SMU
SINGAPORE MANAGEMENT UNIVERSITY

Institute of
Service Excellence

ISE INDUSTRY FORUM

CSISG 2022 Q1 RESULTS ANNOUNCEMENT

RETAIL & INFO-COMMUNICATIONS

DOES CUSTOMER SATISFACTION STILL MATTER?

Research Shows A Strong Relationship Between Customer Satisfaction And Financial Performance

Companies Performing Well on Customer Satisfaction Outperform the Benchmark Index

Source: http://www.theacsi.org/

Note: Fund is named The American Customer Satisfaction Core Alpha ETF (ticker: ACSI)

Customer Satisfaction & Financial Indicators

Research Shows Satisfaction Metrics Predicts Various Financial Performance Indicators

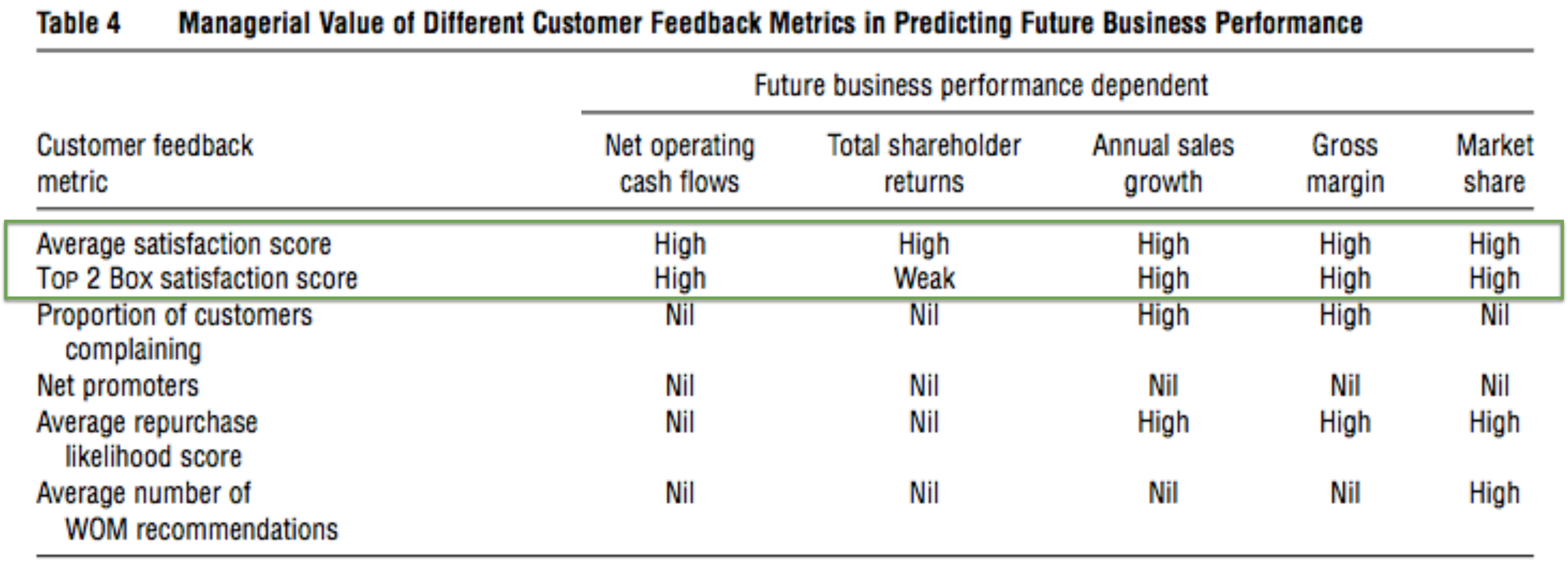


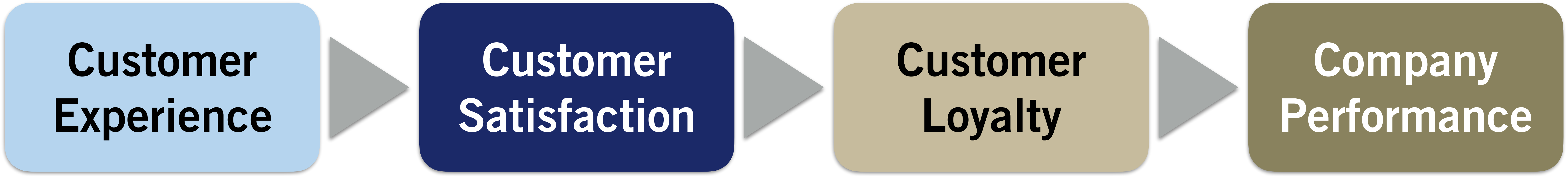
Table 4 Managerial Value of Different Customer Feedback Metrics in Predicting Future Business Performance

	Future business performance dependent				
Customer feedback metric	Net operating cash flows	Total shareholder returns	Annual sales growth	Gross margin	Market share
Average satisfaction score	High	High	High	High	High
Top 2 Box satisfaction score	High	Weak	High	High	High
Proportion of customers complaining	Nil	Nil	High	High	Nil
Net promoters	Nil	Nil	Nil	Nil	Nil
Average repurchase likelihood score	Nil	Nil	High	High	High
Average number of WOM recommendations	Nil	Nil	Nil	Nil	High

Source: Morgan & Rego (2006), The Value of Different Customer Satisfaction and Loyalty Metrics in Predicting Business Performance, Marketing Science 25(5):426-439

Note: Research done using 80 firms across different industries measured on the American Customer Satisfaction Index from 1994 to 2000. Summary findings are derived from a regression analysis which includes variables to control for the effects of other financial metrics known to impact the target performance metrics.

Why Customer Satisfaction Matters



Customer Experience

Customer Satisfaction

Customer Loyalty

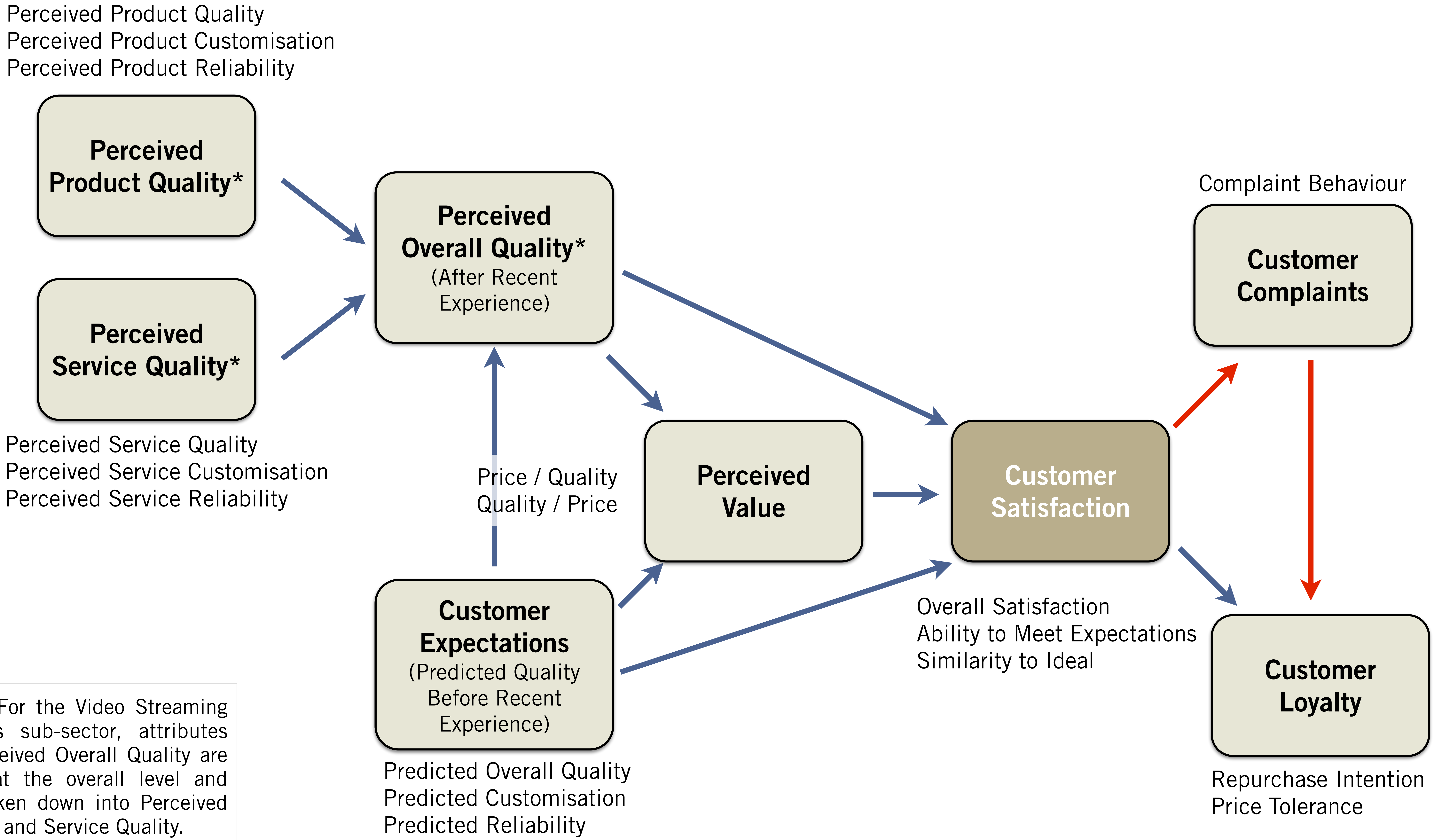
Company Performance

- Great customer experiences tend to lead to satisfaction or even delight
- Happy customer tend to be more loyal to the brand
- Poor experiences tend to lead to dissatisfaction, negative word-of-mouth and even defection

- High repurchase behaviour
- Price insensitivity
- Positive word-of-mouth
- Higher customer referrals
- Stays longer with brand in downturns
- Returns to the brand faster in a recovery

CSISG METHODOLOGY

CSISG Structural Model (For Retail & Infocomm)



Perceived Product Quality
Perceived Product Customisation
Perceived Product Reliability

Perceived Product Quality*

Perceived Service Quality*

Perceived Service Quality
Perceived Service Customisation
Perceived Service Reliability

Perceived Overall Quality* (After Recent Experience)

Price / Quality
Quality / Price

Customer Expectations (Predicted Quality Before Recent Experience)

Predicted Overall Quality
Predicted Customisation
Predicted Reliability

Perceived Value

Customer Satisfaction

Overall Satisfaction
Ability to Meet Expectations
Similarity to Ideal

Complaint Behaviour

Customer Complaints

Customer Loyalty

Repurchase Intention
Price Tolerance

***Note**: For the Video Streaming Services sub-sector, attributes on Perceived Overall Quality are asked at the overall level and not broken down into Perceived Product and Service Quality.

How Well Did Companies Satisfy Their Customers?

The CSISG Score

Customer
Satisfaction
CSISG
(Scale of 0-100)

1. Overall Satisfaction
2. Ability to Meet Expectations
3. Similarity to Ideal

CSISG 2022 Q1 Quick Facts

Sectors Covered	**Retail** **Info-Communications**
Survey Period	**Jan to Apr 2022**
Total Questionnaires Completed	**4,800**
Face-to-Face	**1,400**
Online	**3,400**
Distinct entities measured	**99**
Entities with published scores	**40**

CSISG 2022 Q1 Sub-sectors

Retail Sector

Online

- Department Stores
- Supermarkets
- Fashion Apparels
- e-Commerce

Info-Communications Sector

Face-to-Face

- Mobile Telecom
- Broadband

Online

- PayTV*
- Video Streaming Services

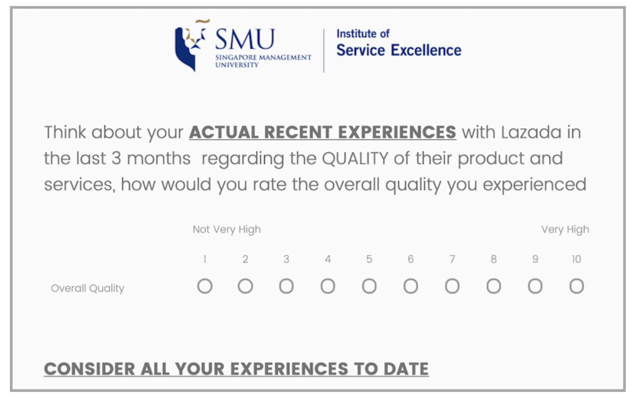
***Changes to sampling in 2022:** Pay TV sub-sector was done online in 2022, as opposed to face-to-face interviews in 2021.

General CSISG Fieldwork Methodology

(For Mobile Telecom & Broadband Local Respondents)

Singapore citizens and PRs were interviewed at their homes.

Homes are selected from a random address listing that matches the housing profile of Singapore resident population.



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Think about your **<u>ACTUAL RECENT EXPERIENCES</u>** with Lazada in the last 3 months regarding the QUALITY of their product and services, how would you rate the overall quality you experienced

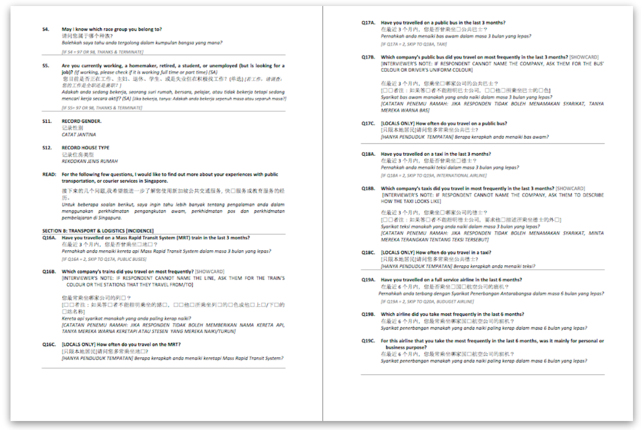
	Not Very High									Very High
	1	2	3	4	5	6	7	8	9	10
Overall Quality	○	○	○	○	○	○	○	○	○	○

<u>CONSIDER ALL YOUR EXPERIENCES TO DATE</u>

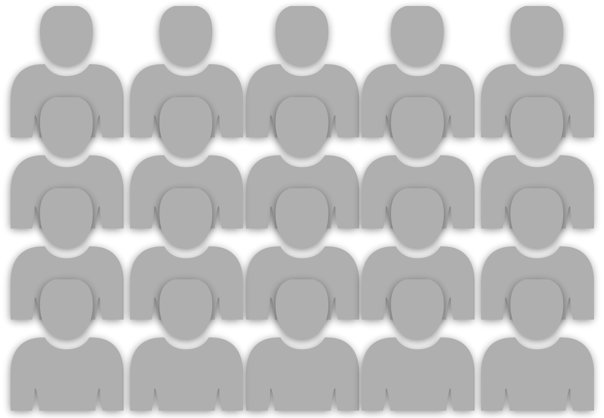
(For Retail Sector, PayTV & Video Streaming Services Local Respondents)

Singapore citizens and PRs were asked to complete an online survey.

