



CUSTOMER SATISFACTION INDEX OF SINGAPORE 2015

Q3 SCORES
FOOD & BEVERAGE AND TOURISM

RESULTS OVERVIEW



INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY





2015 Q3 SCORES
FOOD & BEVERAGE AND TOURISM

69.4 Tourism

70.8 Hotels*

- 74.3 Marina Bay Sands*
- 73.1 Shangri-La*
- 72.6 The Ritz-Carlton*
- 72.0 Resorts World Sentosa
- 72.0 Mandarin Orchard
- 71.3 Swissotel the Stamford
- 70.3 Grand Hyatt
- 69.7 Other hotels

70.3 Attractions*

- 72.1 S.E.A. Aquarium*
- 71.6 Sentosa
- 71.6 Singapore Zoo
- 71.4 River Safari
- 71.0 Universal Studios
- 70.7 Night Safari
- 70.7 Jurong Bird Park
- 69.9 Adventure Cove
- 68.7 Other attractions

66.4 Travel & Tour Services

67.1 Food & Beverage

69.4 Fast Food Restaurants*

- 72.2 McDonalds*
- 67.6 Burger King
- 67.5 KFC
- 64.3 Other fast food restaurants

69.0 Bars & Pubs*

68.1 Cafes & Snack Bars

- 70.1 Starbucks
- 68.4 Coffee Bean & Tea Leaf
- 67.7 Other cafes and snack bars

66.5 Food Courts

- 69.0 NTUC Foodfare*
- 67.7 Food Republic
- 67.0 Koufu
- 65.9 Kopitiam
- 66.2 Other food courts

66.2 Restaurants

- 70.0 Sushi Tei*
- 69.0 RE&S*
- 68.7 Crystal Jade*
- 68.6 Sakae Holdings*
- 68.0 Minor Food Group
- 65.7 Other restaurants

This chart summarises the results of the CSISG 2015 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 2014 to 2015

statistically significant decrease in customer satisfaction from 2014 to 2015

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

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 ninth year of measurement.

THIRD QUARTER RESULTS HIGHLIGHTS

Customer satisfaction for the F&B sector improved significantly* year-on-year, increasing by 1.32-points (+2.0%) to 67.1-points (on a 0 to 100 scale). On the other hand, the Tourism sector's performance was generally unchanged, inching up by 0.31-points (+0.4%) over the previous year to 69.4-points.

Within the F&B sector, the Cafés & Snack Bars sub-sector scored 68.1-points (+1.83-points/+2.8%) while the Restaurants sub-sector scored 66.2-points (+2.06-points/+3.2%), both significant improvements over the previous year.

The other three constituent F&B sub-sectors' performances were generally unchanged, with Fast Food Restaurants scoring 69.4-points (+0.40-points/+0.6%), Bars & Pubs scoring 69.0-points (-1.06-points/-1.5%), and Food Courts scoring 66.5-points (+0.40-points/+0.6%).

While the Tourism sector's overall year-on-year performance was relatively similar, its constituent sub-sectors had mixed results. The Attractions sub-sector fell a significant 2.31-points (-3.2%) to 70.3-points. Meanwhile, the Hotels sub-sector improved significantly by 1.33-points (+1.9%) to 70.8-points. The Travel & Tour Services sub-sector scored 66.4-points, a 0.99-point (-1.4%) dip compared to 2014; the change was not statistically significant.



Figure 1: F&B and Tourism sector scores, 2007-2015.

THIRD QUARTER KEY FINDINGS

Satisfaction at Attractions driven by Quality, with discounts having little impact

Observations revealed that visitors' satisfaction levels were not swayed much by discounts or free/corporate passes. Whether paying full fees or receiving some sort of ticketing concession, customer satisfaction with the attraction was virtually the same for both groups of respondents, as illustrated in Figure 2. Rather, visitors' perceived product quality (i.e., the quality of the attraction itself, its facilities, and accessibility) held the largest sway in driving satisfaction.

While this should not be interpreted as a justification to remove discounts and price related promotions (which remain as useful tools to entice and get visitors in the door), it underscores the importance of periodically innovating and refreshing the visitor experience so as to spur satisfaction and loyalty.



Figure 2: Average CSISG scores for Attraction visitors that had/did not have a discounted ticket.

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

Importance in Restaurant touchpoints changes when dining without reservations

Touchpoint analysis revealed that for customers who did not make dining reservations, attributes that were important to them were primarily time-related, e.g., waiting time and time taken to receive food were the most important to them. For those who made reservations, attributes about the core service of the restaurant, i.e., quality of food, was the most important driver of overall quality. The tables in Figure 3 rank order the importance of the different touchpoints for each group of customers.

