



SMU

SINGAPORE MANAGEMENT
UNIVERSITY

INSTITUTE OF
SERVICE
EXCELLENCE

CUSTOMER SATISFACTION INDEX OF SINGAPORE 2020

FULL YEAR RESULTS OVERVIEW

Q4 FINDINGS FOR FINANCE AND INSURANCE



LEE KONG CHIAN
SCHOOL OF
BUSINESS



2020 NATIONAL SCORE

74.0

HOW WELL DID COMPANIES SATISFY THEIR CUSTOMERS?

78.4 Air Transport

- 81.7 Airport***
- 81.7 Changi Airport
- 77.0 Full Service Airlines**
- 81.5 Singapore Airlines*
- 80.7 Emirates*
- 75.7 Other full service airlines

73.9 Budget Airlines

- 75.1 AirAsia
- 74.9 Lion Air
- 73.4 Jetstar Asia
- 72.3 Scoot
- 75.4 Other budget airlines

76.1 Tourism

- 76.1 Attractions**
- 78.9 Singapore Zoo*
- 76.2 Gardens By The Bay
- 72.7 Universal Studios
- 72.2 Sentosa
- 77.7 Other attractions

74.5 Land Transport

- 75.9 Point-to-Point Transport***
- 80.0 SMRT*
- 75.7 Gojek
- 75.0 ComfortDelGro
- 74.5 Grab
- 77.4 Other Taxi Companies

74.4 Public Buses

- 75.3 SBS Transit
- 72.7 SMRT
- 74.3 Other bus operators

73.4 Mass Rapid Transit System

- 75.3 SBS Transit*
- 72.5 SMRT

74.0 Finance

- 79.0 e-Payments***
- 80.8 DBS PayLah!
- 79.6 Mobile Banking Apps
- 76.4 Grab
- 78.0 Other e-Payment Apps

74.0 Banks

- 74.7 OCBC
- 74.7 UOB
- 74.5 Maybank
- 74.5 HSBC
- 73.8 DBS
- 73.8 Standard Chartered
- 73.6 Citibank
- 73.3 Other banks

72.7 Credit Cards

- 73.8 HSBC
- 73.5 OCBC
- 73.3 Maybank
- 73.0 UOB
- 72.9 American Express
- 72.4 Standard Chartered
- 71.9 Citibank
- 71.9 DBS
- 72.0 Other Credit Cards

73.8 Insurance

- 73.8 Insurance**
- 74.6 Prudential
- 73.3 AIA
- 73.2 Great Eastern
- 72.3 NTUC Income
- 75.1 Other insurers

73.6 Food & Beverage

- 73.8 Restaurants**
- 76.2 Din Tai Fung
- 73.5 Sakae Sushi
- 72.4 Crystal Jade Kitchen
- 71.2 Pizza Hut
- 71.0 Swensen's
- 74.2 Other restaurants

73.6 Cafes & Coffee Houses

- 77.1 Starbucks
- 72.7 Ya Kun
- 68.3 Toast Box
- 73.7 Other cafes & coffee houses

73.1 Fast Food Restaurants

- 75.1 Burger King
- 74.7 McDonald's
- 74.6 Subway
- 69.9 KFC
- 72.6 Other fast food restaurants

71.3 Info-Communications

73.9 Wireless@SG

71.7 Mobile Telecom

- 72.1 StarHub
- 71.6 M1
- 71.5 Singtel

70.1 Broadband

- 70.9 Singtel
- 70.3 M1
- 69.2 StarHub

70.6 PayTV

- 70.9 StarHub
- 70.2 Singtel

71.0 Retail

72.9 e-Commerce

- 77.5 Ebay*
- 75.7 Amazon
- 75.7 Zalora
- 75.5 Shopee
- 72.7 Fave
- 72.6 Aliexpress
- 70.6 Qoo10
- 70.3 Taobao/Tmall
- 70.0 Lazada
- 69.5 Carousell
- 79.0 Other e-Commerce*

72.1 Fashion Apparels

- 75.6 Adidas
- 74.6 Uniqlo
- 74.3 G2000
- 72.1 Giordano
- 70.3 H&M
- 66.3 Cotton On
- 72.4 Other fashion apparels

71.2 Department Stores

- 77.0 Robinsons*
- 73.2 Tangs
- 72.3 Marks & Spencer
- 70.1 OG
- 70.0 BHG
- 70.4 Other department stores

69.9 Supermarkets

- 76.5 Market Place/Jasons*
- 73.0 Cold Storage
- 70.7 Sheng Siong
- 70.3 NTUC FairPrice
- 67.9 Prime
- 65.6 Giant

This scorecard summarises the results of the CSISG 2020 satisfaction scores at the national, sector, sub-sector and company levels.