Respondents were randomly selected from a nationally representative online panel.

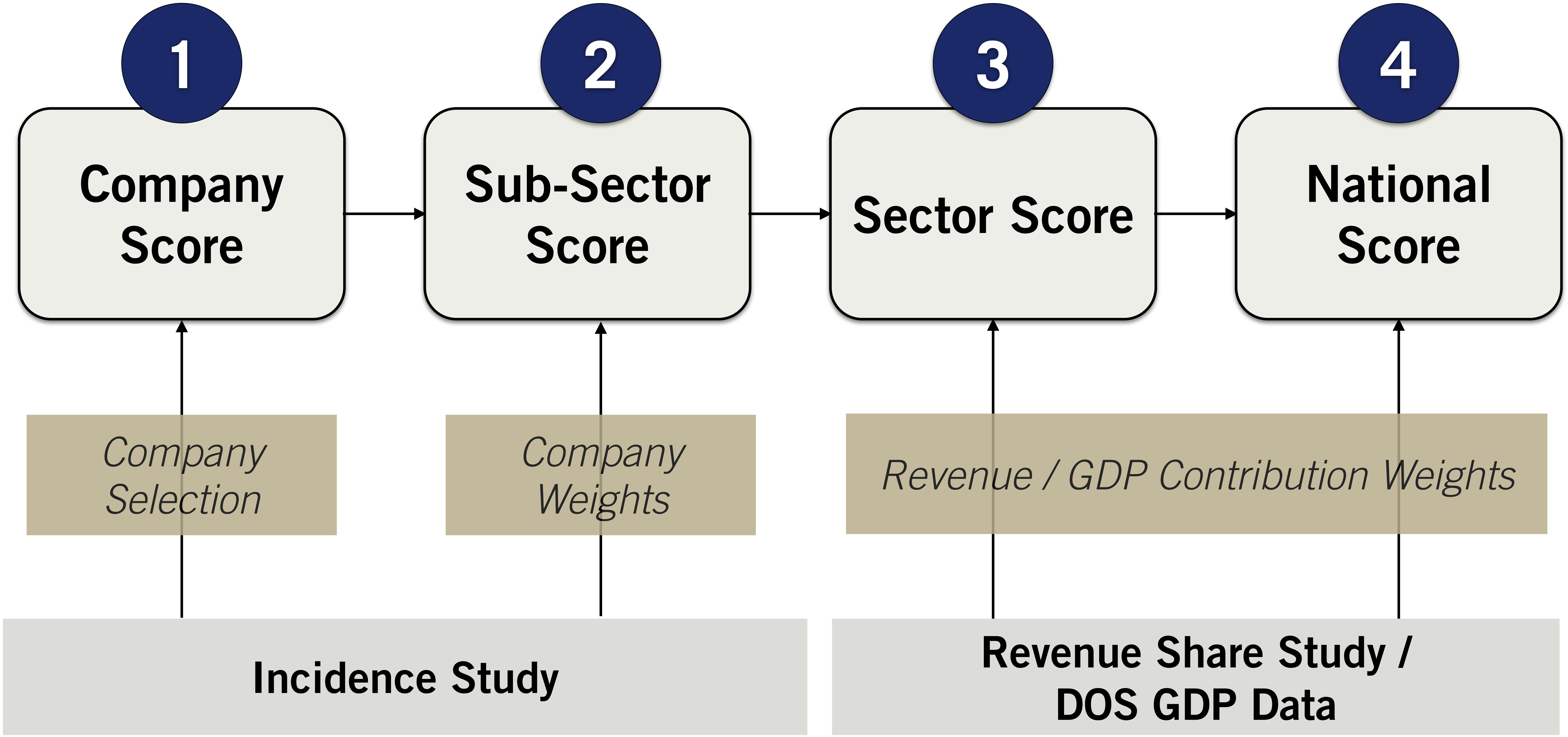


Each respondent answers up to 21 CSISG questions and about 25 industry-specific attribute/touchpoint questions about the company/brand they had <u>recent experiences</u> with. Each respondent evaluates only 1 company/brand.



Typically 50-200 respondents per company would have answered the CSISG questionnaire.

Overview of Score Calculation



1 **Company Score** → 2 **Sub-Sector Score** → 3 **Sector Score** → 4 **National Score**

Company Selection

Company Weights

Revenue / GDP Contribution Weights

Incidence Study

- Identify companies with highest interactions.
- Online surveys through nationally representative online panels.

Revenue Share Study / DOS GDP Data

- Identify revenue contribution of each sub-sector to its respective sector.
- Identify GDP contribution of each sector to the total GDP of sectors measured in the CSISG.

CSISG 2022 Q1 RESULTS

How Well Did Companies Satisfy Their Customers?

CSISG 2022 Q1 Results Overview

71.3 Retail ▼

72.1	**Fashion Apparels**
75.9	Uniqlo
71.7	G2000
70.9	Giordano
70.9	H&M
65.5	Cotton On
72.4	Other fashion apparels

70.9	**Department Stores**
76.3	Takashimaya*
73.7	Tangs
71.4	Marks & Spencer
70.7	Isetan
69.7	Mustafa
69.5	OG
69.2	BHG
66.2	Metro

71.4	**Supermarkets**
75.0	Sheng Siong*
74.0	Cold Storage
69.6	Prime
69.3	NTUC FairPrice
68.8	Giant

70.8	**e-Commerce**
75.1	Zalora*
73.6	Amazon
72.9	Shopee
71.7	Taobao/Tmall
70.8	Qoo10
69.4	Carousell
68.2	Fave
67.9	Lazada
69.8	Other e-Commerce

69.8 Info-Communications ▲

72.7	**Video Streaming Services***
76.3	Disney+
74.2	Netflix
72.3	Amazon Prime Video
69.6	MeWatch
70.2	Other Online Subscription Video Streaming/TV

70.0	**Mobile Telecom**
70.8	StarHub
69.9	Singtel
69.9	M1
68.8	Circles.Life
69.7	Other Mobile Telecom Providers

68.3	**Broadband**
68.8	Singtel
68.4	M1
67.7	Starhub

69.6	**PayTV**
70.7	Starhub
68.8	Singtel

QUALIFIER FOR RESPONDENT

(1) Recently interacted with companies/brands (Past 3 months)

(2) Each respondent evaluates satisfaction with 1 company within either sector

** Refers to companies/sub-sectors that are statistically significantly above their sub-sector/sector scores*

Note: Entities shown in this scorecard have samples of N≥50

RETAIL INDUSTRY INSIGHTS

Increase In Retail Sales Driven By Economy And Travel Opening Up

Singapore retail sales up 12.1% in April as tourists return

FRI, JUN 03, 2022 - 1:00 PM | UPDATED FRI, JUN 03, 2022 - 10:08 PM

Retail Sales picked up in Q1

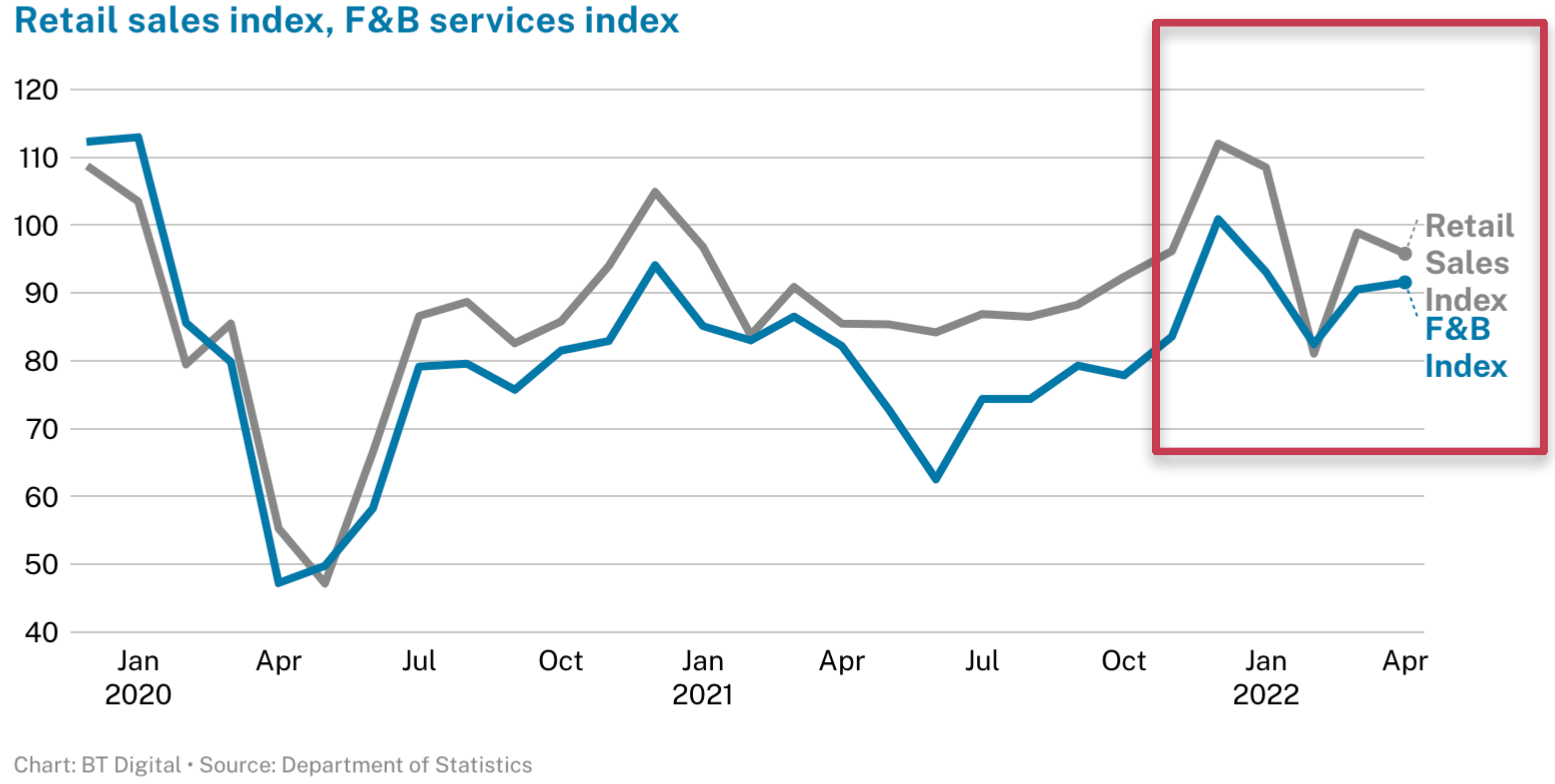


Chart: BT Digital • Source: Department of Statistics

Dec 2021 Change In Retail Sales By Industry	Apr 2022 Change In Retail Sales By Industry

Department Stores

Year-on-Year +13.0%

Month-on-Month¹ +9.7%

Department Stores

Year-on-Year +31.6%

Month-on-Month¹ +13.2%

Supermarkets & Hypermarkets

Year-on-Year +1.0%

Month-on-Month¹ -2.1%

Supermarkets & Hypermarkets

Year-on-Year +5.1%

Month-on-Month¹ -6.3%

Wearing Apparel & Footwear

Year-on-Year +16.8%

Month-on-Month¹ +2.9%

Wearing Apparel & Footwear

Year-on-Year +46.6%

Month-on-Month¹ +17.4%

"On a seasonally adjusted, month-on-month basis, the **clothes and shoes,** food and alcohol and **department store segments** saw marked double-digit growth"

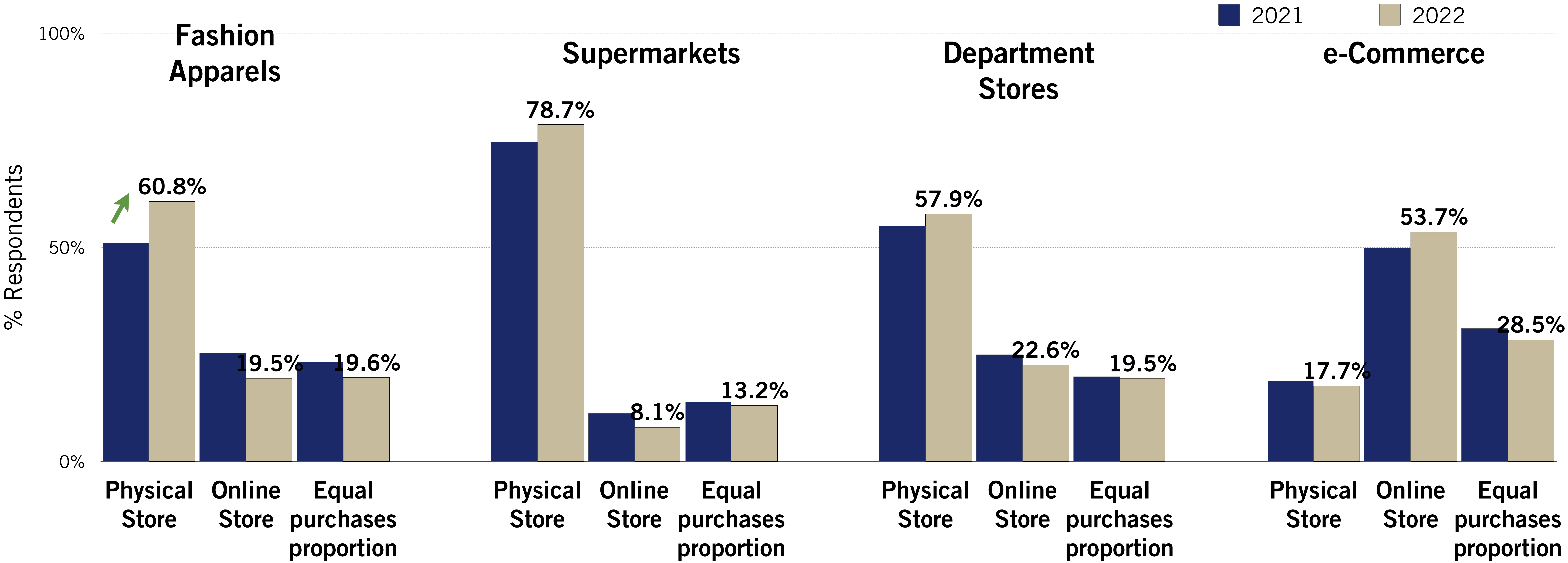
Sources:

(1) https://www.businesstimes.com.sg/government-economy/singapore-retail-sales-up-121-in-april-as-tourists-return

(2) https://tradingeconomics.com/singapore/retail-sales-annual

Customers Gravitating Back Towards Physical Stores

Main Channel for Purchase: How did respondent make their purchases in the last three months?



