



CUSTOMER SATISFACTION INDEX OF SINGAPORE 2016

Q1 SCORES
RETAIL AND INFO-COMMUNICATIONS

RESULTS OVERVIEW



INSTITUTE OF
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2016 Q1 SCORES RETAIL AND INFO-COMMUNICATIONS

71.7 Retail

73.1 Motor Vehicles*

72.3 Jewellery

71.9 Fashion Apparels

- 74.8 Bossini
- 74.5 Uniqlo
- 74.0 Hang Ten
- 73.1 G2000
- 72.5 H&M
- 71.5 Giordano
- 71.2 Mango
- 70.5 Topshop
- 69.9 Cotton On
- 69.6 Zara
- 71.4 Other fashion apparels

71.5 Furniture & Electronics

- 73.0 Challenger
- 72.4 Gain City
- 72.1 Courts
- 71.8 Harvey Norman
- 67.9 IKEA
- 72.5 Other furniture & electronics

71.5 Petrol Service Stations

- 72.4 Esso
- 71.6 SPC
- 71.5 Shell
- 69.1 Caltex

71.5 Supermarkets

- 72.5 Cold Storage
- 71.9 Sheng Siong
- 71.7 NTUC Fairprice
- 71.1 Giant
- 67.6 Other supermarkets

71.1 e-Commerce

- 73.2 Zalora*
- 72.0 Taobao/Tmall
- 72.0 Groupon
- 71.9 Lazada
- 71.6 Ebay
- 71.1 Deals.com/Ensogo
- 70.6 Carousell
- 70.3 Qoo10
- 69.3 Amazon

70.2 Department Stores

- 73.2 DFS*
- 71.7 Takashimaya
- 71.5 John Little
- 71.2 Robinsons
- 71.0 Isetan
- 70.8 BHG
- 69.1 Metro
- 68.6 Tangs
- 67.5 Other department stores

68.5 Info-Communications

69.6 Wireless@SG

69.2 Mobile Telecom

- 72.0 Singtel*
- 67.5 StarHub
- 65.0 M1

67.0 Broadband

- 67.5 M1
- 67.0 StarHub
- 66.9 Singtel

66.6 PayTV

- 67.7 StarHub
- 65.8 Singtel

This chart summarises the results of the CSiSG 2016 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 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 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. 2016 marks the 10th year of the CSISG national study.

FIRST QUARTER RESULTS HIGHLIGHTS

Both the Retail and Info-Communications sectors registered a significant* increase in scores from the year before. Retail scored 71.7 points (+1.7 points / +2.4% year-on-year) and Info-Communications scored 68.5 points (+1.1 points / +1.6% year-on-year) on a 0 to 100 scale. Figure 1 tracks the performance of the sectors since 2007.

For the Retail sector, significant upticks in scores were seen in the Jewellery Stores, Fashion Apparels, and Department Stores sub-sectors. Jewellery Stores scored 72.3 points this year compared to 69.3 points (+2.9 points / +4.2%) in the previous year. Fashion Apparels scored 71.9 points compared to 69.3 points in 2015 (+2.6 points / +3.8%). Department Stores scored 70.2 points this year compared to 68.6 points in 2015 (+1.6 points/+2.4%).

The Supermarkets (71.5 points), Petrol Service Stations (71.5 points), Motor Vehicles (73.1 points) sub-sectors did not see significant changes from the year before.

Two new sub-sectors were introduced this year. The Furniture & Electronics Stores sub-sector scored 71.5 points, while the e-Commerce sector scored 71.1 points. Measurement of the sub-sectors of Furniture Stores and Clocks & Watches were discontinued.

Within the Info-Communications sector, the Broadband and Wireless@SG sub-sectors saw significant improvements. Broadband scored 67.0 points (+2.1 points / +3.3% year-on-year) while Wireless@SG scored 69.6 points (+10.0 points / +16.8% year-on-year).

The year-on-year change was not significant for the Mobile Telecom sub-sector (69.2 points) and Pay TV sub-sector (66.6 points).

