



CUSTOMER SATISFACTION INDEX OF SINGAPORE 2017

Q1 RESULTS OVERVIEW RETAIL AND INFO-COMMUNICATIONS



INSTITUTE OF
SERVICE EXCELLENCE
SINGAPORE MANAGEMENT UNIVERSITY





2017 Q1 SCORES
RETAIL AND INFO-COMMUNICATIONS

HOW WELL DID COMPANIES SATISFY THEIR CUSTOMERS?

72.1 Retail

72.5 Fashion Apparels

- 75.5 Zara
- 73.6 Adidas
- 73.2 Bossini
- 72.9 G2000
- 72.4 Uniqlo
- 72.1 Esprit
- 71.9 Cotton On
- 71.7 Giordano
- 71.2 Hang Ten
- 71.1 H&M
- 72.7 Other fashion apparels

72.4 Supermarkets

- 73.1 NTUC Fairprice
- 72.4 Sheng Siong
- 72.3 Cold Storage
- 71.6 Giant
- 70.0 Other supermarkets

71.4 e-Commerce

- 73.7 Zalora*
- 73.1 Groupon
- 72.6 Ebay
- 71.7 Taobao/Tmall
- 71.5 Qoo10
- 71.4 Carousell
- 70.0 Amazon
- 69.2 Other e-Commerce

71.2 Department Stores

- 73.6 DFS*
- 72.1 Takashimaya
- 72.1 Robinsons
- 71.7 Metro
- 71.2 BHG
- 70.9 Isetan
- 70.1 Tangs
- 69.2 OG
- 70.3 Other department stores

69.6 Info-Communications

70.3 Wireless@SG

- 70.2 Mobile Telecom
- 73.0 Singtel*
- 69.2 StarHub
- 66.6 M1

68.2 Broadband

- 68.2 StarHub
- 68.2 M1
- 68.0 Singtel

67.4 PayTV

- 67.6 StarHub
- 66.9 Singtel

This chart summarises the results of the CSiSG 2017 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 2016 to 2017

 statistically significant decrease in customer satisfaction from 2016 to 2017

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

CSISG 2017 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. 2017 marks the 11th year of measurement for the CSISG national study.

FIRST QUARTER RESULTS HIGHLIGHTS

While the Retail sector registered 0.4 point (+0.5%) increase over the previous year to reach a four-year high of 72.1 points (on a 0 to 100 scale), the improvement in score was not significant*. In contrast, the Info-Communications sector scored 69.6 points, a significant 1.1 point (+1.6%) year-on-year improvement; the score also represents a record high for the sector since measurement began 11 years ago.

Of the four sub-sectors measured within the Retail sector, three had CSISG performances comparable to the previous year: Fashion Apparels, Supermarkets, and e-Commerce scored 72.5 points (+0.6-points / +0.9% year-on-year), 72.4 points (+0.9-points / +1.3% year-on-year), and 71.4 points (+0.4-points / +0.5% year-on-year) respectively. The fourth, Department Stores, scored 71.2 points, a significant 1.0-point (+1.4%) improvement over the previous year.

The Info-Communications sector's constituent sub-sectors included Wireless@SG with a score of 70.3 points (+0.7-points / +1.1% year-on-year), Mobile Telecom at 70.2 points (+1.1-points / +1.6% year-on-year), Broadband at 68.2 points (+1.1-points / +1.7% year-on-year), and PayTV at 67.4 points (+0.7-points / +1.1% year-on-year); these sub-sectors' individual year-on-year movements were not considered significant.

Figure 1 illustrates the 2016 and 2017 CSISG performance of each sub-sector measured in Q1.