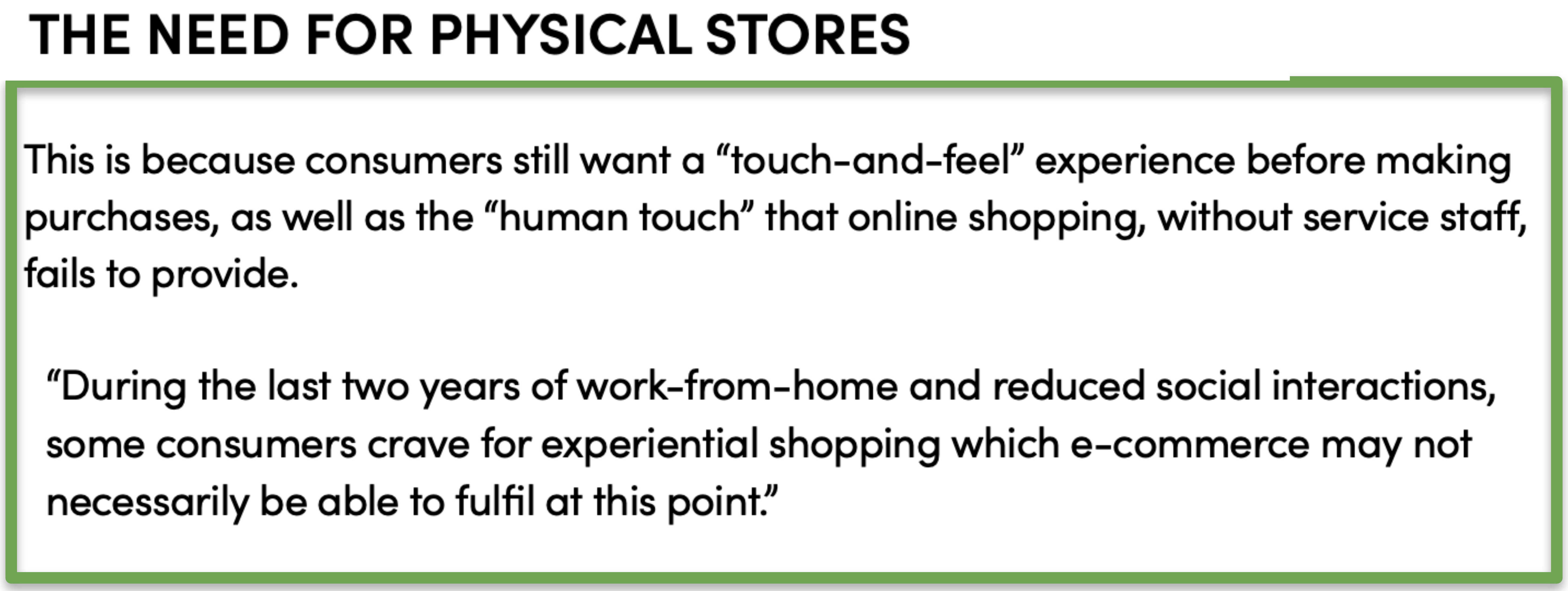
↑↓ denotes statistically significant year-on-year **increase**/**decrease** at 90% confidence.

Relaxation Of Covid-19 Measures, Experiential Shopping And Personalisation Pulling Shoppers Back To Stores

Oct 20, 2021

Smooth entry to S'pore malls on first day of mandatory vaccination status checks

1 of 5 People have their vaccination status checked prior to entering Nex on Oct 20, 2021. ST PHOTO: GIN TAY



THE NEED FOR PHYSICAL STORES

This is because consumers still want a "touch-and-feel" experience before making purchases, as well as the "human touch" that online shopping, without service staff, fails to provide.

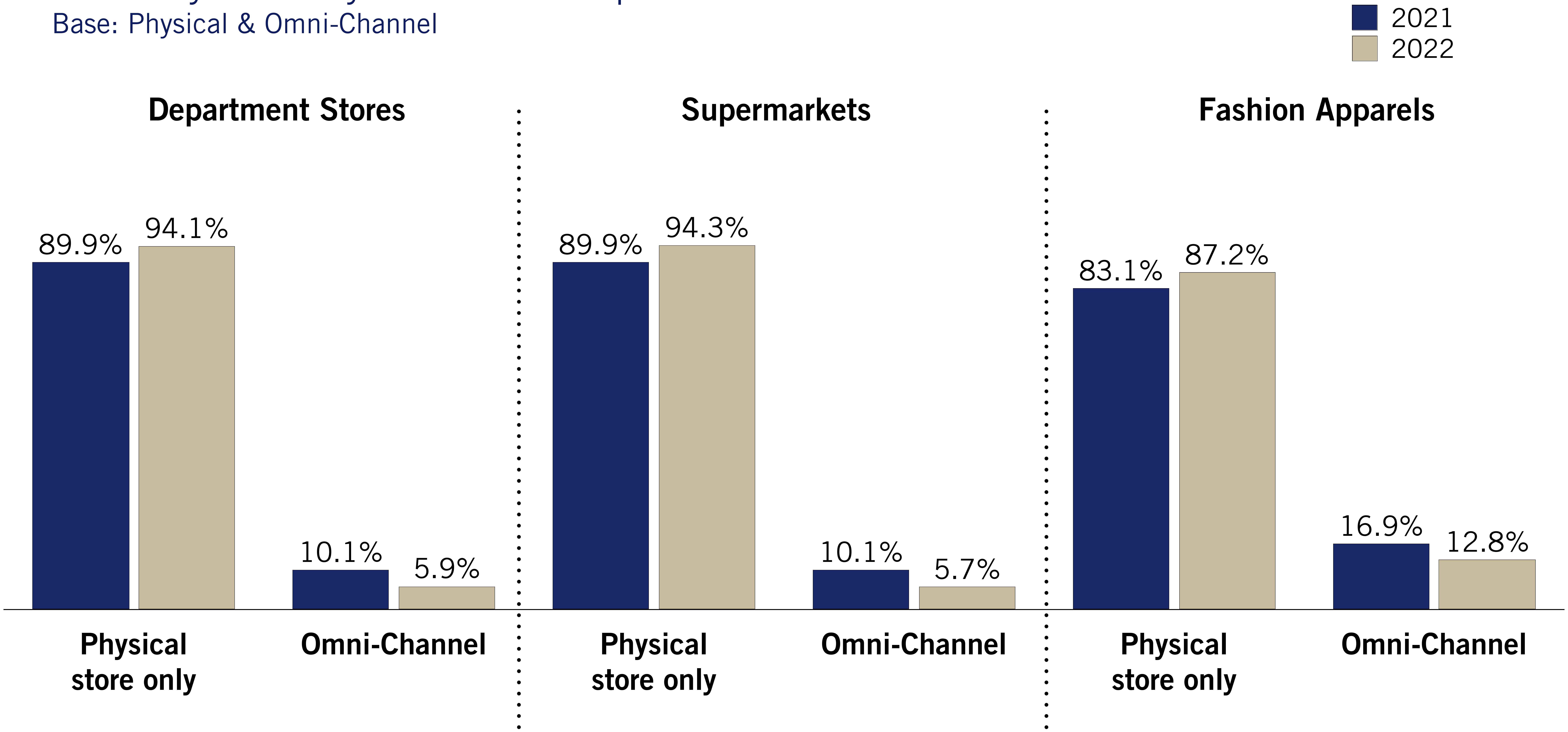
> "During the last two years of work-from-home and reduced social interactions, some consumers crave for experiential shopping which e-commerce may not necessarily be able to fulfil at this point."

Sources:
(1) https://www.channelnewsasia.com/business/local-retailers-shops-open-new-outlets-expand-covid-pandemic-2393426
(2) https://www.straitstimes.com/singapore/consumer/smooth-entry-to-malls-on-first-day-of-mandatory-vaccination-status-checks

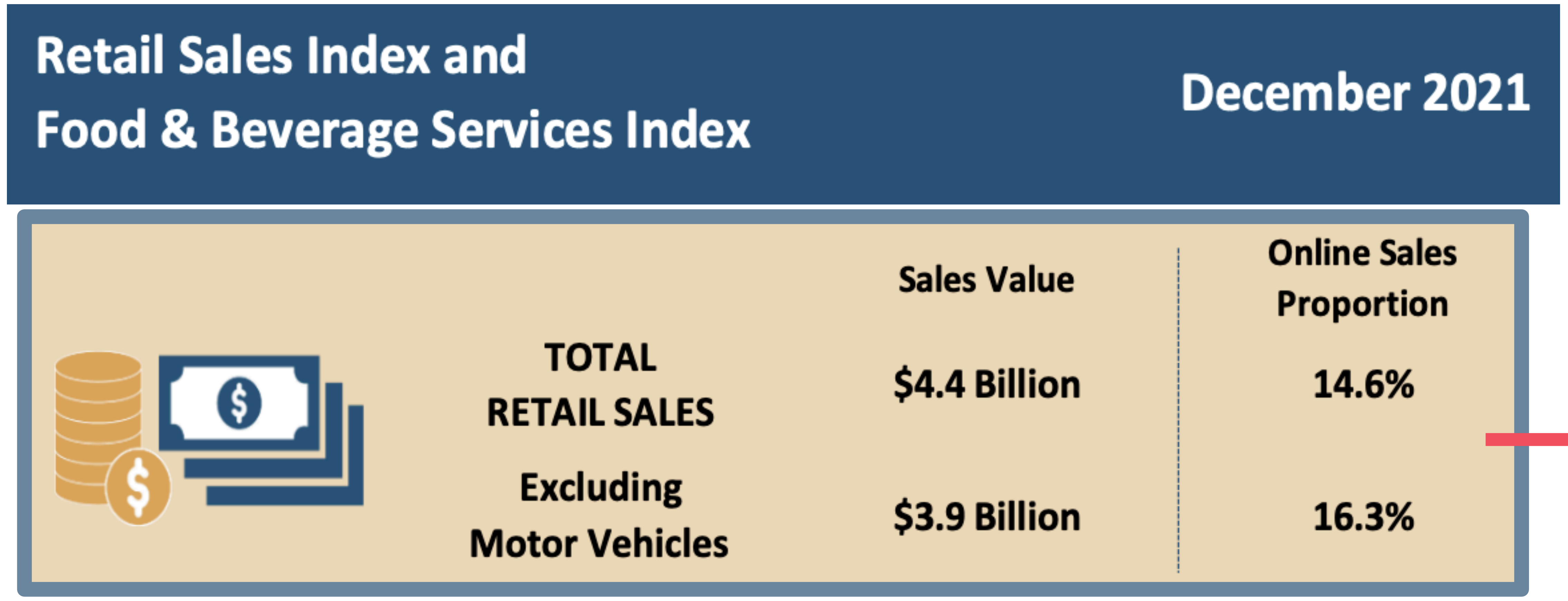
More Respondents Purchasing At Brick & Mortar

How did you make your most recent purchase?