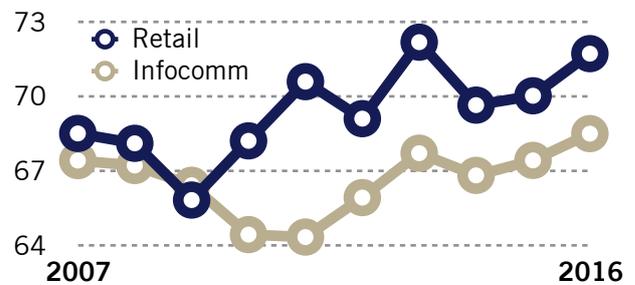


Figure 1: CSISG scores over time, for the Retail and Info-communications sector.

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

FIRST QUARTER KEY FINDINGS

E-Commerce customers tend to visit the e-tailer more often than their physical counterparts

Compared to physical retail stores, e-commerce customers were more likely to visit the online shopping store more than once, over a three month period. For example, Figure 2 shows only 3% of Fashion Apparels customers and 17% of Department stores customers visiting the store more than once in a 3-month period. In contrast, 28% of e-Commerce customers visited the online store more than once in the same period.

Findings also showed the declared average spending over a three month period for e-Commerce respondents was higher than Department Stores and Fashion Apparels respondents.

Traditional retailers moving onto online platforms should be cognisant of this difference in consumer behaviour when designing their customers' online shopping experience.

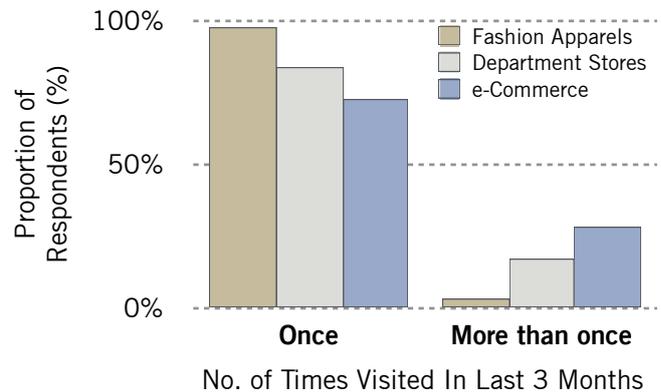


Figure 2: Proportion of Retail customers that visited a store once or more over the last 3 months

Tail-end of online shopping journey matters most to customer satisfaction

It was observed that the tail-end of the customer journey, e.g., timely delivery of products, payment processes, had the most impact on customer satisfaction for the e-Commerce sub-sector. In contrast, traditional retailers, such as department stores, fashion boutiques, and jewellers, saw the most impactful touchpoints come from the front-end of the customer journey, e.g., product availability, promotions. These differences are illustrated in Figure 3.

This suggests driving customer satisfaction in the online retail space will require businesses to prioritise resources differently.

	Department Stores	Fashion Apparels	Jewellery	e-Commerce
Increasing importance to customer satisfaction ↑	Ambience	Availability of products	Staff courtesy & helpfulness	Product delivered in a timely manner
	Availability of products	Products/promotions information	Types of promotions offered	Fair returns & exchange policies
	Brand image complements personality		Availability of products	Easy to check out & pay

Figure 3: Retail sub-sector touchpoints, arranged in decreasing order of importance

Supermarket self-checkout has no adverse impact on customer satisfaction

Supermarkets have been introducing self-checkout counters aimed at alleviating labour constraints and raising productivity.

Analysis shows that supermarket customers who prefer to use this self-service touchpoint, as opposed to using a cashier, demonstrated no statistically significant difference in their customer satisfaction, loyalty, and spending behaviour. This is illustrated in Figure 4.

The introduction of self-checkout machines has complemented cashiers in facilitating a smooth payment process, with no adverse effects measured in the latest CSISG data. With additional analysis indicating Ease of Making Payment at supermarkets as

	Use Cashier more	Use Self-Checkout more
CSISG Score	71.4	71.9
Loyalty Score	73.3	74.6
Visits in the past 3 months	10.0	12.9
Average Spend (per Visit)	\$82.44	\$73.41
Average Spend (past 3 months)	\$604.19	\$615.57

Figure 4: Comparison between Supermarket customers that use the cashier more and those that use Self-checkout more

the most important driver of satisfaction, operators should continue improving upon this aspect of the supermarket experience.