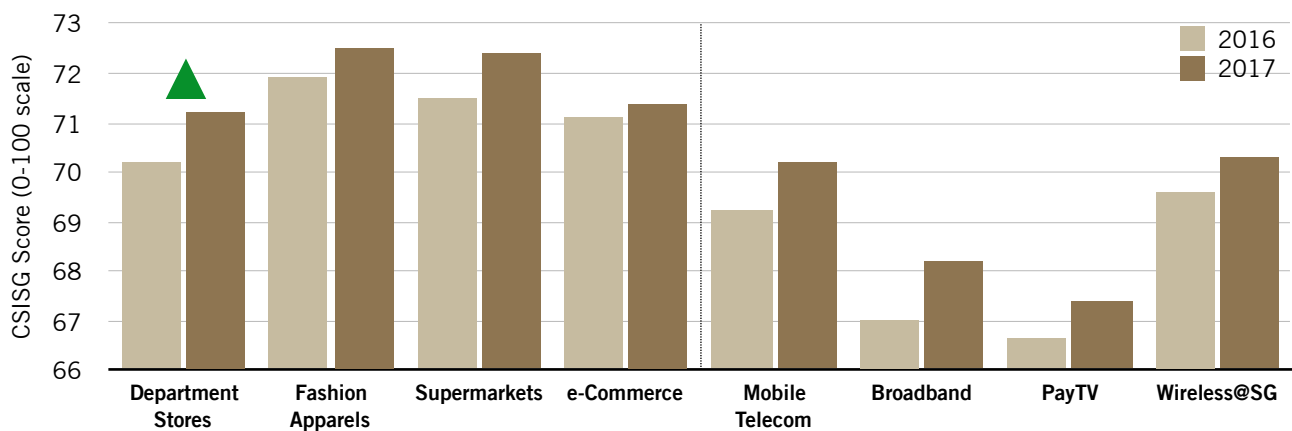


Figure 1: CSISG 2016 and 2017 scores for each measured Retail and Info-communications sub-sector. The green-marker denotes a significant improvement compared to the previous year.

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

FIRST QUARTER KEY FINDINGS

Local Department Store customers using digital platforms have significantly higher satisfaction, loyalty, and average spend

Segmenting local department store customers into two groups, those that shopped at the store only and those that experienced the stores' digital platforms, revealed significantly higher satisfaction, loyalty, and average spend with customers that had experienced the stores' digital platforms, i.e., the websites or mobile apps. This is illustrated in Figure 2.

In addition, when compared to the e-Commerce sub-sector's customers, this group of Department Store customers that had used digital platforms had similar levels of customer satisfaction and significantly higher levels of customer loyalty.

This suggests that traditional brick and mortar stores could be well-served with a robust omni-channel presence; it potentially gives them a competitive edge over the store-only experience and e-Commerce retailers.



Figure 2: Local Department Stores customers, segmented into two groups, i.e., those that shopped in a store only and those that also had experienced the stores' digital platforms.

Service staff remains a key driver of quality and loyalty in traditional retailing

Analysis of the Department Stores, Fashion Apparels, and Supermarkets sub-sectors show that service staff continue to be key drivers of perceived quality and loyalty.

The table in Figure 3 illustrates the top three drivers of Perceived Quality and Customer Loyalty to each of the three Retail sub-sectors. While Product and Promotions related attributes do feature as important drivers, staff availability, their helpfulness, and their domain knowledge also surface as important attributes.

To optimise customers' experience and improve the likelihood of their repeated patronage, retailers can use this impact analysis for efficient resource allocation.

Department Stores	Fashion Apparels	Supermarkets
Top 3 Attributes with Impact on Quality		
Availability of staff when needed	Variety of products that interest me	Product knowledge of staff
Availability of products	Ease of getting to the stores	Brand image complements your lifestyle
Helpfulness of staff	Product knowledge of staff	Freshness of produce
Top 3 Attributes with Impact on Loyalty		
Availability of staff when needed	Variety of products that interest me	Attractiveness of promotions and discounts
Availability of products	Helpfulness of staff	Payment Process
Helpfulness of staff	Ability to accommodate to special requests	Information about products & promotions in advertisements
Legend: Staff Product Promotions		

Figure 3: The top three attributes with impact on Perceived Quality and Loyalty, respectively, for the Department Stores, Fashion Apparels, and Supermarkets sub-sector. Attributes arranged in descending order of importance.

Positive relationship between telco subscription tenures and satisfaction, loyalty

Within the Info-Communications sector, Mobile Telecom and Broadband customers were observed to exhibit significantly higher levels of customer satisfaction and loyalty the longer they stay subscribed to a particular telco. Figure 4 illustrates how the CSISG and Loyalty scores increase with each tenure segment.

Further observations also indicate the proportion of respondents that has more than one service with their telco increased the longer they stayed subscribed to the service provider.

These observations are particularly pertinent as the customer loyalty score for the Mobile Telecom sub-sector fell significantly year-on-year.

As the longer-tenured customers, i.e., subscribed for more than four years, are significantly more likely to re-contract and are more tolerant to price increases, telcos can consider strengthening these relationships to serve as a hedge in an increasingly competitive sector.