Base: Physical & Omni-Channel

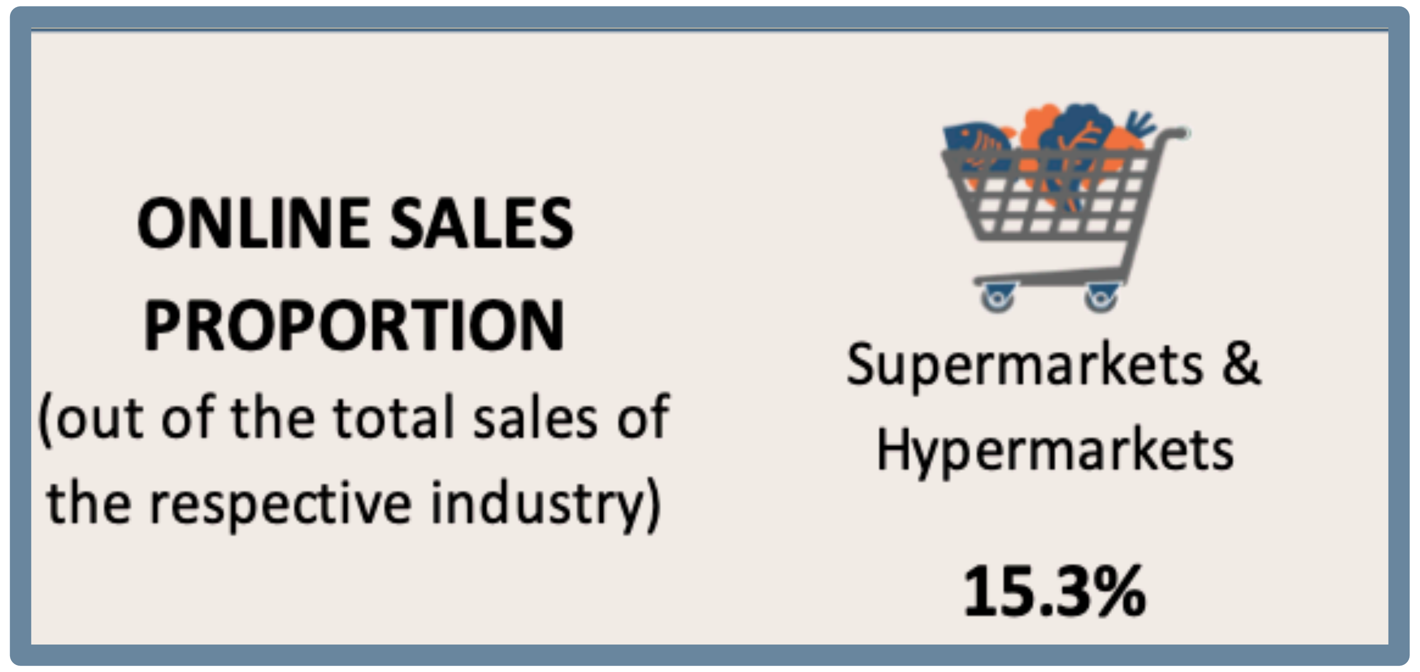


Decline Seen In Proportion Of Online Retail Sales (Dec’21 / Apr’22)



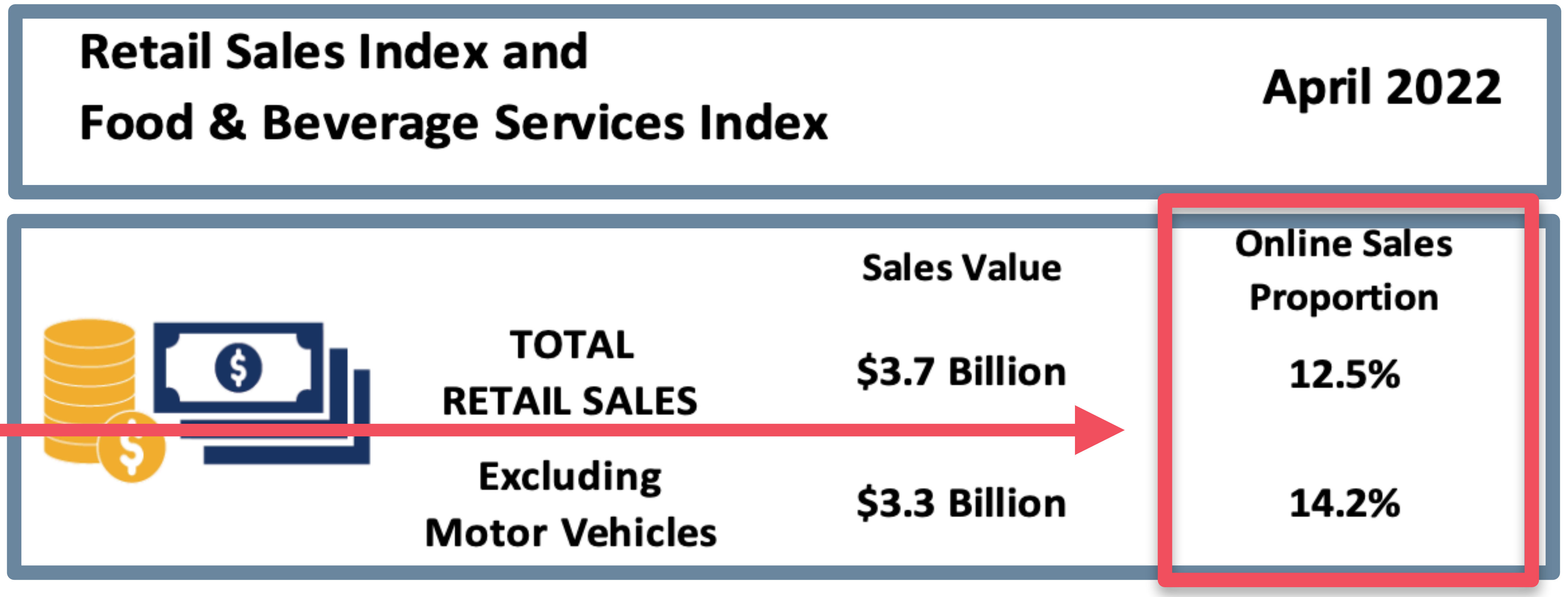
Retail Sales Index and Food & Beverage Services Index — **December 2021**

	Sales Value	Online Sales Proportion
TOTAL RETAIL SALES	$4.4 Billion	14.6%
Excluding Motor Vehicles	$3.9 Billion	16.3%



ONLINE SALES PROPORTION
(out of the total sales of the respective industry)

Supermarkets & Hypermarkets
15.3%



Retail Sales Index and Food & Beverage Services Index — **April 2022**

	Sales Value	Online Sales Proportion
TOTAL RETAIL SALES	$3.7 Billion	12.5%
Excluding Motor Vehicles	$3.3 Billion	14.2%

ONLINE SALES PROPORTION
(out of the total sales of the respective industry)

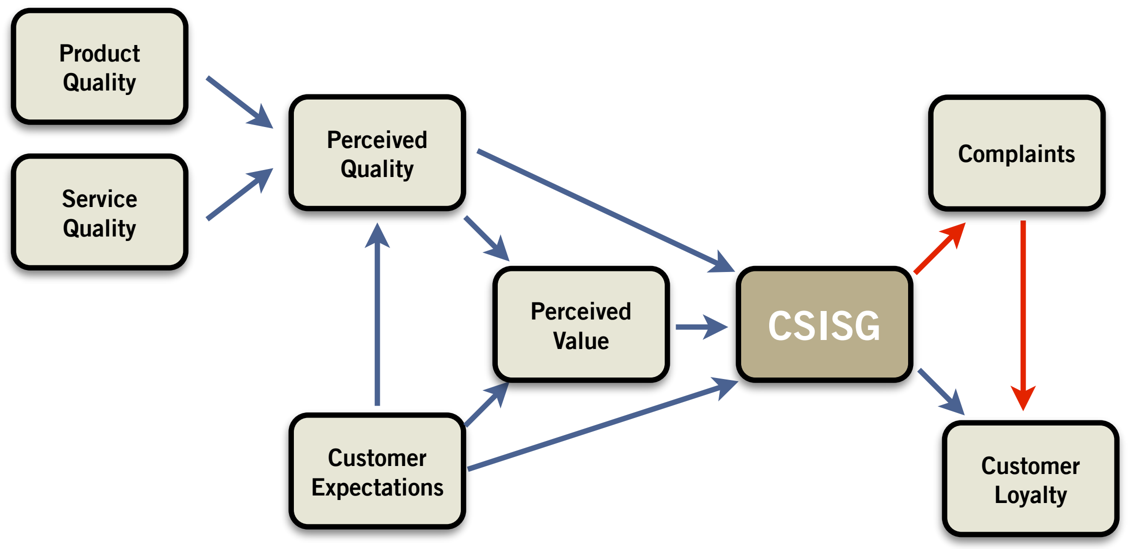
Supermarkets & Hypermarkets
14.8%

Decrease in Online Sales Proportion

Source: https://www.singstat.gov.sg/-/media/files/news/mrsapr2022.ashx

CSISG 2022 Q1 RESULTS RETAIL SECTOR

Retail Sub-Sectors' Scores



	Customer Expectations (Predicted Quality Before Recent	**Perceived Quality** (After Recent Experience)	**Perceived Value**	**CSISG**	**Customer Loyalty**
Fashion Apparels	72.9 ■ (-0.7%)	73.2 ■ (-1.3%)	70.7 ■ (-2.1%)	72.1 ■ (-1.7%)	71.2 ▼ (-3.5%)
Supermarkets	71.6 ■ (-0.1%)	72.8 ■ (-0.3%)	70.2 ■ (-1.0%)	71.4 ■ (-0.8%)	69.2 ■ (-1.5%)
Department Stores	71.8 ■ (-2.0%)	72.4 ■ (-1.7%)	69.4 ■ (-1.8%)	70.9 ■ (-2.4%)	68.2 ▼ (-4.0%)
e-Commerce	70.1 ■ (+0.8%)	70.8 ■ (-0.4%)	69.4 ■ (-1.1%)	70.8 ■ (-0.5%)	68.7 ■ (-2.0%)

▲▼ Statistically significant year-on-year increase/decrease at 90% confidence
■ No statistically significant year-on-year change at 90% confidence

Decline In Loyalty Stems From Lower Repurchase Intention

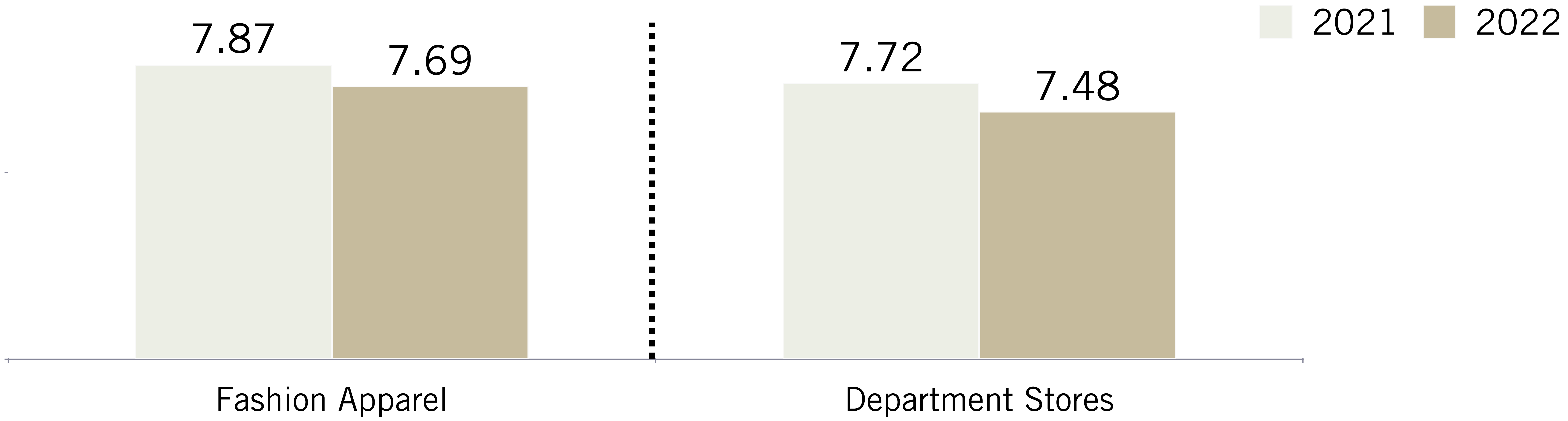
(Department Stores and Fashion Apparels)

Customer Loyalty Score	
Fashion Apparels	**Department Stores**
71.2 ▼	68.2 ▼

Repurchase Intention

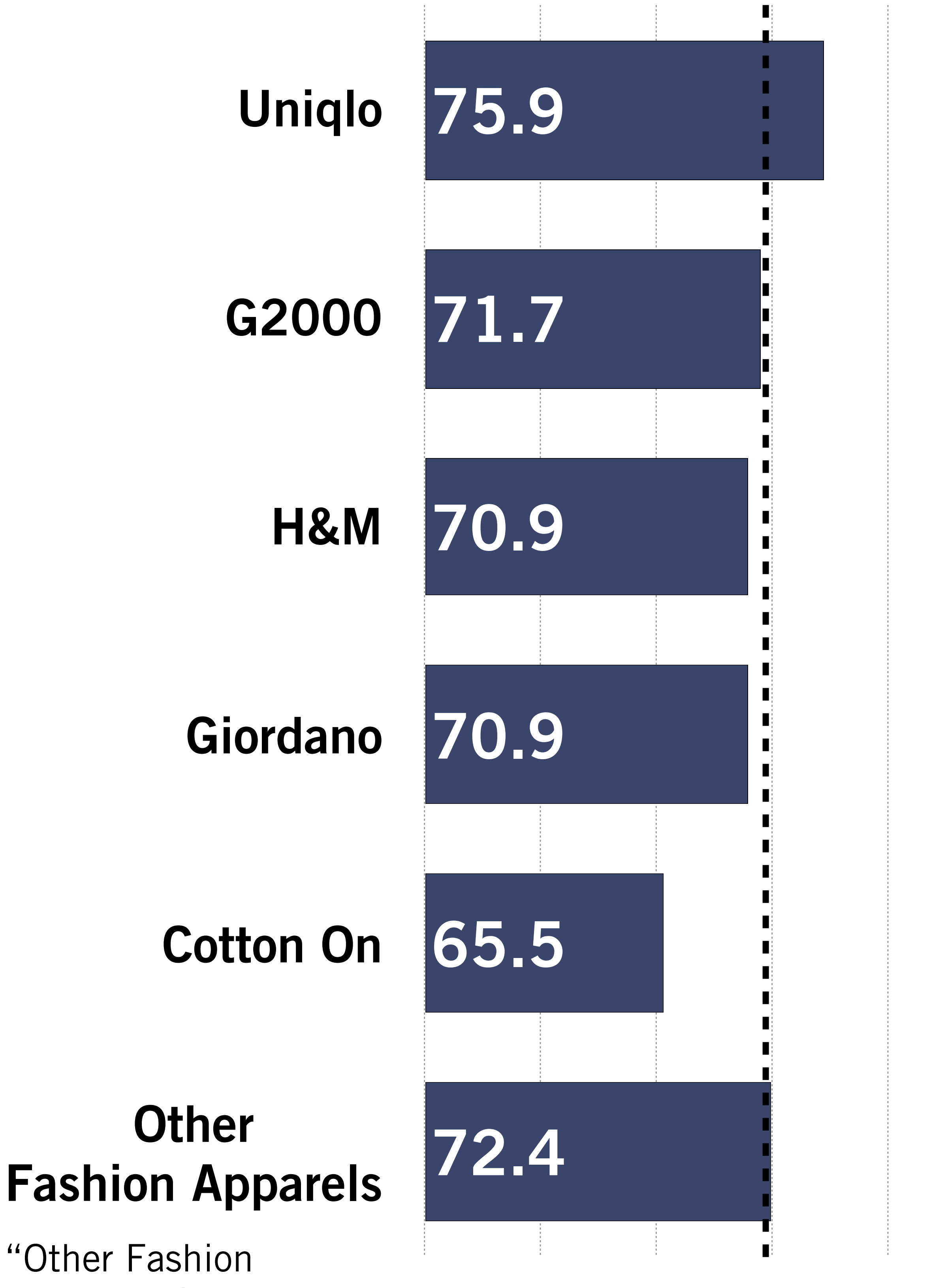
How likely are you to choose the same Store/Brand again?

