



CUSTOMER SATISFACTION INDEX OF SINGAPORE 2012

Q1 SCORES
RETAIL AND INFO-COMMUNICATIONS

RESULTS OVERVIEW

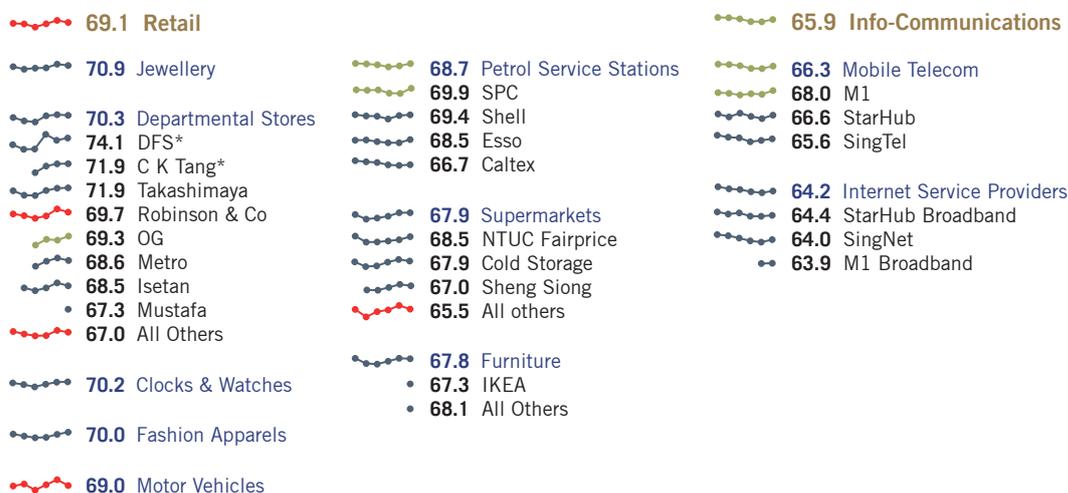


INSTITUTE OF
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2012 Q1 SCORES RETAIL AND INFO-COMMUNICATIONS



This chart summarises the results of the CSISG 2012 satisfaction scores in the Retail and Info-Communications 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.

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 2011 to 2012

statistically significant decrease in customer satisfaction from 2011 to 2012

insignificant year-on-year change in customer satisfaction score

FIRST QUARTER RESULTS HIGHLIGHTS

Between 2011 and 2012, customer satisfaction for the Info-Communications sector rose by 1.6-points to 65.9-points (on a 0 to 100 scale). This significant 2.5% improvement reverses the downward trend the sector experienced since tracking began in 2007, as shown in Figure A.

The Retail sector saw its satisfaction score dip 1.5-points (-2.1%) to 69.1-points, negating some of the strong gains it made in the previous two years. The fall was primarily led by the Motor Vehicles sub-sector, which saw a significant 4.2-point (-5.7%) decrease to 69.0-points. Apart from this significant change in the Motor Vehicles sub-sector, collectively the rest of the sub-sectors within the Retail sector saw no significant change in customer satisfaction.

The only other Retail sub-sector with statistically significant changes came from Petrol Service Stations, improving 1.7-points (+2.4%) to 68.7-points. The sub-sectors of Clocks & Watches, Departmental Stores, Fashion Apparels, Furniture, Jewellery, and Supermarkets did not make statistically significant changes. From the Departmental Stores sub-sector, DFS and C K Tang had scores that were significantly higher than their sub-sector average.

Within the Info-Communications sector, the individual improvements experienced by the three telcos collectively contributed to a significant improvement in satisfaction from 2011.

The Telecommunications sub-sector led these improvements, gaining 1.8-points (+2.8%) year-on-year to 66.3-points. In particular, M1's customers were the most satisfied of the three, improving by 2.7-points (+4.1%) to 68.0-points. This helped push Singapore's smallest telco's CSISG score to top the Telecommunications sub-sector.

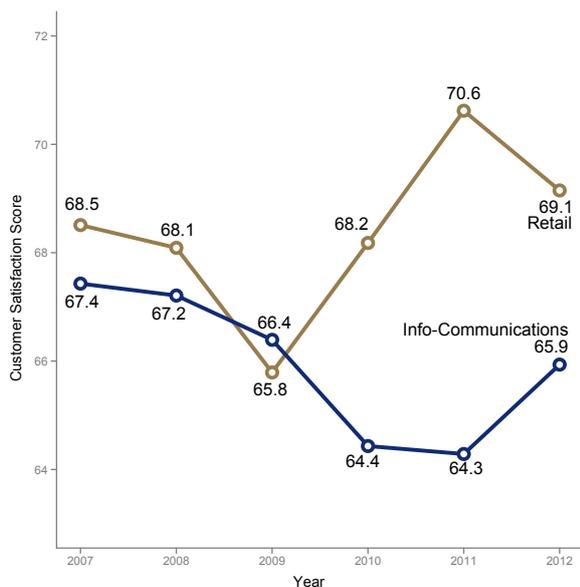


Figure A: CSISG scores for the Retail and Info-Communications sectors from 2007 to 2012

FIRST QUARTER KEY FINDINGS INCREASE IN CUSTOMER COMPLAINTS

The Q1 survey of the Info-Communications and Retail sectors found that respondents were generally getting more vocal. According to Figure B, the Retail sector's Complaint Rate increased from 1.3% in 2010, to 1.5% in 2011 and 2.7% in the CSISG 2012 survey, reverting to rates similar to 2008. The Info-Communications sector saw an even larger increase in complaints, from 6.2% in 2010, to 9.1% in 2011 and 16.3% in 2012. These are the highest complaint rates recorded since tracking began in 2007.

