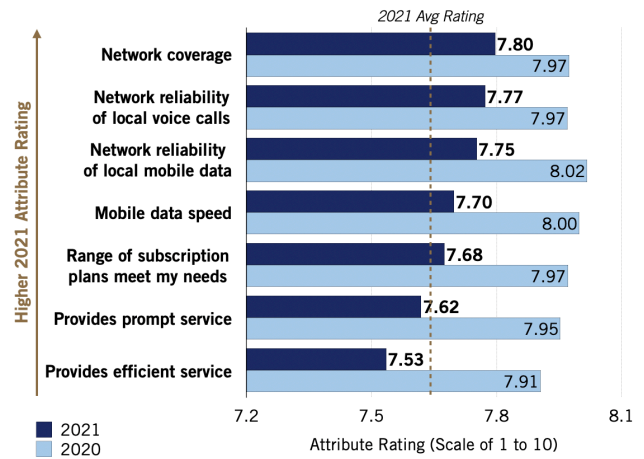


Figure 4: MNOs' Product and Responsiveness-related attributes that saw a significant year-on-year decline.

Telco Contact Centre Satisfaction Declined Amid Increased Demand for Technical Support

Delving into customer touchpoint usage for the telcos, it was observed that more customers were calling the telcos' Contact Centres for technical support-related issues. In the case of the Broadband service providers, this rose from 59.5% in 2020 to 71.6% in 2021.

This was unsurprising as the Covid-19 pandemic has required people to become more reliant on telecommunication technologies for both work and play. This increased dependency would have likely caused greater urgency among customers to require any issues and concerns be promptly addressed by their telcos.

Unfortunately, the latest data showed Contact Centre satisfaction for the mobile telco and broadband sub-sectors struggling to keep up; ratings fell significantly year-on-year. In fact, all measured touchpoints in the Info-communications sector saw dips of varying degrees to their touchpoint ratings. These movements are illustrated in Figure 5.

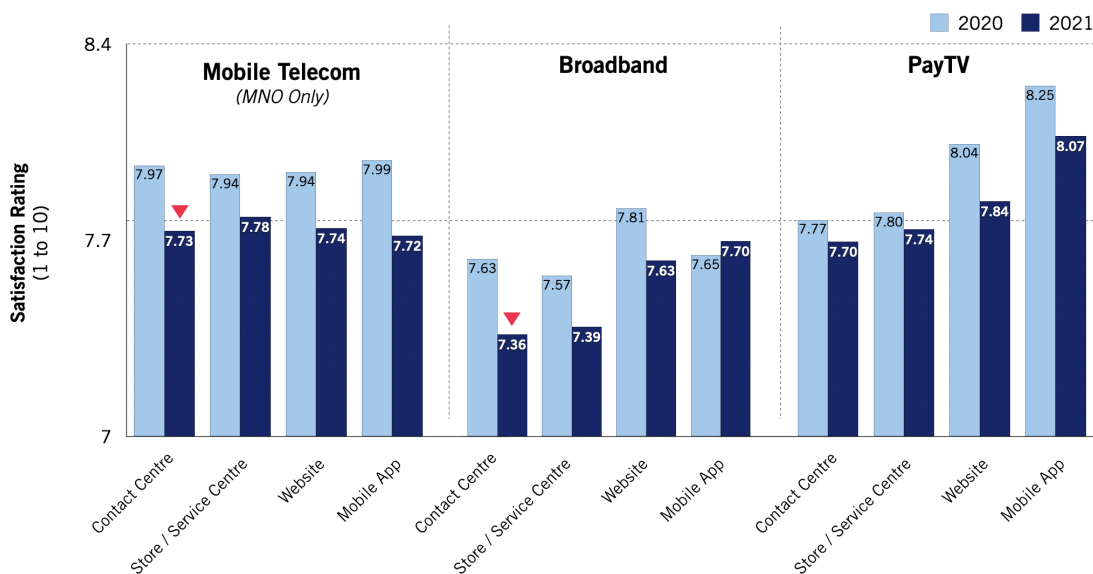


Figure 5: Touchpoint satisfaction ratings for the Mobile Telecom, Broadband, and PayTV sub-sectors. The ▼ indicator denotes a statistically significant year-on-year decline.