(Scale of 1 to 10)



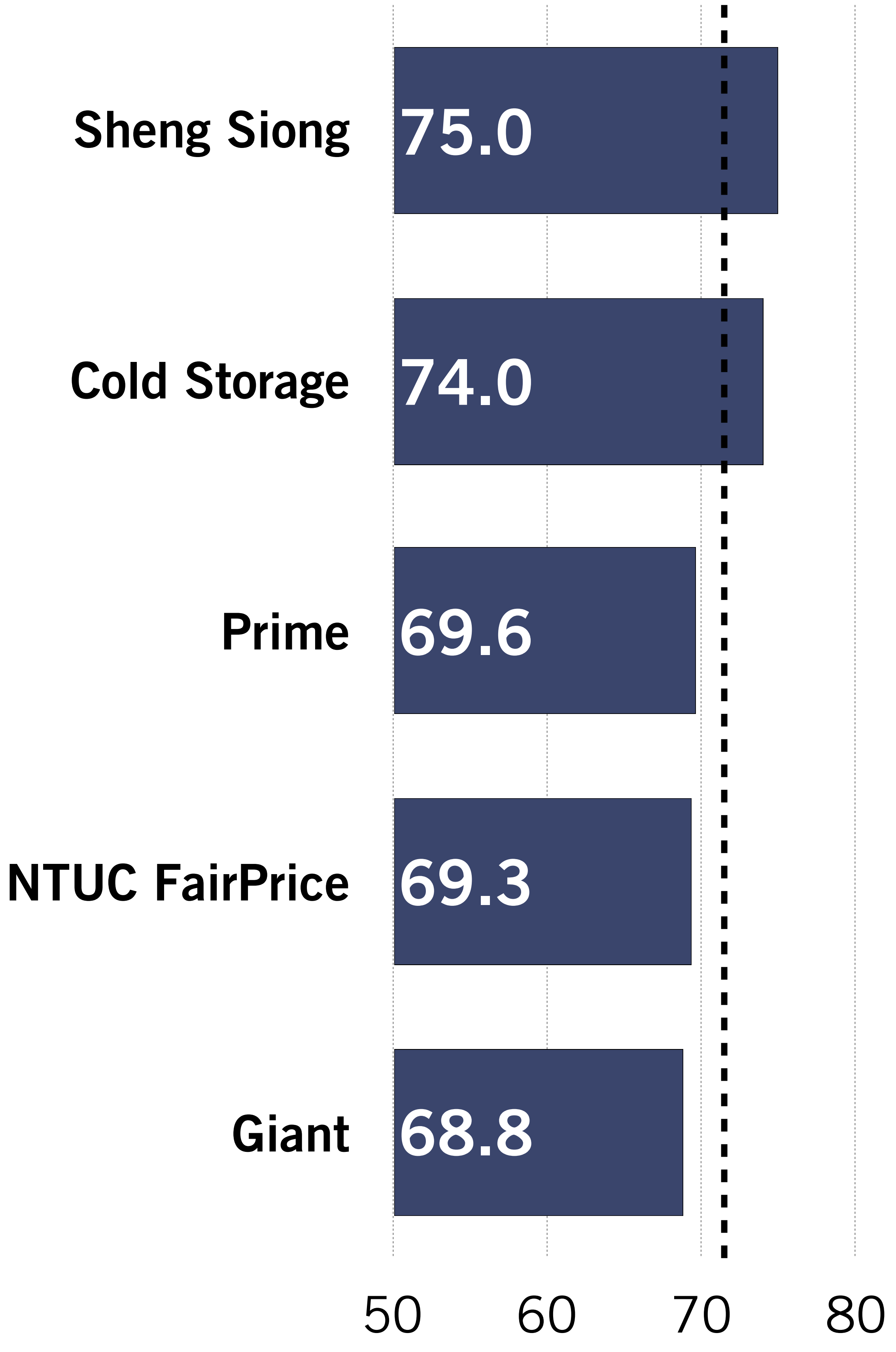
▲▼ Statistically significant year on year increase/decrease at 90% confidence

Retail Company Scores

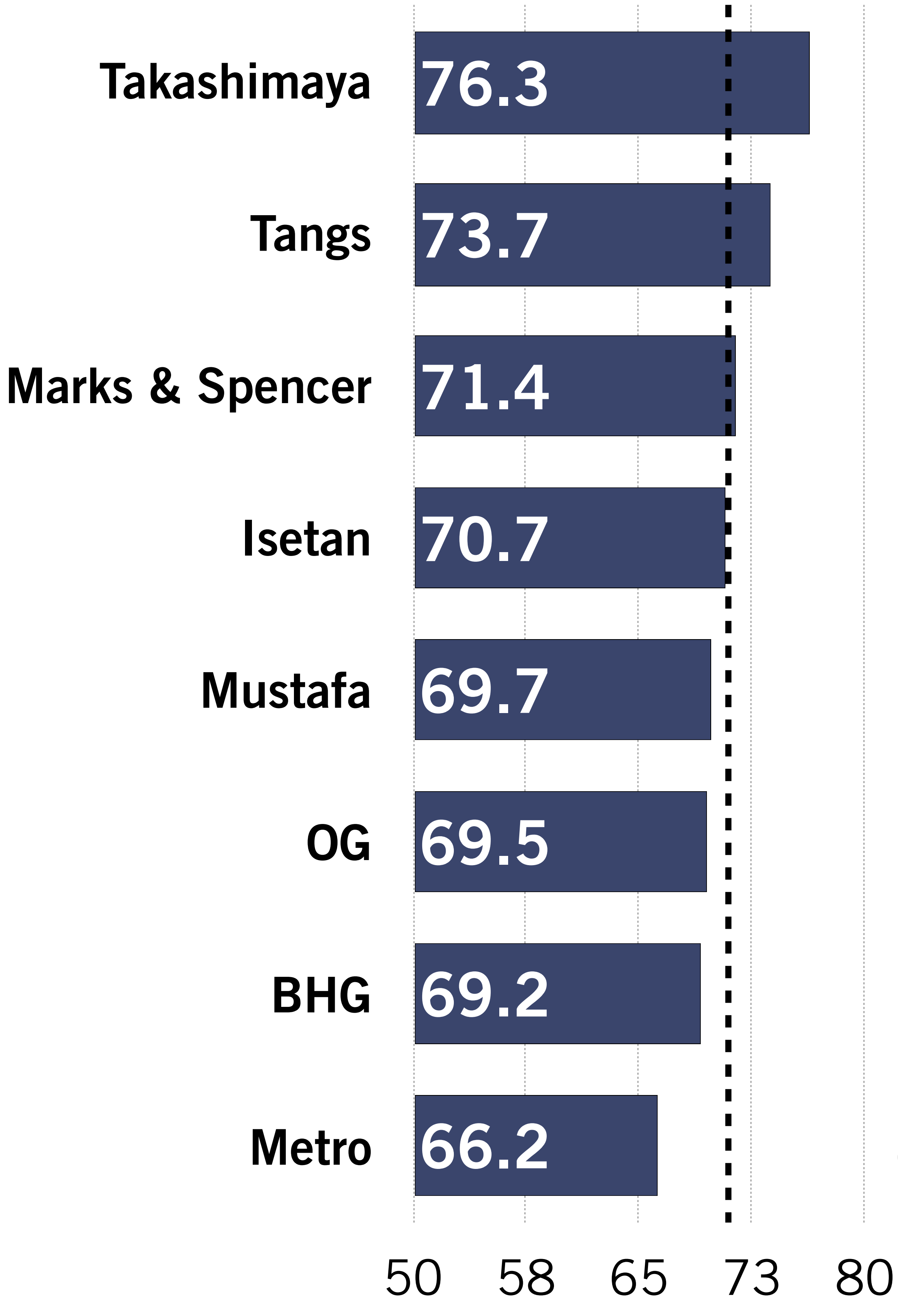


Fashion Apparels Sub-Sector
CSISG: 72.1

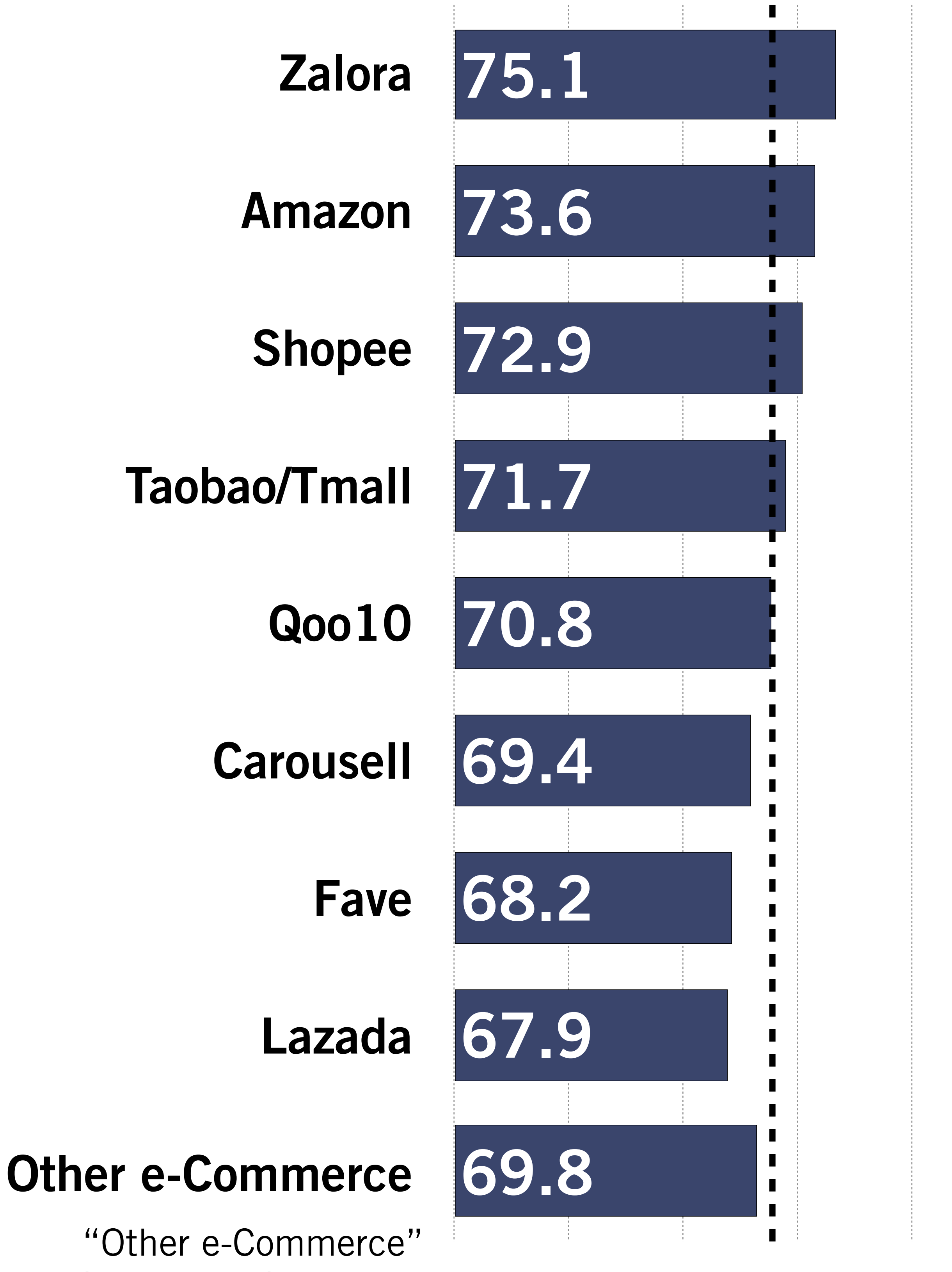
“Other Fashion Apparels” includes Adidas, Levi’s, Mango, Zara, etc.



