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News Release

Customer Satisfaction Rises for Tourism and Food & Beverage Sectors in Singapore: SMU Study

Singapore, 29 November 2016 (Tuesday) – The Institute of Service Excellence (ISES) at the Singapore Management University (SMU) today released the 2016 third quarter (Q3) Customer Satisfaction Index of Singapore (CSISG) results for the Tourism and Food & Beverage sectors. Statistically significant upticks in customer satisfaction were seen in the Tourism (71.1 points/+1.7 points or +2.4%) and Food & Beverage (70.1 points/+2.98 points or +4.4%) sectors from 2015.

Customer satisfaction scores are computed based on customers' perceptions of Overall Satisfaction, Ability to Meet Expectations and Similarity to Ideal in their interaction with measured entities which are selected based on consumer incidence. The scores are further influenced by drivers such as Perceived Overall Quality, Perceived Value and Customer Expectations.

“Despite a general uptrend in customer satisfaction, we are seeing a decrease in expected quality among locals particularly in food courts, bars and pubs, as well as cafes and snack bars, possibly signaling a mindset adjustment within the manpower-constrained environment that businesses are operating in. A continued decline in expected quality may have adverse effects on repurchase intentions in the future,” said Ms Neeta Lachmandas, Executive Director of ISES.

Tourism Sector Highlights

Within the Tourism sector, four sub-sectors including Attractions, Hotels, Travel & Tour Services and Online Travel Agencies were measured. The Attractions and Hotels sub-sectors performed better than the Tourism sector average at 72.8 points and 72.5 points respectively. Leading the pack in Attractions are Sentosa (74.3 points), Singapore Zoo (73.3 points) and Universal Studios (73.1 points). Top ranking entities in Hotels include Marina Bay Sands (77.2 points), Shangri-La (75.6 points) and The Ritz-Carlton (74.9 points).

In addition to intuitive hygiene factors such as hotel facilities, in-room amenities and Internet connectivity, efficiency of the check-in and check-out process as well as the ability to accommodate to special requests were key attributes impacting perceived quality and loyalty for Hotels. As for Attractions, ease of getting around, food and beverage options and cleanliness of attraction came up as key drivers of perceived quality and loyalty.

“The very definition of service is changing in the face of technological disruption and adoption. The traditional understanding of service in terms of staff responsiveness and customer-

oriented dispositions, whilst still important, has now expanded to include a greater emphasis on service process design,” added Ms Lachmandas.

F&B Sector Highlights

The Food & Beverage sector is made up of five sub-sectors including Bars & Pubs, Fast Food Restaurants, Cafes & Snack Bars, Restaurants and Food Courts. Out of these, Bars & Pubs (72.7 points) performed significantly above the Food & Beverage sector average. While Cafes & Snack Bars (70.7 points/+2.64 points or +3.9%) and Food Courts (69.2 points/+2.74 points or +4.1%) performed better than the year before, Fast Food Restaurants (70.7 points) remained statistically unchanged. The Restaurants* sub-sector scored 69.8 points with Fish & Co (71.7 points), Boon Tong Kee (71.4 points) and Din Tai Fung (71.3 points) in top three spots.

For the Cafes & Snack Bars sub-sector where Starbucks (72.7 points), Delifrance (72.2 points) and Coffee Bean & Tea Leaf (70.2 points) took top spots, order-taking process, ability to accommodate to special requests and attentiveness of service staff were identified as key attributes impacting perceived overall quality.

Ease of making reservations and waiting time to be seated emerged as important differentiators with impact on both perceived quality and loyalty for the Restaurants sub-sector.

“While food quality is intuitively important for the F&B sector, the data is telling us that service elements including the ability of service staff to explain menu items, the order-taking process and the ability to accommodate special requests are also important in driving satisfaction,” noted Mr Chen Yongchang, Head of Research and Consulting at ISES.

The CSISG 2016 Q3 study was conducted between July and October 2016. A total of 8,563 surveys were completed.

Please refer to Annex A for a background on the CSISG and Annex B for the detailed scores.

**From 2016 onwards, scores from the Restaurants sub-sector have been computed and reported on a brand level as opposed to holding level (2015 and before) to allow for greater resonance with the public. Scores for 2015 and 2016 for the Restaurants sub-sector are therefore not directly comparable.*

About the Customer Satisfaction Index of Singapore

The Customer Satisfaction Index of Singapore (CSISG) is a landmark study that computes customer satisfaction scores at the national, sector, sub-sector, and company levels with the intent of producing a rigorous, objective and comprehensive assessment of Singapore's service levels. Given that the CSISG is the only national customer satisfaction measurement tool with cross sector capabilities, ISES is able to provide organisations with exclusive benchmarking insights about customer satisfaction as well as use predictive analytics and regression models to pinpoint drivers that would deliver the most impact.

About the Institute of Service Excellence (ISES) at Singapore Management University

The Institute of Service Excellence was jointly set up by Singapore Management University and Singapore Workforce Development Agency in July 2007 to elevate service levels and promote a culture of service excellence in Singapore. Working in close collaboration with government agencies and business leaders, ISES champions service excellence through an integrated approach that encompasses benchmarking and analysis, research and thought leadership, as well as industry engagement.

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