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 (in black) are weighted based on a separate incidence study. This incidence study helps determine each company's sample profile and the local-tourist weights. Sub-sector scores (in blue) are derived as a weighted average of company scores, in proportion to the local and tourist incidence interactions with the constituent companies. Sector scores (in gold) are derived by aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions.

Finally, the national index of 74.0 represents a weighted average, by each sector's contribution to GDP, of the 8 sector 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.

CSISG 2020 FULL YEAR AND FOURTH QUARTER 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 and across countries. The fourth quarter results mark the end of measurement for CSISG 2020. Singapore's 2020 national score was computed using the data collected during these four quarters.

FULL YEAR RESULTS HIGHLIGHTS

The 2020 national score was 74.0 points (on a 0 to 100 scale).

While this marked a decline compared to 2019's score of 74.3 points, the two scores, as well as those from previous years, cannot be directly compared. This is because of changes in the CSISG study's data collection methodology, from face-to-face interviews to online surveys for the majority of the sectors measured.

With the Covid-19 pandemic, there were restrictions on face-to-face interviews during the circuit breaker period, as well as a lack of tourists respondents arising from the shutdown of international travel. These developments served as a catalyst to move most of the CSISG fieldwork online. As such, 2020 was a year of change for the national study and sectoral score comparisons with previous years should only be used as an indicative reference.

Figure 1 lists each measured industry sector in descending order of performance, as well as reasons that precluded year-on-year comparisons. While most sectors saw changes, methodology for the Info-communications sector remained unchanged in 2020; its scores remain directly comparable with previous years.

Sector	CSISG 2020 Score	2020 Changes to Methodology
Air Transport	78.4	Switched from face-to-face to online interviews and no tourists interviewed. 2019 score of 76.1 points not comparable.
Tourism	76.1	Switched from face-to-face to online interviews and no tourists interviewed. Furthermore, the Hotels sub-sector was not measured due to the lack of tourist respondents. 2019 score of 75.8 points not comparable.
Land Transport	74.5	Switched from face-to-face to online interviews and no tourists interviewed. 2019 score of 68.0 points not comparable.
Finance	74.0	First year of measure; previously part of a combined Finance & Insurance sector. No comparison available.
Insurance	73.8	First year of measure; previously part of a combined Finance & Insurance sector. No comparison available.
Food & Beverage	73.6	Switched from face-to-face to online interviews and no tourists interviewed. 2019 score of 76.9 points not comparable.
Info-communications	71.3	No change to 2020 fieldwork methodology. 2019 score of 72.1 points comparable. The 1.0% decline was not statistically significant.
Retail	71.0	Switched from face-to-face to online interviews and no tourists interviewed. 2019 score of 73.4 points not comparable.

Figure 1: Industry sectors measured in CSISG 2020, arranged in descending order of performance, and their corresponding changes to methodology.

FOURTH QUARTER RESULTS HIGHLIGHTS

The Finance and Insurance sectors were reconstituted as separate industry sectors in 2020, having been part of a combined Finance & Insurance sector in previous years. The Finance sector now comprises of the pre-existing Banks and Credit Cards sub-sectors, as well as the new e-Payments sub-sector. The Insurance sector now comprises of four insurers and a catch-all category, whereas in the past, insurers were bucketed into the sub-sectors of Health & Medical Insurance, Life Insurance, and Motor & Other Personal Insurance.

In terms of year-on-year comparability, only the Banks and Credit Cards sub-sectors, and their constituent entities, can be benchmarked. The Banks sub-sector scored 74.0 points in customer satisfaction, a significant 1.7% decline over the previous year. This was driven by lower performance across various metrics, as well as lower satisfaction ratings for most of the measured digital and non-digital touchpoints. The Credit Cards sub-sector scored 72.7 points, similar to the previous year. The new e-Payments sub-sector scored 79.0 points in its debut. The Insurance sector scored 73.8 points; the score was not comparable with previous years due to changes in data collection and sampling methodologies.