Supermarket Sub-Sector
CSISG: 71.4



Department Stores Sub-Sector
CSISG: 70.9



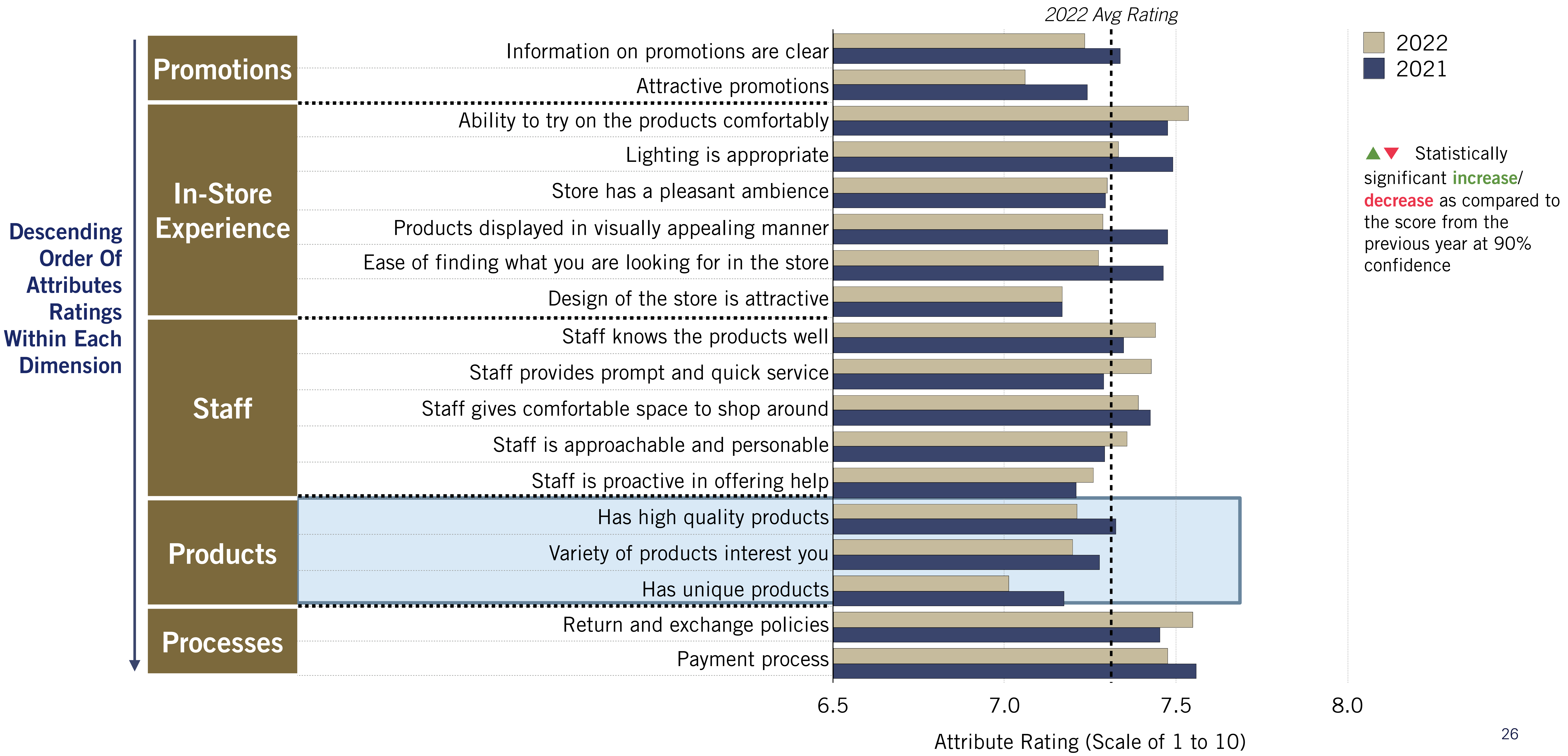
e-Commerce Sub-Sector
CSISG: 70.8

“Other e-Commerce” includes AliExpress, eBay, Net-a-Porter, etc.

Notes: Entities shown above have samples of N≥50.

ATTRIBUTE PERFORMANCE YEAR-ON-YEAR MOVEMENTS

Fashion Apparels: Staff Attributes Improved Marginally, Product Declined

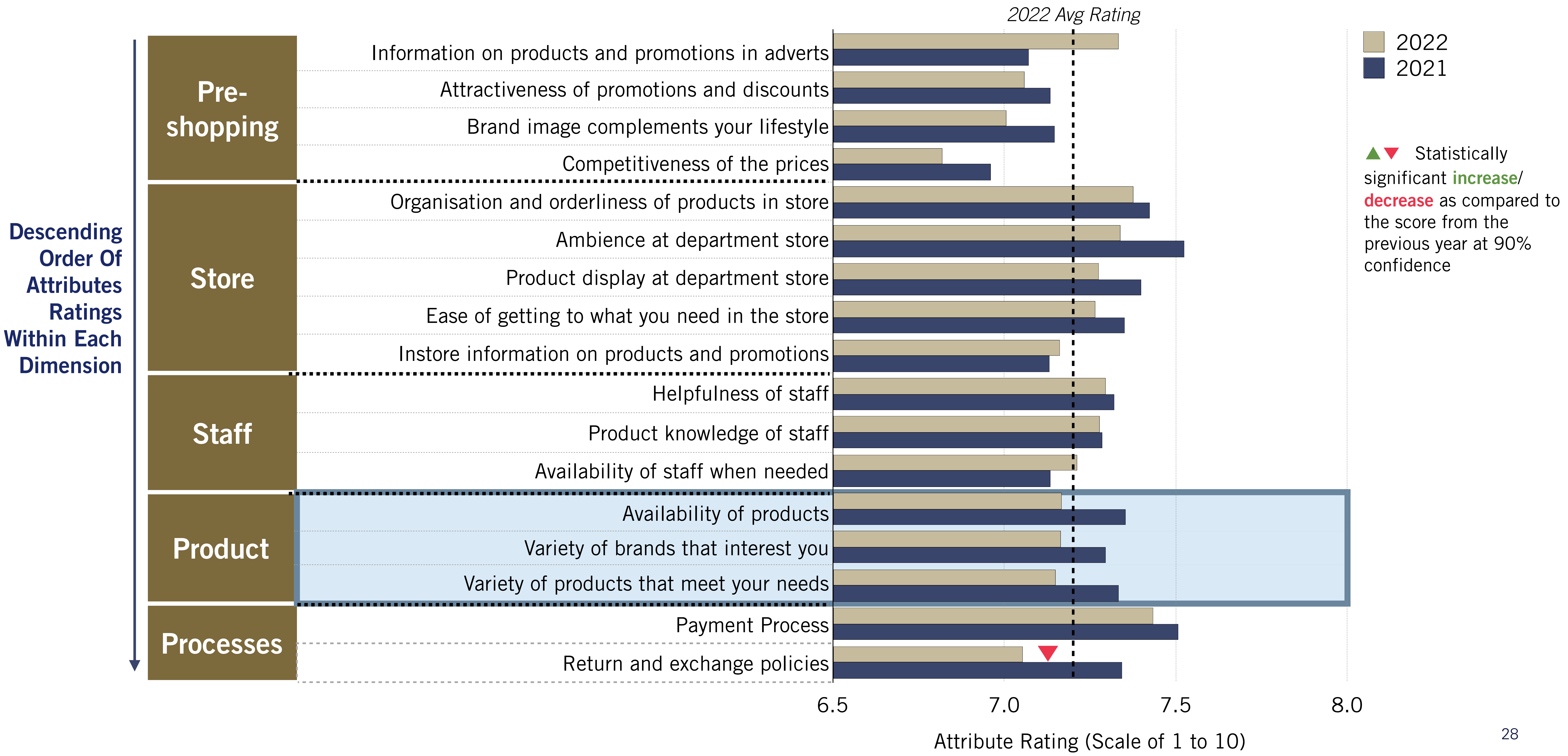


▲▼ Statistically significant increase/ decrease as compared to the score from the previous year at 90% confidence

Supermarkets Saw Marginal Declines In Product And Process-related Attributes

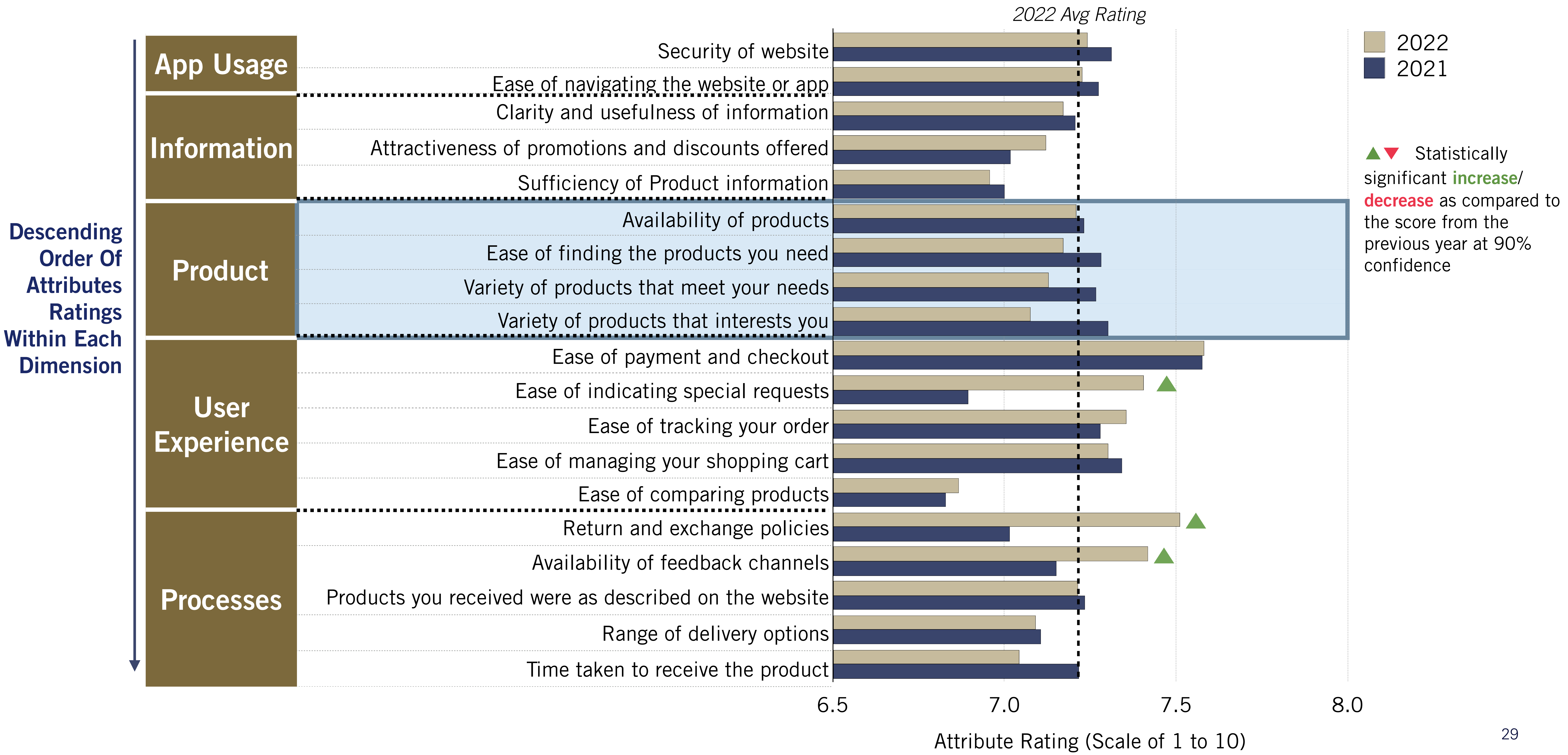
▲▼ Statistically significant **increase**/ **decrease** as compared to the score from the previous year at 90% confidence

Department Stores Saw Decline In Processes As Well As Product Attributes



▲▼ Statistically significant **increase**/ **decrease** as compared to the score from the previous year at 90% confidence

e-Commerce: Products Declined Marginally, Process Attributes Performed Better



e-Commerce Processes Rated Higher Than Department Stores

Comparing Department Stores vs e-Commerce

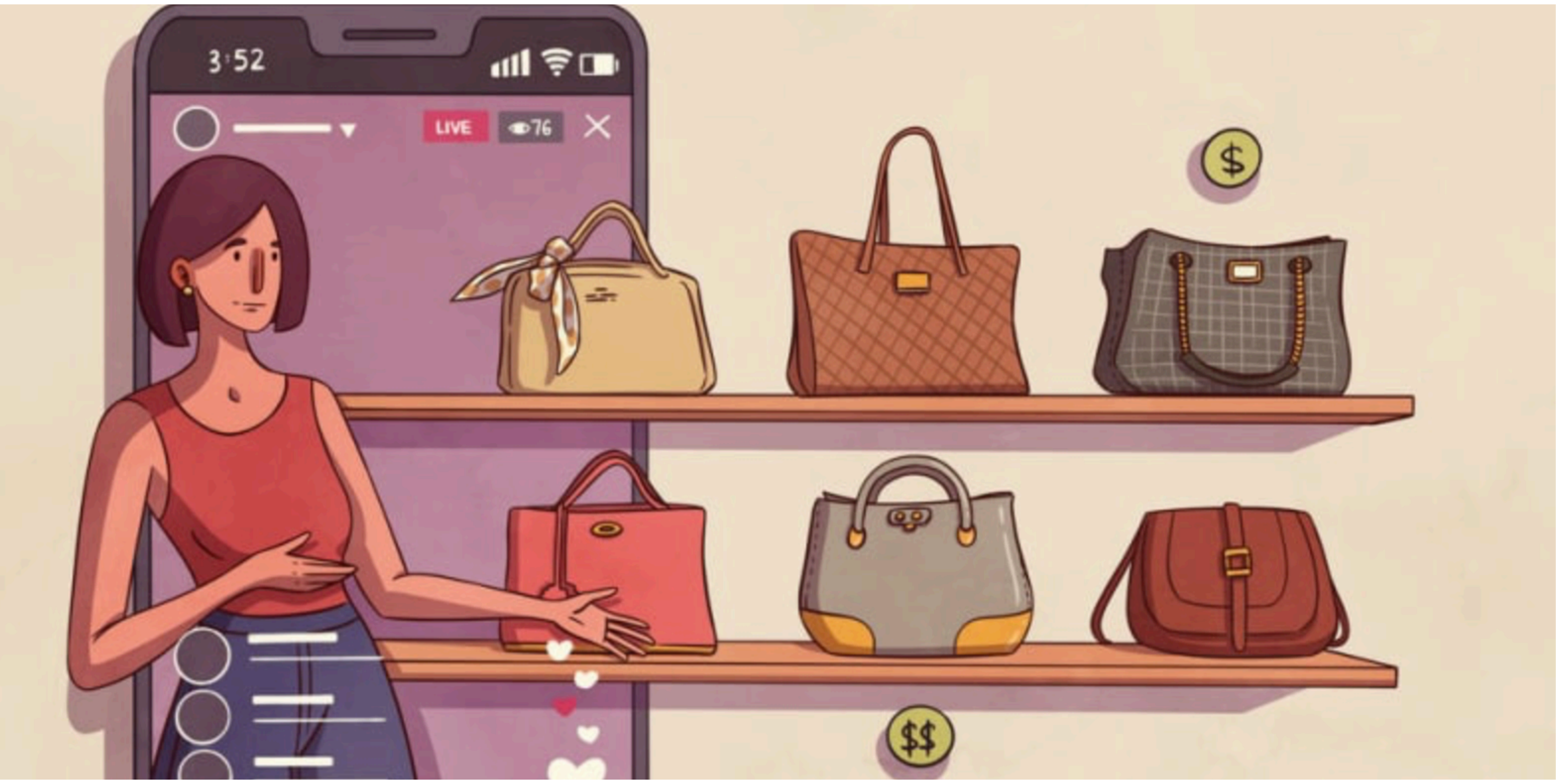
e-Commerce performs better than Department stores

Note: Slight difference in how these attributes were phrased for Department Stores and e-Commerce.