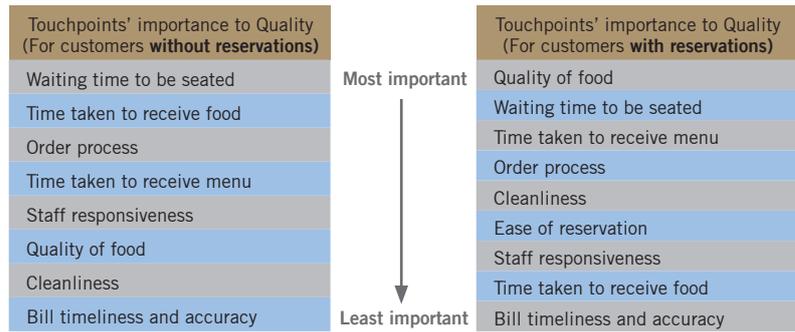


Figure 3: Restaurant touchpoints, rank ordered by their importance to perceptions of quality.

Restaurateurs can use such impact analysis to focus their energies on the most important aspects of a customer's dining experience.

Social Media significantly affects customer expectations

In both the F&B and Tourism sectors, analysis revealed respondents who used social media prior to their experience with an F&B outlet or a tourist attraction had significantly higher expectations as compared to those who did not access social media to preview the establishment.

While the proportion of customers precluding their visit with social media reviews is small, as illustrated in Figure 4 businesses cognisant of its effects and potential can use this communication medium to shape expectations and customers' eventual perceptions of their experience. Observations of CSISG data show that customers with high satisfaction tend to have high expectations as well.

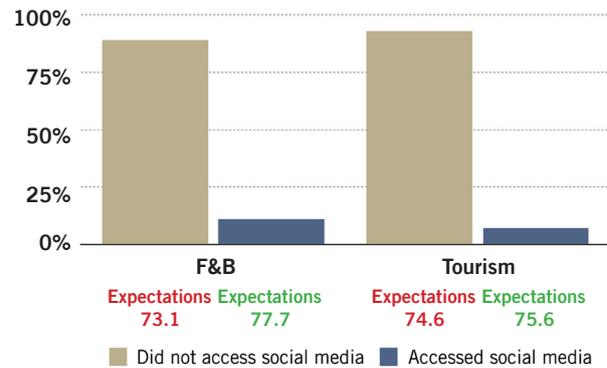


Figure 4: Proportions of customers that accessed social media prior to visiting a F&B or Tourism establishment, and their corresponding Expectations score.

Customers that complained to family or friends have significantly poorer satisfaction

Regardless of whether a customer complained to the company or not, observations of both F&B and Tourism sector respondents reveal that if the grievance was communicated to family members or friends, this corresponded with significantly lower customer satisfaction. The poor satisfaction levels resulted in a lower likelihood to repurchase and a lower likelihood to recommend the product or service. Conversely, respondents who did not complain to their friends and families have higher customer satisfaction. This is illustrated in Figure 5.

Thus, companies should develop processes to suss out customers' complaints outside of traditional feedback channels. In actively soliciting feedback and complaints, management must be mindful to ensure the key performance indicator in such a strategy is the ability to resolve complaints well.

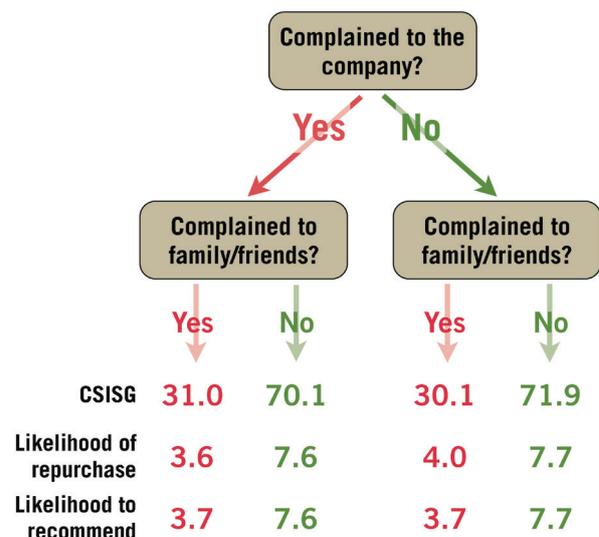


Figure 5: Complaint behaviour for F&B and Tourism customers, and their corresponding scores and ratings.

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, 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, Land Transport, Logistics, Public, and Private Education in this 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 this third quarter of 2015, 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, and Travel & Tour Services sub-sectors.

CSISG 2015 FIELDWORK PROCESS

Survey data for the F&B and Tourism sectors was collected between July and September 2015. 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 also introduced several new companies into the Index. Adventure Cove, River Safari, and S.E.A. Aquarium were added as measured companies to the Attractions sub-sector. NTUC Foodfare was added to the Food Courts sub-sector. The Minor Food Group and Sushi Tei joined the Restaurants sub-sector as measured companies.

In all, the Q3 fieldwork garnered 6,109 interviews with locals and 4,351 with departing tourists at the airport. Together, there were 10,460 unique responses covering 849 distinct entities in the Food & Beverage and Tourism sectors; 29 entities have published scores.

CONTACT US

Please contact us for more details of our ISES Corporate Membership, CSISG Subscription and Custom Research.

Institute of Service Excellence
Singapore Management University

81 Victoria Street
Administration Building
Singapore 188065
Tel: +65 6828 0111
Fax: +65 6828 0690
ise@smu.edu.sg
www.ises.smu.edu.sg