FOURTH QUARTER KEY FINDINGS

Insurance Policyholders Using Digital Channels More Loyal

A majority (51.1%) of insurance policyholders surveyed had indicated the use of digital channels when interacting with their insurers. These customers rated their insurer higher on perceived value and loyalty, when compared to policyholders that had not used such channels. This is illustrated in Figure 2.

Furthermore, policyholders surveyed also indicated digital platforms, specifically “websites”, as the channel they most preferred to use when searching for product and service information; financial advisors were the most preferred channel when making the actual purchase of a policy.

The positive association of loyalty and value metrics with the usage of digital channels suggest insurance companies should invest in online services to engage with their customers.

Score	Insurance Policyholders	
	Interacted with Digital Channels	Did not interact with Digital Channels
Perceived Value	73.9	70.5
Customer Satisfaction	74.6	73.0
Customer Loyalty	73.1	69.6

Figure 2: Comparing insurance policyholders who had interacted with digital channels against those that did not. A **GREEN** / **RED** score indicates a statistically significant difference between a row's two scores.

More Credit Card Users Spending Online

More Credit Card customers were observed to be taking their spending online.

When asked which category of merchants they had most recently spent on, 16.1% of cardholders indicated food delivery platforms, compared to just 3.8% in 2019. Online shopping marketplaces also saw a marked increase in the proportion of their spending, with 10.8% of respondents indicating it as their most recent spend category compared to 6.6% the year before. Figure 3 illustrates the changes in credit card spending categories.

These observations support the shift in consumption behaviour online, accelerated by the Covid-19 pandemic and movement restrictions throughout 2020.

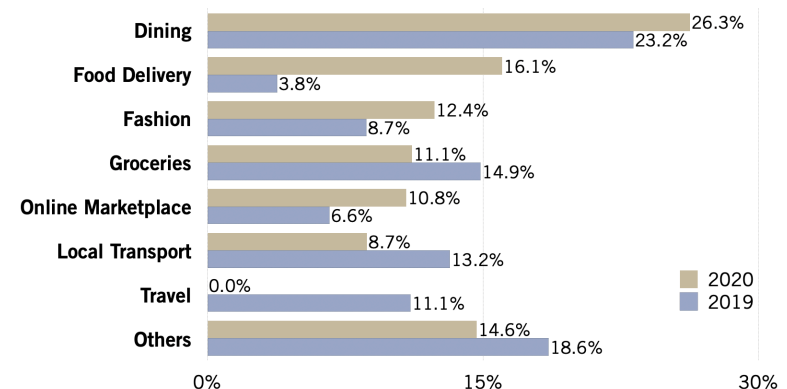


Figure 3: Credit Cards respondents' most recent spending, compared year-on-year.

Frequent Users of e-Payment Apps More Satisfied, Loyal, and Spend More

About four in five (79.2%) e-payment respondents reported an increase in the use of e-payments as compared to 2019, as shown in Figure 4.

This increased usage was associated with higher customer satisfaction, loyalty, and average monthly spend: The study showed 55.6% of e-Payment respondents using the platform at least once a week, with the most frequent users, i.e., those who use e-payments at least four times a week, having significantly higher levels of satisfaction, loyalty, and spending, compared to the less frequent users. This is illustrated in Figure 5.

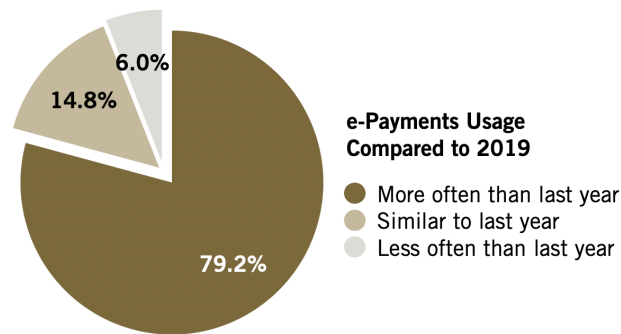


Figure 4: Respondents' usage of e-Payments compared to 2019.