NEW RETAIL TRENDS

Livestream Shopping Could Be the Future Of Retail

The Big Read: Live streaming, gamification spur rise of 'retailtainment' amid e-commerce's pandemic boom



- Live stream commerce has taken off in Singapore over the last two years as retailers found ways to overcome challenges brought about by the pandemic

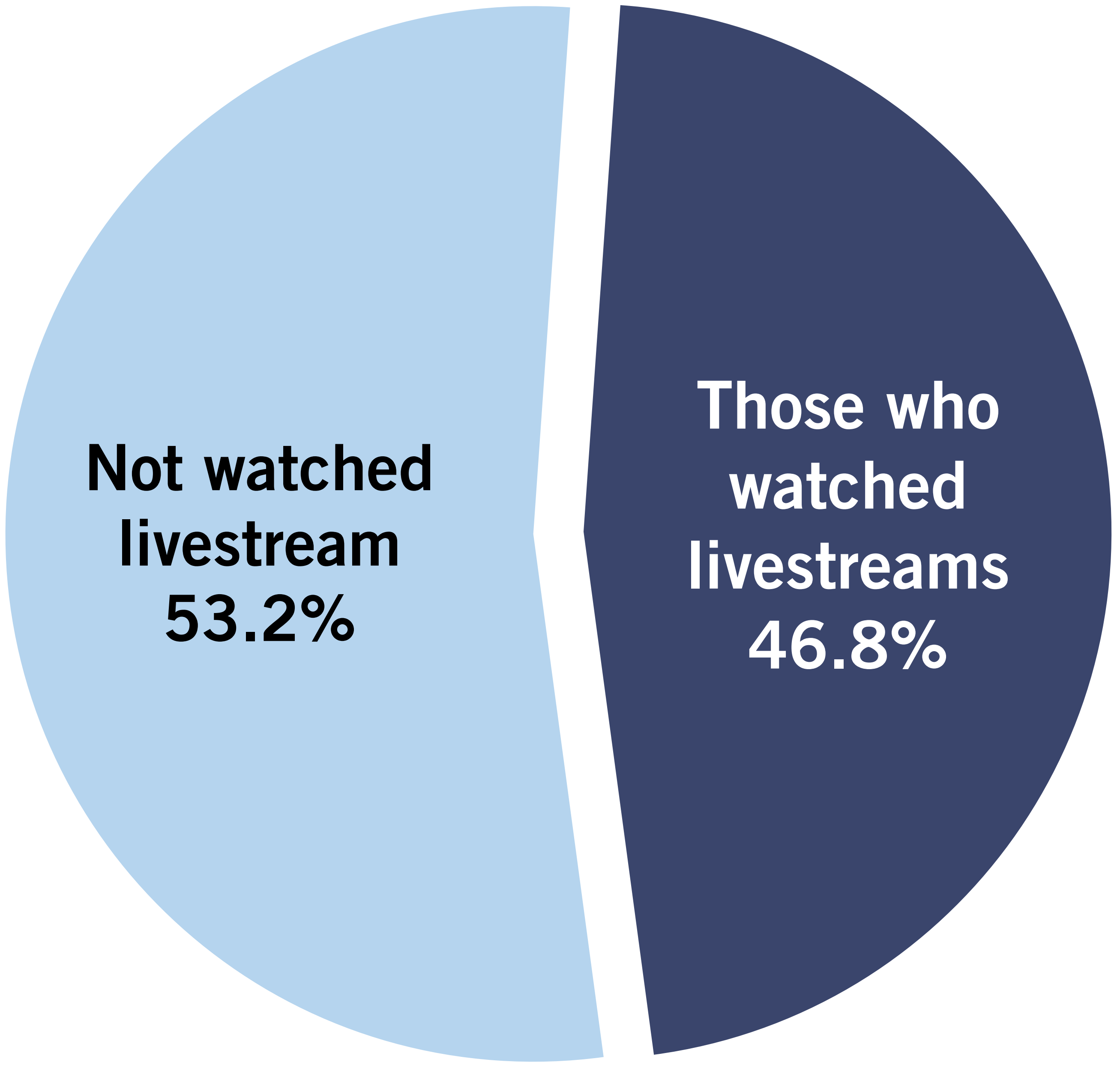
Viewers can like the stream as many times as they want.

Viewers can comment or ask sellers questions in real-time.

Viewers can share the livestream on social media.

Sources:
(1) https://sbr.com.sg/retail/news/ecommerce-giant-lazada-reinvents-online-shopping-through-lazlive
(2) https://www.thedrum.com/news/2019/06/07/e-commerce-live-streaming-takes-sea-lazada-and-shopee-go-head-head
(3) https://www.channelnewsasia.com/singapore/big-read-live-streaming-e-commerce-retail-covid-19-online-shopping-2328556

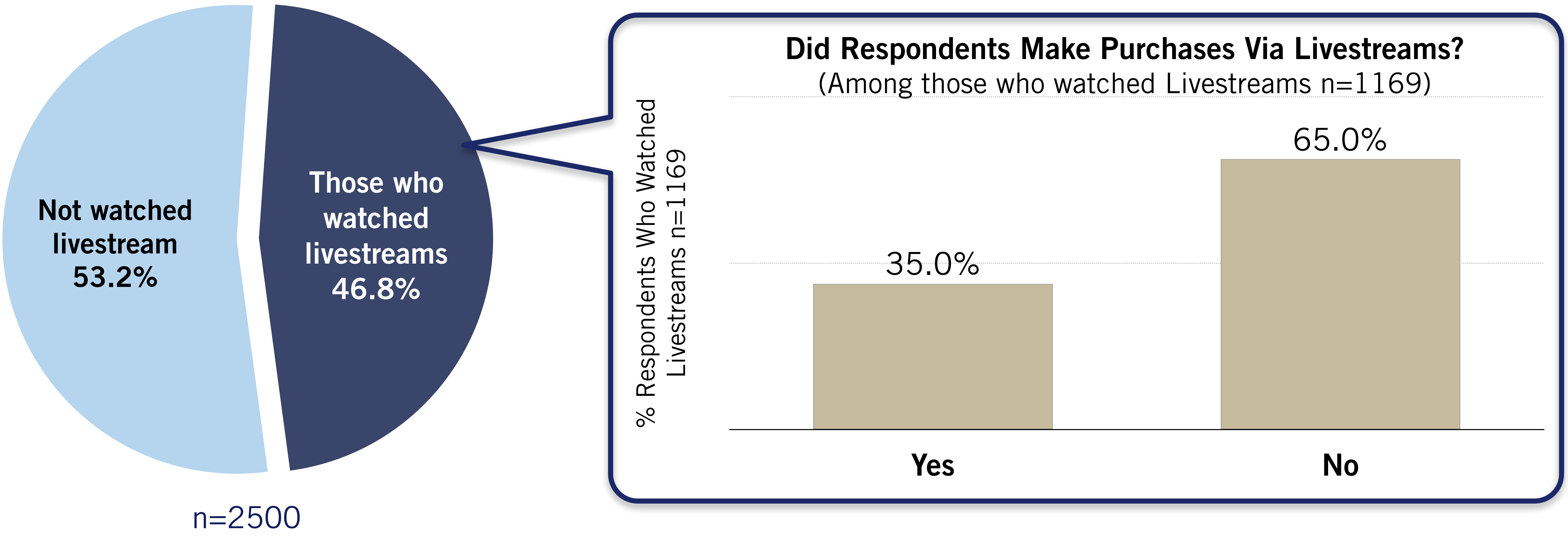
Almost Half Of <u>All</u> Retail Respondents Participated In Livestreams In the Last Three Months



n=2500

Note: Data is unweighted

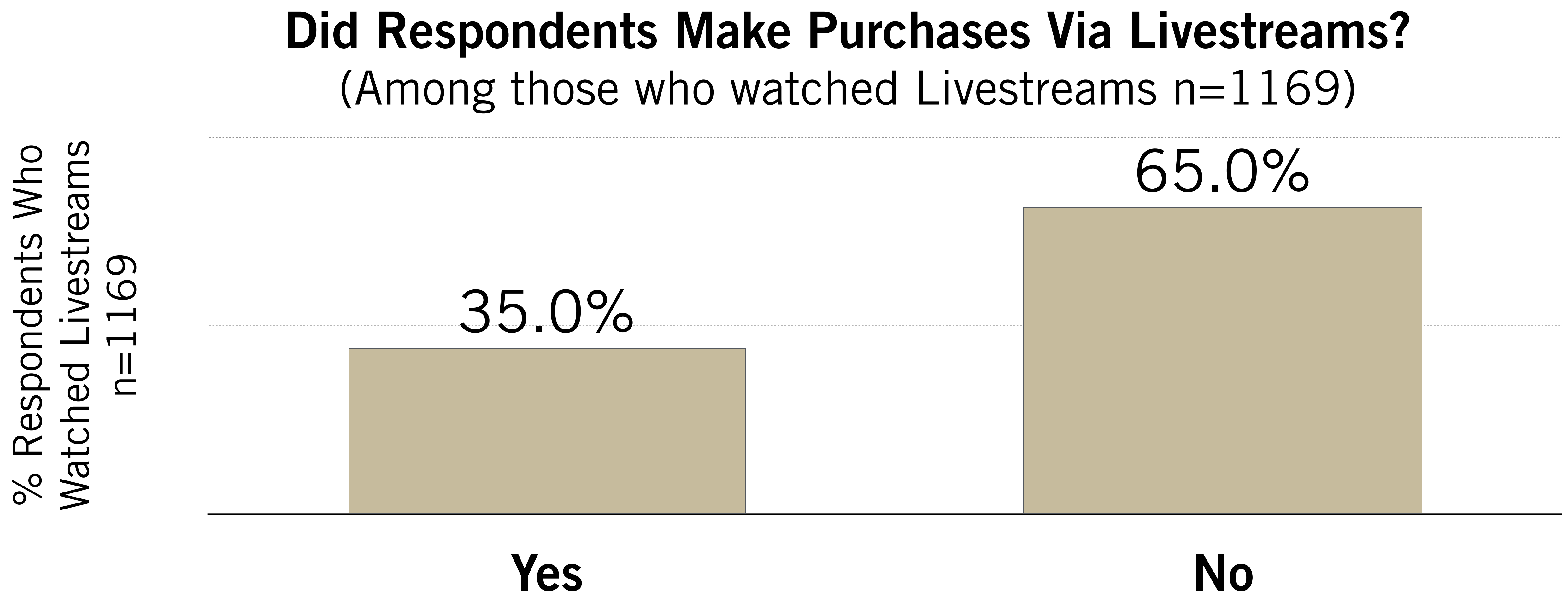
One-third Of Respondents Who Watched Made Purchases Via Livestreams



Yes	35.0%
No	65.0%

Note: Data is unweighted

Younger Respondents More Likely To Purchase Via Livestreams



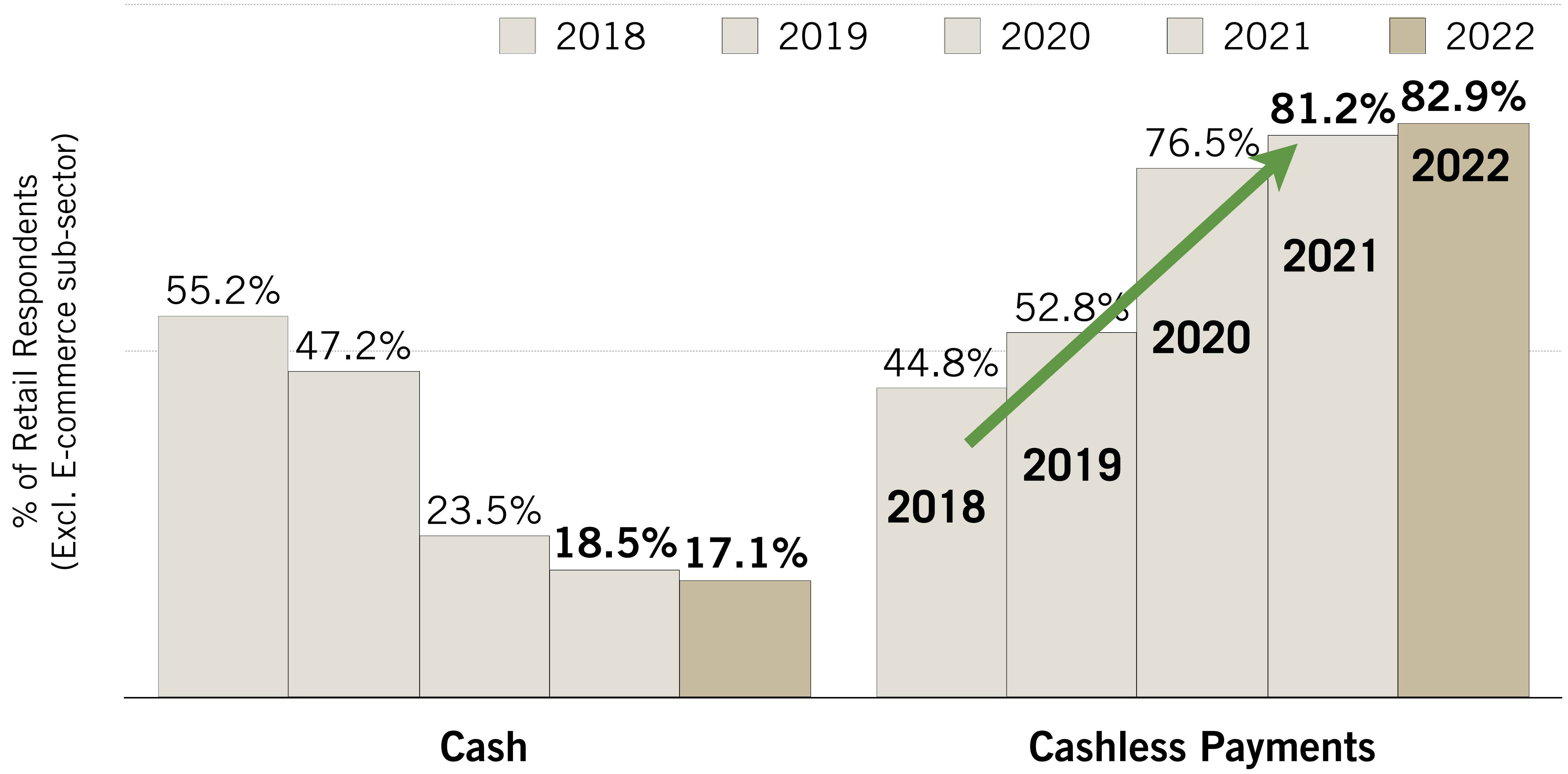
		Yes	No
Age Group	18 to 29 yrs	**34.4%**	65.6%
	30 to 49 yrs	**37.9%**	62.1%
	50 to 69 yrs	23.2%	76.8%
	70 yrs and above	33.0%	67.0%
Gender	Male	31.3%	68.7%
	Female	**38.5%**	61.5%

