SMU
SINGAPORE MANAGEMENT UNIVERSITY

INSTITUTE OF SERVICE EXCELLENCE

CUSTOMER SATISFACTION INDEX OF SINGAPORE 2021

Q3 RESULTS OVERVIEW

FOOD & BEVERAGE AND TOURISM

CSiSG
Customer Satisfaction Index of Singapore

LEE KONG CHIAN SCHOOL OF BUSINESS

CSISG
Customer Satisfaction Index of Singapore

2021 Q3 SCORES
FOOD & BEVERAGE AND TOURISM

75.4 Tourism

75.4 Attractions
- **75.9** Gardens By The Bay
- **75.7** Universal Studios
- **74.5** Singapore Zoo
- **74.4** Sentosa
- **75.6** Other attractions

72.7 Food & Beverage

74.0 Fast Food Restaurants
- **75.9** Subway
- **73.2** McDonald's
- **72.5** Burger King
- **69.8** KFC
- **77.1** Other fast food restaurants*

73.1 Restaurants
- **76.8** Din Tai Fung*
- **75.6** Crystal Jade Kitchen
- **73.5** Sakae Sushi
- **72.6** Pizza Hut
- **71.7** Swensen's
- **72.6** Other restaurants

69.6 Cafes & Coffee Houses
- **72.3** Starbucks
- **68.8** Coffee Bean & Tea Leaf
- **65.6** Ya Kun
- **65.5** Toast Box

This chart summarises the results of the CSISG 2021 satisfaction scores in the Food & Beverage, and Tourism sectors at the sector, sub-sector and company levels.

The sector scores (in gold) represents a weighted average of their respective sub-saector 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 at 90% confidence.

* Sub-sectors indicated with an asterisk(*) are sub-sectors that have performed significantly above their sector average at 90% confidence.

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 2020 to 2021
- statistically significant decrease in customer satisfaction from 2020 to 2021
- no significant year-on-year change in customer satisfaction score

Entities shown in this scorecard have samples of N≥50.

CSISG 2021 THIRD 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 and across countries. This is the CSISG's 15th year of measurement.

THIRD QUARTER RESULTS HIGHLIGHTS

In this latest set of CSISG results, the Food & Beverage sector scored 72.7 points in Customer Satisfaction (on a 0 to 100 scale), a 1.3% year-on-year decline in performance. The sector was made up of brands and companies from the Restaurants, Fast Food, and Cafés & Coffee Houses sub-sectors. The Tourism sector scored 75.4 points, a 0.9% decline year-on-year. This score was derived from survey responses for tourist attractions. These dips in CSISG scores were not considered statically significant*.

In both these sectors, only local customers were surveyed. This was due to the ongoing Covid-19 pandemic and the associated travel restrictions; fieldwork interviews with tourists customers were not practical. For the same reason, the CSISG did not survey customers for the Hotels sub-sector.

Looking at each sectors' constituent sub-sectors, a significant year-on-year decline was observed for the Cafés & Coffee Houses sub-sector. Figure 1 tables the year-on-year performance of the four measured sub-sectors.

Figure 1: Performance of CSISG2021 Q3 measured sub-sectors. A ▼ denotes a statistically significant decline year-on-year, while a ■ indicates the change was not significant.

Better CSISG 2021 Performance ↑

Measured CSISG Q3 Sub-sector	2020	2021	Year-on-Year % Change
Attractions	76.1	75.4	–0.9% ■
Fast Food Restaurants	73.1	74.0	+1.2% ■
Restaurants	73.8	73.1	–1.0% ■
Cafes & Coffee Houses	73.6	69.6	–5.4% ▼