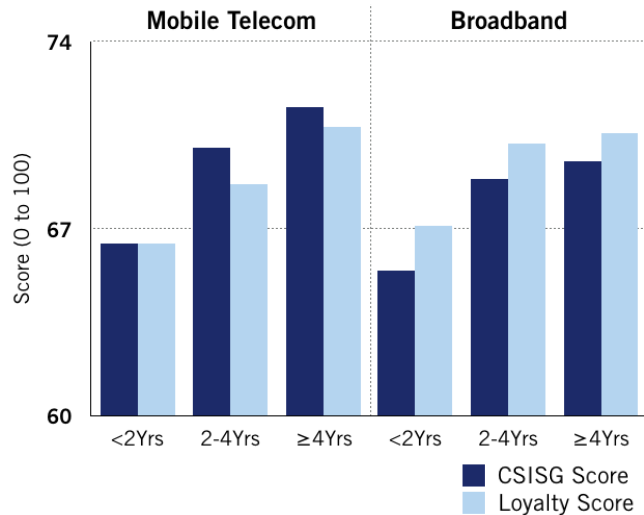


Figure 4: Mobile Telecom and Broadband sub-sector scores, segmented by tenure.

Service attributes are key drivers of quality and loyalty for Telcos

Analysis of the Info-Communications sub-sectors of Mobile Telecom, Broadband, and PayTV revealed that service attributes relating to empathy, responsiveness, and assurance were key drivers of perceived quality and loyalty, in addition to the typical product-related attributes and loyalty programmes. This is illustrated in Figure 5.

While competitive product quality and features continue to play a big part in satisfying, and retaining, customers, it is notable that service-related considerations such as ‘Makes the effort to understand your needs’ and ‘Provides prompt/efficient service’ have also surfaced as important attributes.

This suggests that a strategy that focuses on these service elements will be an effective way to strengthen perceived quality, and ultimately customer satisfaction and loyalty.

Mobile Telecom		Broadband		PayTV	
Quality	Loyalty	Quality	Loyalty	Quality	Loyalty
Makes the effort to understand your needs	Makes the effort to understand your needs	Internet data speed	Internet data speed	Loyalty & Rewards program	Loyalty & Rewards program
Network coverage	Range of Subscription plans to meet my needs	Network reliability	Has your best interest at heart	Makes you feel assured that your needs will be taken care of	Makes the effort to understand your needs
Network reliability of local mobile data	Proactively helps you when needed	Provides prompt service	Makes you feel assured that your needs will be taken care of	Makes the effort to understand your needs	Provides efficient service
Legend:		Responsiveness	Empathy	Assurance	Product

Figure 5: The top three attributes with impact on Perceived Quality and Loyalty, for the Mobile Telecom, Broadband, and PayTV sub-sectors. Attributes arranged in descending order of importance.

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.

Company scores are weighted based on a separately-conducted incidence study. This incidence study determines each company's sample profile and the local-tourist weights. Sub-sector scores are derived as a weighted average of company scores, in proportion to the local and tourist incidence interactions with the constituent companies. Sector scores are derived by 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, the Air Transport and Land Transport 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 2017 would then be computed using the data collected over these four quarters.

For the first quarter of 2017, results for the Retail and Info-Communications sectors were collected and analysed. The former comprises of the Department Stores, e-Commerce, Fashion Apparels, and Supermarkets sub-sectors. The latter consists of the Broadband, Mobile Telecoms, Pay TV, and Wireless@SG sub-sectors.

CSISG 2017 FIRST QUARTER CHANGES

This year's survey ceased measurement of the Furniture & Electronics Stores, Jewellery, Motor Vehicles, and Petrol Service Stations sub-sectors and their constituent companies; these changes were part of a routine review of the national study.

Based on results from the latest incidence study, three replacements were made in the Retail sub-sectors: Adidas and Esprit replaced Mango and Top Shop in the Fashion Apparels sub-sector while OG replaced the defunct John Little in the Department Stores sub-sector. In the e-Commerce sub-sector, Lazada and defunct Deals.com were dropped as measured entities due to low interaction rates.

CSISG 2017 FIELDWORK PROCESS

Survey data for the Retail and Info-Communications sectors was collected between January and April 2017. 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 6,070 interviews with locals and 830 with departing tourists at the airport. Together, there were 6,900 unique responses covering 129 distinct entities in the Retail and Info-Communications sectors; 42 entities have published scores.

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