	Less frequent: The most 1 time a month	2 to 3 times a month	At least 1 - 3 times a week	At least 4 times a week
CSISG	74.5	75.9	80.8	84.1
Loyalty	73.1	77.2	82.2	86.7
Average Spent per month	\$164.06	\$224.47	\$289.61	\$647.56

Figure 5: Comparing e-Payment users' average satisfaction, loyalty, and monthly spend based on their usage frequency. A **RED** figure indicates a significantly **WORSE** score/spend than the most frequent users (i.e., At least 4 times a week).

Loyalty for Credit Cards and e-Payments Driven by Similar Set of Attributes

Analysis of both the Credit Cards and e-Payments sub-sectors revealed that attributes relating to brand and innovation were common drivers of loyalty. This is illustrated in Figure 6.

Interestingly, e-Payments significantly outperformed Credit Cards on a couple of attributes that were key drivers of Credit Card loyalty, such as accessing transaction information (8.08 vs. 7.82 points, on a 1 to 10 scale) and innovation (7.94 vs. 7.69 points). Conversely, Credit Cards outperformed e-Payment on merchant tie-ups (7.69 vs. 7.45 points), which was identified as a key driver of loyalty for e-Payments.

Credit Cards and e-Payments' value propositions appear to be converging. For instance, both payment methods offer benefits such as cashback and rewards programmes. Companies which offer both products should consider how they might better leverage on the strengths of each product to offer a more holistic payment solution to better meet customers' needs and build loyalty over time.

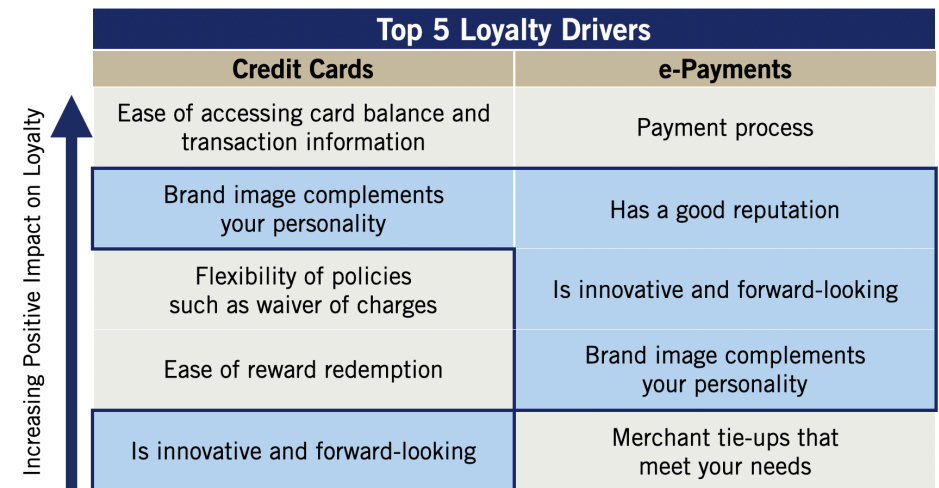


Figure 6: The top 5 drivers of Customer Loyalty for the credit cards and e-Payments sub-sectors, arranged in descending order of importance. Attributes relating to brand and innovation are highlighted in **blue**.

Bank Customers More Sensitive to Fee Increases

The Banks sub-sector recorded lower CSISG scores, year-on-year. This was observed alongside lower levels of loyalty, and specifically, price tolerance. Price tolerance, i.e., reservation price, is the degree to which banks can raise fees and charges before the customer defects. Figure 7 illustrates the significant decline in price tolerance in 2020.

With the Covid-19 pandemic's safety measures prompting reduced service levels, such as temporary branch closures, as well as an overall uncertain and volatile economic environment, customers may have become more price sensitive.

How much can your main bank raise its fees and charges before you definitely would not choose them again?

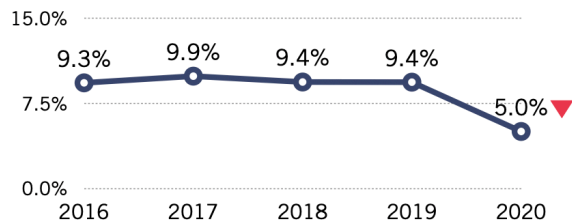


Figure 7: Bank sub-sector's price tolerance over time. Respondents that indicated a willingness to use their main bank again was asked this question. The ▼ denotes a significant decline compared to the previous year.