MVNO Customers More Price Sensitive

Comparing the MNOs with the Mobile Virtual Network Operators (MVNOs), the former was better able to meet customers' expectations. MNOs also had higher levels of customer loyalty, while loyalty for MVNOs were negatively impacted by poorer price tolerances. This is illustrated in Figure 6. Price tolerance is defined as how much the business can raise fees before the customer would no longer choose them again.

MVNOs' significantly more price sensitive customer base was likely perpetuated by the fierce price and data-bundling war they competed on to gain market share over the last few years.

Nonetheless, similar to the MNOs, MVNO customers were observed to share similar drivers of loyalty, such as empathy and assurance. Rather than offer lower prices or more data than the next competitor, telcos, virtual or otherwise, can leverage these common attributes to build more sustainable relationships with their customers.

PayTV and Video Streaming Services Provided a Synergistic Experience

The new addition to the Info-communications sector was the Video Streaming Services sub-sector. Compared to the PayTV sub-sector, customer satisfaction, expectations and perceived quality were all significantly higher for the new sub-sector.

However, there was a notable observation from PayTV subscribers: Of those that had also subscribed to a video streaming service, their overall satisfaction with the PayTV service (7.56 points on a 1 to 10 scale) was significantly better than subscribers that did not (at 7.15 points). This is illustrated in Figure 7.

For both PayTV and streaming, analysis showed that consumers' continued use of the services was driven by variety of content. Given that PayTV customers with a streaming service appear to be happier, the telcos' current partnerships and tie-ups with video streaming providers appear to be steps in the right direction for boosting customer experience.

	MNO Regular Contract	MNO SIM-Only Contract	MNO SIM-Only No Contract	MVNO SIM-Only No Contract
Customer Loyalty (On a 0 to 100 scale)	69.9	69.2	68.7	66.8
Repurchase Intention (On a 1 to 10 scale)	7.35	7.29	7.20	7.38
Price Tolerance (Reservation Price)	10.0%	10.3%	10.6%	5.3%

Figure 6: Customer Loyalty metrics for various MNO sub-segments and MVNOs. A **RED** metric indicates significantly **WORSE** performance than MNO Regular Contract.

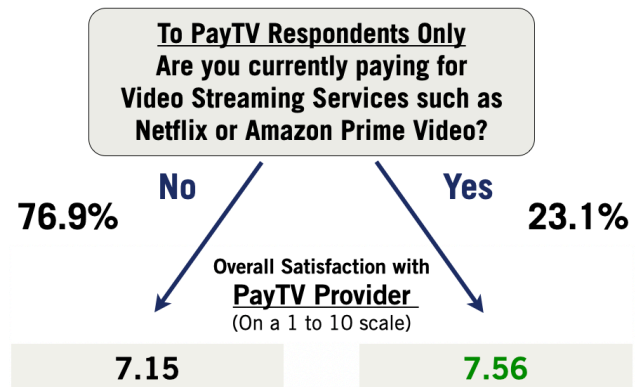


Figure 7: PayTV customers' overall satisfaction, segmented by whether or not they also had a video streaming subscription. A **GREEN** rating indicates the performance was significantly **BETTER** than those who did not have a video streaming subscription.

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, where applicable. 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 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, Air Transport and Land Transport in the second quarter, Food & Beverage and Tourism sectors in the third quarter, and finally the companies of the Finance and Insurance sectors, in the fourth quarter. The national score for 2021 would then be computed using the data collected over these four quarters.

For the first quarter of 2021, responses for the Retail and Info-Communications sectors were collected and analysed. The former comprised of the Department Stores, e-Commerce, Fashion Apparels, and Supermarkets sub-sectors. The latter consisted of the Broadband, Mobile Telecoms, PayTV, Video Streaming Services, and Wireless@SG sub-sectors.

CSISG 2021 FIELDWORK PROCESS

Survey data for the Retail and Info-Communications sectors was collected between January and April 2021.

For the Retail sector, data was collected through nationally representative online survey panels. For the Info-communications sector, data was collected through face-to-face interviews with Singapore residents at their homes. It should be noted that this fieldwork was conducted during the Covid-19 pandemic, with many people still staying at and working from home due to pandemic-related movement restrictions.

In total, the Q1 fieldwork garnered 5,050 responses covering 90 companies and entities in the Retail and Info-Communications sectors; 47 entities have published scores. This comprised of 2,050 face-to-face interviews and 3,000 online surveys.



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