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

More F&B Customers Doing Takeaway Compared to the Previous Year

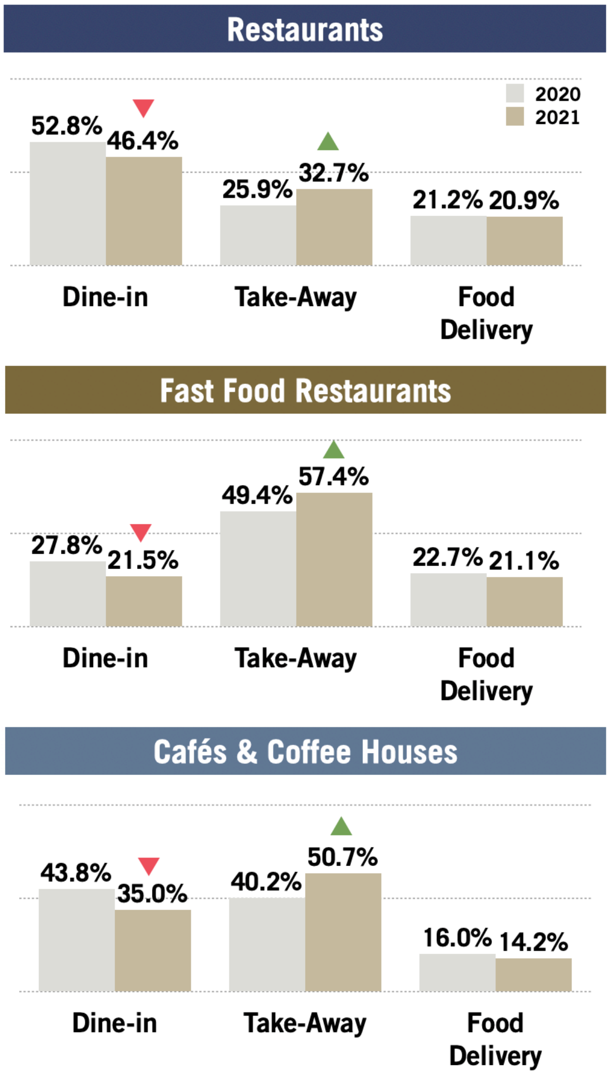
The Covid-19 pandemic seemed to have made significant changes to consumers' F&B ordering and dining behaviour.

In all three surveyed F&B sub-sectors, patronage via takeaway ordering was observed to have a statistically significant year-on-year increase. In comparison, the proportions of customers dining-in fell, while customers ordering through food delivery remained similar to the previous year. These observations are illustrated in Figure 2.

The rise in takeaways appears to be in response to the heightened safe management restrictions and concerns over the Covid-19 situation during the survey period, i.e., July through September 2021.

While the data also indicates the majority of consumers still prefer dine-in when given a choice, takeaway orders are likely to remain elevated for some time.

Figure 2: Year-on-Year comparisons of F&B customers' most recent dining mode, segmented by sub-sector. A ▼ denotes a statistically significant decline year-on-year, while a ▲ indicates a significant increase.



Cafe Customers Less Satisfied and Loyal

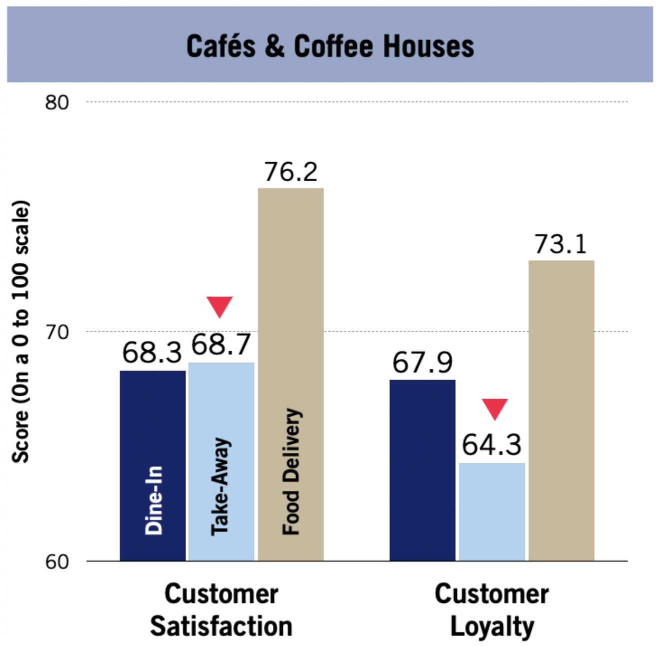
The latest results revealed that customers of Cafés & Coffee Houses were significantly less satisfied and loyal.

This decline was driven by the segment of café customers who ordered through takeaway. Specifically, cafés' takeaway customers had a Loyalty score of 64.3 points compared to 67.9 points for dining-in at the café and 73.1 points when through food delivery. This score of 64.3 points was also significantly lower than the previous year. This is illustrated in Figure 3.

Looking more closely at this group of café customers, there was a notable decline in how they rated various attributes such as beverage quality and staff proactiveness. Additionally, these takeaway customers also rated the in-store ordering process relatively poorly, when compared to café customers ordering using Food Delivery platforms.

As takeaways took up a significantly larger proportion of orders year-on-year (See Figure 2), cafe managers should take heed, smoothen in-store ordering processes, and avoid pitfalls such as focusing on delivery orders at the expense of customers in the store.

Figure 3: Cafés & Coffee Houses sub-sector scores for Satisfaction and Loyalty, segmented by customers' most recent dining mode. The ▼ indicates a statistically significant decline year-on-year.