Attributes that drive satisfaction and loyalty differ for Info-comm customers

Analysis of the Info-Communications sector suggests that attributes that keep customers satisfied differ from those that would serve to retain them. Although the Range of Subscription Plans to Meet Needs was a common driver of customer satisfaction for Mobile, Broadband, and PayTV customers, it was noteworthy that its relative importance differed, and did not register statistical impact when it came to driving loyalty at the Broadband and PayTV sub-sectors. This is illustrated in Figure 5.

The ability to closely monitor and adjust the service proposition to meet customers' needs at key junctures of their relationship with a telco appear to be the most efficient way to retain them.

Mobile Telecom		Broadband		PayTV	
Satisfaction	Loyalty	Satisfaction	Loyalty	Satisfaction	Loyalty
Network reliability	Range of subscription plan to meet needs	Range of subscription plan to meet needs	Loyalty & Rewards program	Range of subscription plan to meet needs	Loyalty & Rewards program
Mobile data speed	Network reliability	Internet data speed		Variety of channels that interest me	
Range of subscription plan to meet needs	Network coverage	Loyalty & Rewards program		Transmission quality	

Figure 5: Differences in the attributes that significantly impact satisfaction and loyalty, for each of the three Info-comm sub-sectors, with common attributes highlighted

New telco customers less satisfied and loyal

When segmenting Info-communications sub-sector respondents by how long they have held a post-paid subscription plan, it was notable that customers with subscriptions of less than two years tend to be less satisfied and loyal.

Specifically, Mobile Telecom customers who have been with a telco for two or more years were significantly more satisfied and loyal, as shown in Figure 6. This could be due to survivor bias, i.e., those that were not satisfied when their subscription plan was due for renewal left the telco for a competitor, leaving behind relatively happier customers.

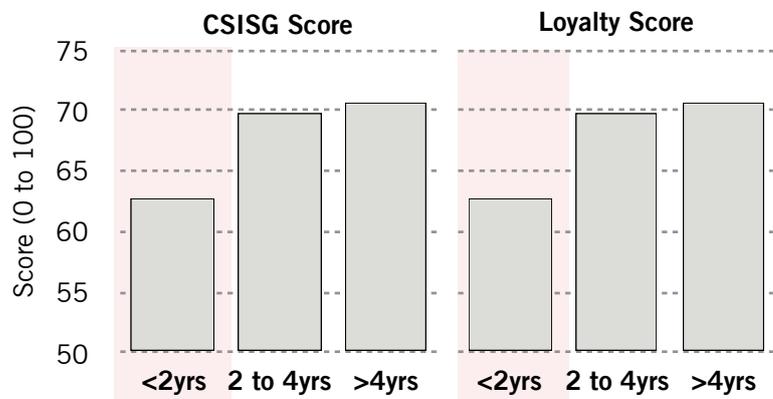


Figure 6: Mobile Telecom customers' CSISG and Loyalty scores, segmented by how long they have been with the telco

Using the touchpoint impact analysis in Figure 5, telcos cognisant of the behaviour of newer customers can employ the most appropriate levers when driving customer satisfaction and loyalty.

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. The 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 sectors in the second quarter, the 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 the first quarter of 2016, results for the Retail and Info-Communications sectors were collected and analysed. The former comprises of the Department Stores, e-Commerce, Fashion Apparels, Furniture & Electronics Stores, Jewellery, Motor Vehicles, Petrol Service Stations, and Supermarkets sub-sectors. The latter consists of the Broadband, Mobile Telecoms, Pay TV, and Wireless@SG sub-sectors.

CSISG 2016 FIRST QUARTER CHANGES

This year's survey introduced two new Retail sub-sectors, Furniture & Electronics Stores and e-Commerce, each with their own constituent companies selected based on a separate incidence study. The incidence study also supported the introduction of additional benchmark companies into the Department Stores, Fashion Apparels, and Supermarkets sub-sector. At the same time, measurement for the Clocks & Watches and Furniture Stores sub-sectors was discontinued.

CSISG 2016 FIELDWORK PROCESS

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

In all, the Q1 fieldwork garnered 8,584 interviews with locals and 905 with departing tourists at the airport. Together, there were 9,489 unique responses covering 323 distinct entities in the Retail and Info-Communications sectors; 49 entities have published scores.

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