Significant Increase in Older Bank Customers Using Digital Banking Channels

The overall Banks sub-sector's digital channels usage rose from 72.1% in 2019 to 76.9% in 2020. The rising trend in digital channel usage is illustrated in Figure 8. With branch closures due to Covid-19 pandemic lockdowns, banks were proactively migrating their customers to use their online services.

Older customers, aged 60 and above, saw the largest year-on-year increase in digital channel usage. This group's usage of digital channels, i.e., internet banking and/or mobile banking app, rose from 20.3% in 2019 to 65.5% in 2020.

Interestingly, this older group of customers was observed to be relatively more satisfied with the use of internet banking. The average internet banking satisfaction rating for all bank customers was 7.40 points (on a 1 to 10 scale), while the average rating for customers aged 60 and above was 7.74 points.

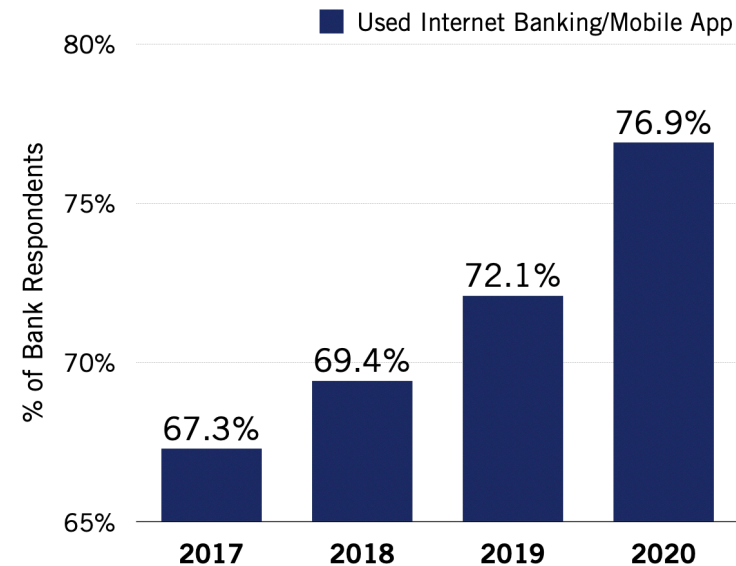


Figure 8: Proportion of bank respondents that had used digital channels in the past 3 months, over time.

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 separate incidence study. This incidence study helps determine each company's sample profile and the local-tourist weights, where applicable. 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. Due to Covid-19 travel restrictions, several companies measured this year did not include any tourist respondents.

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, Air Transport and Land Transport in the second quarter, Food & Beverage and Tourism sectors in the third quarter, and finally the companies of the Finance and Insurance sectors, in the fourth quarter.

CSISG 2020 Q4 marks the end of measurement for 2020. The CSISG 2020 national score was computed using the data collected during these four quarters.

The Finance sector comprises of the Banks sub-sector, Credit Cards sub-sector, and e-Payments sub-sector. The Insurance sector comprises of four insurers plus a catch-all category.

CSISG 2020 FIELDWORK

Survey data for the Finance and Insurance sectors was collected between October 2020 and January 2021.

Responses were collected online and through face-to-face interviews. Online interviews were conducted through a nationally representative survey panel with Singapore residents that had recent consumption experiences with the respective entity they were being surveyed about. Face-to-face interviews were conducted with Singapore residents at their homes.

The Q4 fieldwork garnered 4,720 unique responses covering 57 companies and entities in the Finance and Insurance sectors; 26 entities have published scores. Figure 9 details the data collection methodology for each of Q4's industry sub-sectors.

In 2020, a total of 19,147 unique responses were recorded. This comprised of 5,120 face-to-face interviews and 14,027 online surveys. In all, the study covered 264 companies and entities, with 101 entities having published scores.

Industry	Data Collection Methodology	Unique Samples Collected
Banks	Face-to-Face	1550
Credit Cards	Face-to-Face	1670
e-Payments	Online	500
Insurance	Online	1000

Figure 9: CSISG2020 Q4 Industry sub-sectors' data collection methodology and their respective sample sizes.



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