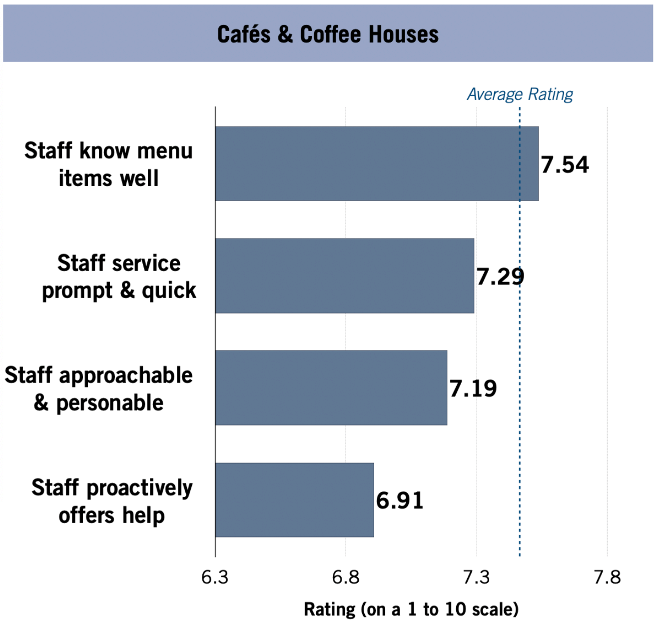
Service and Staff Important Drivers of F&B Loyalty

Service Staff-related attributes were observed to be significant customer pain points.

Analysis indicated attributes such as 'prompt and quick service' and 'approachable and personable service' were important drivers of customer loyalty, but they had been underperforming when compared to other areas of the dining experience. To illustrate, Figure 4 show the Cafés & Coffee Houses sub-sector's performance for Service Staff-related attributes. Three of four of these attributes performed below the overall average quality attribute rating of 7.46 points (on a 1 to 10 scale).

While food quality, quantity, and variety, remain key drivers of repeat visits to any F&B establishment, the importance of service staff to customer loyalty suggests that managers should also be looking into improving their team members' service delivery.

Figure 4: Cafés & Coffee Houses sub-sector ratings for Service Staff-related attributes, compared against the overall average rating of all measured attributes.



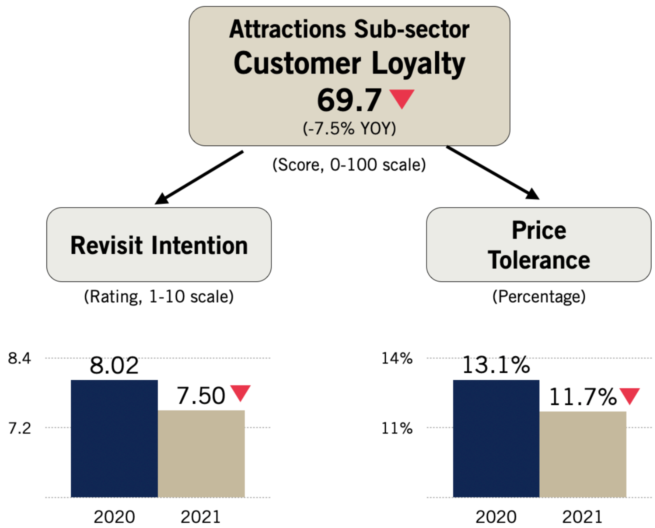
Visitors to Tourist Attractions Less Likely to Revisit and More Price Sensitive

Although the 2021 CSISG study did not interview tourist respondents due to Covid-19 travel restrictions, Singapore residents that had recently visited local tourist attractions were surveyed.

These visitors to tourist attractions were observed to be significantly less loyal year-on-year, scoring 69.7 points in 2021 compared to 75.3 points in 2020.

Loyalty was determined by two factors: How likely would the respondents visit the attraction again, and their tolerance to price increases, e.g., ticket prices, before they would not make a repeat visit. Both factors declined year-on-year, as illustrated in Figure 5.

Figure 5: Breakdown of the Attractions sub-sector Loyalty score into its two constituent components, Revisit Intention and Price Tolerance. The ▼ indicates a statistically significant decrease year-on-year.



Demographic for Tourist Attractions Shift Towards Older Visitors

The latest results for the Attractions sub-sector showed significant changes in visitor demographics, shifting towards a larger proportion of older visitors. In particular, visitors in the 50 to 69 age segment rose from 14.2% in 2020 to 22.3% this year. In contrast, visitors in the 30 to 49 age segment declined from 56.9% to 50.9%. This is illustrated in Figure 6.

The shifting demographic is likely due to the unique circumstance brought about by Covid-19 travel restrictions, with visitors across a more diverse demographic partaking in domestic tourism and visiting places they would not otherwise normally.

