

Embargoed till 11.30am, 5 July 2016

News Release

Customer Satisfaction Rises Significantly for the Retail and Info-Communications Sectors in Singapore

Statistically significant upticks in the CSISG scores for the Retail and Info-Communications sectors were bolstered by improvements in satisfaction levels for the Jewellery, Fashion Apparels, Department Stores, Wireless@SG and Broadband sub-sectors.

Singapore, 5 Jul 2016 (Tuesday) – The Institute of Service Excellence (ISES) at the Singapore Management University (SMU) released the 2016 Q1 Customer Satisfaction Index of Singapore (CSISG) results for the Retail and Info-Communications sectors today.

A total of 8,584 locals and 905 tourists were surveyed in face-to-face interviews between January 2016 and April 2016 on their satisfaction levels across a basket of Retail and Info-Communications entities which were selected based on a combination of general population study (N=2000), incidence study (N=6300) and recency of consumer interaction screeners.

The CSISG study revealed that 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.

CSISG Results for the Retail Sector

Within the Retail sector, eight sub-sectors were measured. The *e-Commerce* sub-sector was introduced for the first time in 2016 to account for changing consumption patterns within the retail landscape of Singapore. Another notable change is the inclusion of entities with published scores within the *Fashion Apparels and Furniture & Electronics* sub-sectors.

Ms Neeta Lachmandas, Executive Director of ISES said, “We are seeing greater consumption activities being taken online. By introducing an e-Commerce sub-sector within the CSISG, we are hoping to glean insights that could help boost the competitiveness of this fast-growing retail segment. This year, we are also publishing the scores of more retailers at a brand level to give recognition to top performers.”

Statistically significant upticks in scores were seen in the *Jewellery, Fashion Apparels and Department Stores* sub-sectors.

Jewellery scored 72.3 points this year compared to 69.3 points (+2.9 points/+4.2% year-on-year) last year. *Fashion Apparels* scored 71.9 points compared to 69.3 points in 2015 (+2.6 points/+3.8% year-on-year), with Bossini (74.8 points), Uniqlo (74.5 points) and Hang Ten (74.0 points) at the top three positions.

Department Stores scored 70.2 points this year compared to 68.6 points in 2015 (+1.6 points/+2.4% year-on-year). Top performers in this sub-sector were DFS at 73.2 points (+1.6

points/+2.2% year-on-year), Takashimaya at 71.7 points (+0.8 points/+1.1% year-on-year) and John Little at 71.5 points.

The new *e-Commerce* sub-sector scored 71.1 points, with Zalora ranking first at 73.2 points followed by Taobao/Tmall and Groupon at 72.0 points. The top three drivers that had the most impact on increasing satisfaction scores were timeliness of product delivery, fair returns and exchange policies as well as ease of checking out items and payment on site, pointing to the fact that reliability and convenience are top priorities for customers shopping on e-commerce sites.

“In this difficult economic climate, we are seeing service competitiveness being leveraged as a differentiator. Retailers are paying more attention to store ambience, exploring digital innovations, and refreshing their brand strategies to better align with changing consumer profiles,” added Ms Neeta Lachmandas.

The *Supermarkets* sub-sector scored 71.5 points (+0.8 points/+1.2% year-on-year), a change that is not considered statistically significant. Cold Storage claimed top spot at 72.5 points (+0.9 points/+1.2% year-on-year) followed by Sheng Shiong at 71.9 points (+2.4 points/+3.5% year-on-year) and NTUC Fairprice at 71.7 points (+1.0 point/+1.4% year-on-year). Sheng Shiong was the only entity with a statistically significant increase in satisfaction score, an outcome that could be related to the expansion of existing stores and addition of new stores across Singapore in the last two years.

To account for the recent increase in the number of self-checkout counters deployed across a number of supermarket chains in Singapore, ISES also measured whether the adoption had an impact on customer satisfaction levels. The study showed that customer satisfaction levels are positively correlated with the ease of making payment.

Mr Chen Yongchang, Head of Research and Consulting at ISES observed, “Given the manpower-constrained environment that we are operating in, it is heartening to see that the introduction of self-checkout counters at supermarkets has in fact complemented cashiers in facilitating a smooth payment process. Overall, the ease of making payment at supermarkets is the most important driver of satisfaction at supermarkets.”

The remaining sub-sectors including *Petrol Service Stations* (71.5 points, +0.8 points/ +1.2% year-on-year), *Motor Vehicles* (73.1 points, +0.4 points/+0.5%), and *Furniture & Electronics* (71.5 points) did not see statistically significant changes from the year before.

CSISG Results for the Info-Communications Sector

Within the Info-Communications sector, four sub-sectors were measured: *Mobile Telecom*, *Broadband*, *Pay TV* and *Wireless@SG*.

The *Broadband* and *Wireless@SG* sub-sectors saw statistically significant increases in score. *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). M1 claimed the top spot for the *Broadband* sub-sector with 67.5 points (+1.3 points/ + 1.9% year-on-year), followed by StarHub at 67.0 points (+0.04 points/+0.1% year-on-year) and SingTel at 66.9 points (+2.8 points/+4.3% year-on-year).

“The sharp increase in satisfaction score for Wireless@SG could be due to the successful implementation and take up of free WiFi service at 33 MRT stations in Singapore in the months leading up to the survey period,” noted Mr Chen Yongchang.

There were no statistically significant changes in scores for the *Mobile Telecom* at 69.2 points (+0.8 points/+1.1% year-on-year) and Pay TV at 66.6 points (+1.6 points/ +2.4% year-on-year). In the *Mobile Telecom* sub-sector, SingTel claimed top spot with a score of 72.0 points (+2.6 points/+3.8% year-on-year) followed by StarHub at 67.5 points (-1.5 points/-2.2% year-on-year) and M1 at 65.0 points (+1.0 points/+1.6% year-on-year). For *Pay TV*, StarHub TV claimed top spot with a score of 67.7 points (+1.1 points/+1.6% year-on-year), followed by SingTel at 65.8 points (+1.5 points/+2.3% year-on-year).

Mr Chen Yongchang added, “Network reliability and the ability to closely monitor and nimbly adjust subscription plans as well as loyalty programmes to meet the changing needs of consumers appear to be key predictors of satisfaction and loyalty for the Info-Communications sector.”

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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