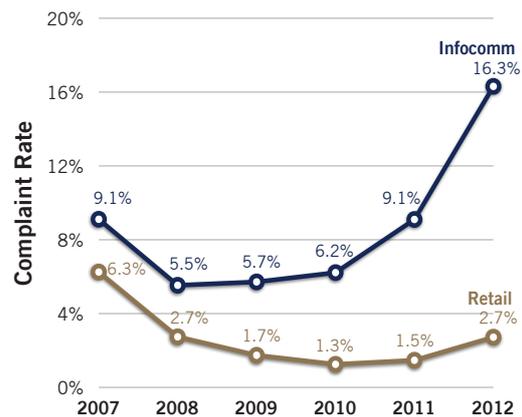


Figure B: Complaint rates increased for the Retail and Info-Communications sectors in 2012

As shown in Figure C, other CSISG complaint metrics, specifically customers that had something to complain about but did not complain because they did not see a point or the perception that it was too difficult, also saw significant year-on-year increases in both sectors measured in Q1. The average consumer in these sectors was also significantly more likely to complain to their family and friends in 2012 as compared to 2011.

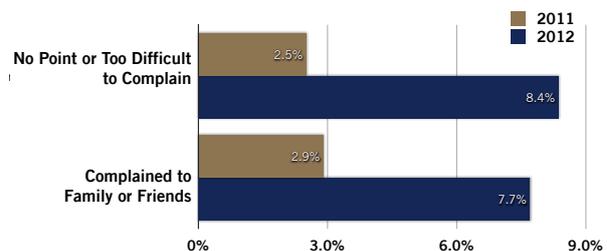


Figure C: Different types of complaints rising for the Retail and Info-Communications sectors year-on-year

However, having more vocal customers is a positive change in consumer behaviour as it allows companies opportunities to close the feedback loop, save otherwise disgruntled customers from defecting to a competitor, and review processes that are not delivering as planned.

Furthermore, as illustrated in Figure D, the satisfaction scores indicated for the different types of complaining customers,

show that addressing customer complaints well will always result in customers that are significantly more satisfied than those that either had their complaint handled poorly or did not complain because they perceived the process to be too difficult or was pointless. Hence, companies may wish to adopt a positive view of customer complaints and keep the focus on handling complaints well.

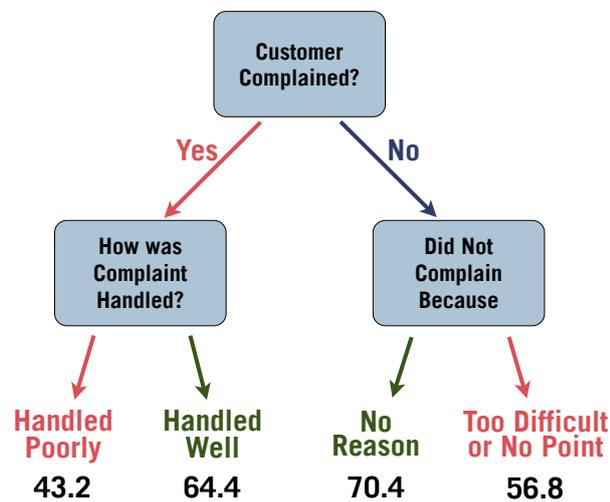


Figure D: Handling complaints well will lead to satisfied customers

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, up to three sectors are measured each quarter with their results released the following quarter. Companies in the Retail and Info-Communications sectors were measured in this first quarter, Transportation & Logistics, Public, and Private Education 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. A national score for 2012 will then be computed using the data collected over the past year.

For the first quarter of 2012, the Retail sector covered the following sub-sectors: Clocks & Watches, Departmental Stores, Fashion Apparels, Furniture, Jewellery, Motor Vehicles, Petrol Service Stations, and Supermarkets. The Info-Communications sector consisted of the Telecommunications and Internet Service Providers sub-sectors.

This quarter's release also incorporated updates to the Retail sector. Specifically, individual motor vehicle companies have been combined for 2012 due to lower car sales volume, IKEA was added to the Furniture sub-sector, and Mustafa is now measured under Department Stores instead of the Supermarkets sub-sector.

CSISG 2012 FIELDWORK PROCESS

Survey data for the Retail and Info-Communications sectors was collected between January and March 2012. It collated 8,184 unique responses with regards to customer experience in these sectors. This included 5,561 face-to-face interviews with Singapore residents at their homes (each resident answered up to two questionnaires) and 1,302 interviews with departing tourists at Changi Airport (each tourist answered one questionnaire) pertaining to their experience with the Retail sector. In all, the questionnaires covered about 614 companies in the Retail and Info-Communications sectors.

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