Another contributor to the demographic changes may be due to the government's SingapoRediscovers Vouchers programme, where eligible Singaporeans were provided with vouchers for use at various tourism-related business, including tourist attractions. Some 50.4% of Attractions sub-sector respondents indicated they had used these vouchers for their visit.

Attractions' Accessibility and F&B Options Key Drivers of Loyalty

The decline in Customer Loyalty year-on-year for the Attractions sub-sector prompted additional analysis.

These analysis revealed pain points in the areas of attractions' accessibility and F&B offerings. Relative to other aspects of an attraction visit, attributes such as 'Ease of getting to the attraction', 'Waiting time to enter attraction', 'F&B options' and 'Quality of F&B given the prices' rated below average.

In particular, 'Ease of getting to the attraction' and 'F&B options' were significant drivers of Customer Loyalty. Figure 7 list the attributes with a statistical impact on Customer Loyalty, and their relative performance to the overall average attributes rating of 7.73 points (on a 1 to 10 scale).

Attraction operators should consider addressing these key drivers of loyalty. In addition, managers can also take a fresh look at the visitor experience, keeping in mind the evolving visitor profile and demographic. These efforts will improve the visitor experience and boost the re-playability of local attractions.

Figure 6: Year-on-Year Attractions visitor demographics. A ▼ denotes a statistically significant decline year-on-year, while a ▲ indicates a significant increase.

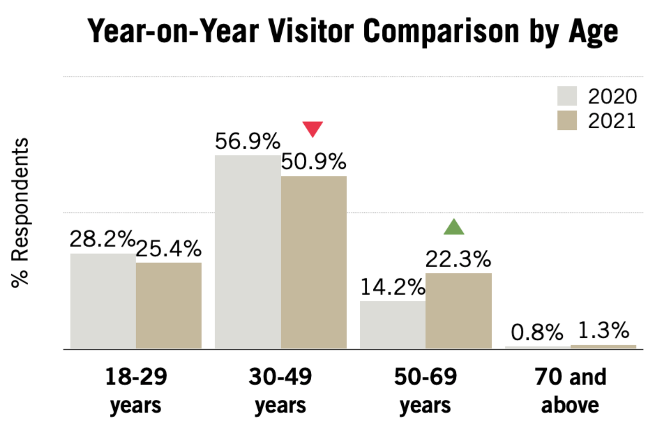
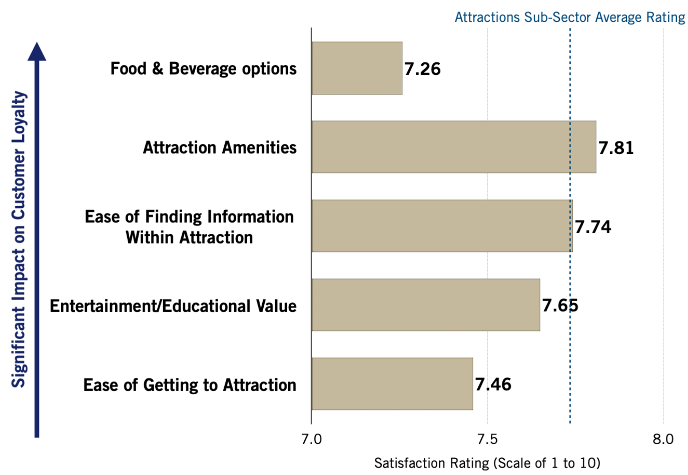


Figure 7: Attractions sub-sector attributes that have a significant impact on Loyalty, and their performance relative to the overall average rating of all measured attributes.



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. 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; this quarter's sampling did not include any tourist respondents due to Covid-19 travel restrictions. Also, for the same reason, the Hotels sub-sector was not included on the Index.

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 industry sectors measured within each calendar quarter have their results released the following quarter. Companies in the Retail and Info-Communications sectors were measured in the first quarter, Land Transport in the second quarter, Food & Beverage and Tourism sectors in this third quarter, and finally the companies from the Finance and Insurance sectors in the fourth quarter. The national score for 2021 will then be computed using the data collected over these four quarters.

For this latest set of results, the F&B sector was made up of the Cafés & Coffee Houses, Fast Food Restaurants, and Restaurants sub-sectors. The Tourism sector comprised of just the Attractions sub-sector, with the Hotels sub-sector's benchmarking suspended due to the ongoing Covid-19 pandemic.

CSISG 2021 FIELDWORK PROCESS

Survey data was collected between July and September of 2021. Responses were collected via online survey panel interviews with Singapore residents that had recent consumption experiences with the respective entity they were being surveyed about.

The Q3 fieldwork garnered 2,600 unique responses in total, covering 77 companies and entities in the Food & Beverage and Tourism sectors; 20 entities have published scores.

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