Note: Data is unweighted

RETAIL CONSUMER PAYMENT BEHAVIOUR

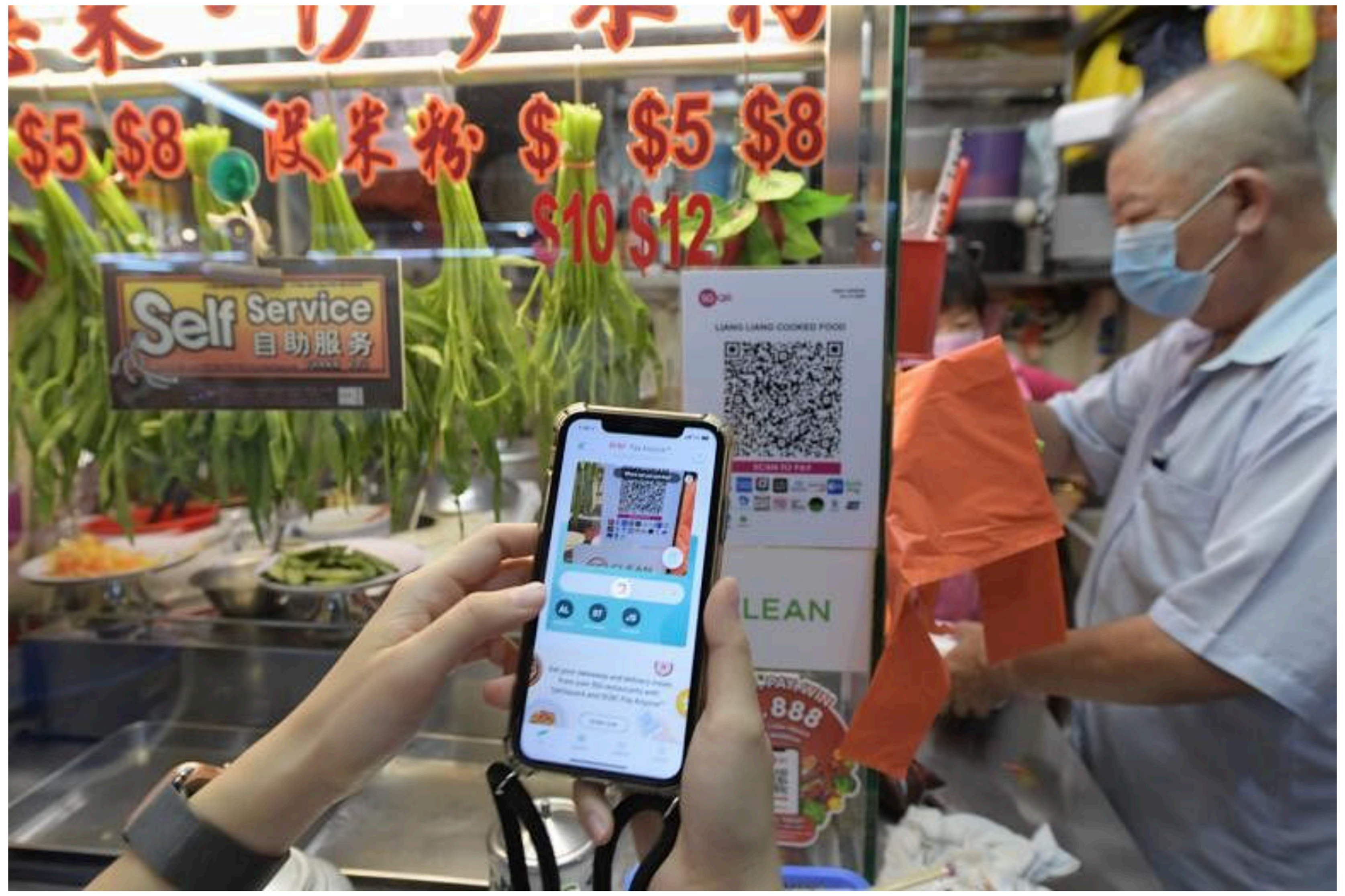
More Customers Adopting Cashless Payments Since 2018

Most Frequently Used Method of Payment



Physical Debit/Credit Cards, NETS and Mobile Payments such as Apple Pay, GrabPay, Paylah, etc.

Contact-free digital payments see big jump with Covid-19

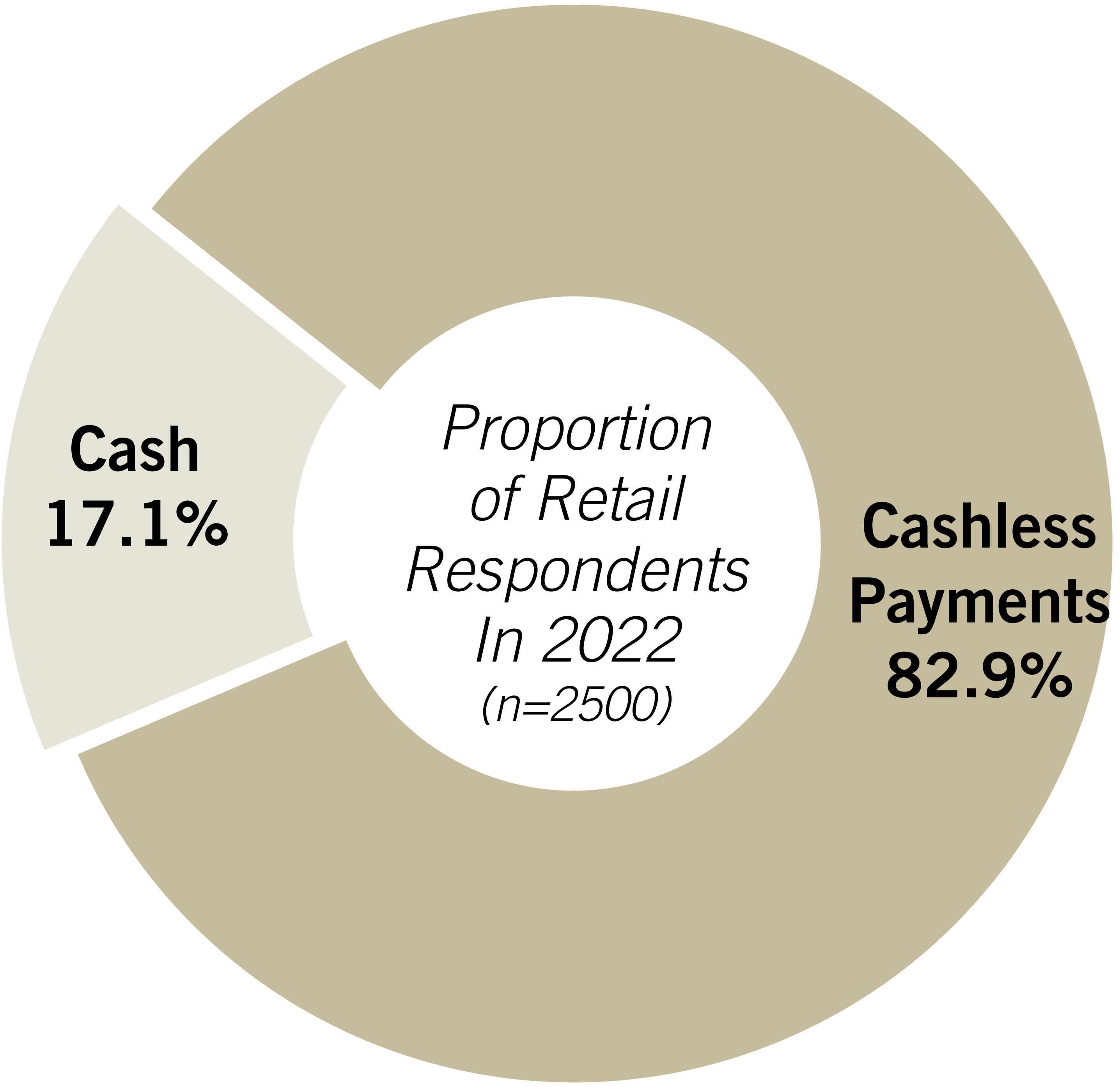


Source: Dated 13 Dec 2021: https://www.straitstimes.com/business/economy/contact-free-digital-payments-see-big-jump-with-covid-19

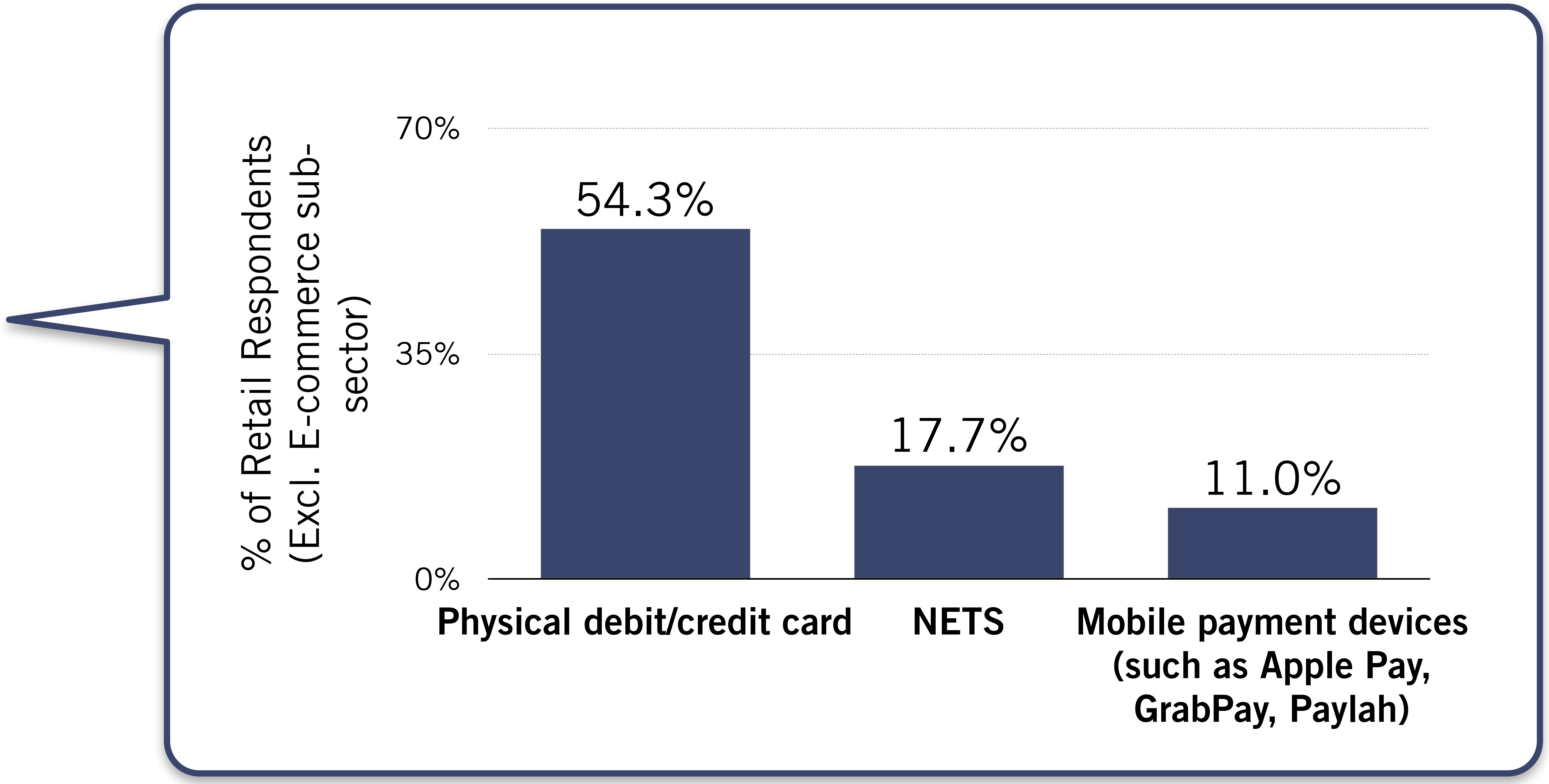
↑↓ denotes statistically significant year-on-year increase/decrease at 90% confidence.

Note: Data is unweighted

Majority Of Respondents Used Physical Cards For Payments



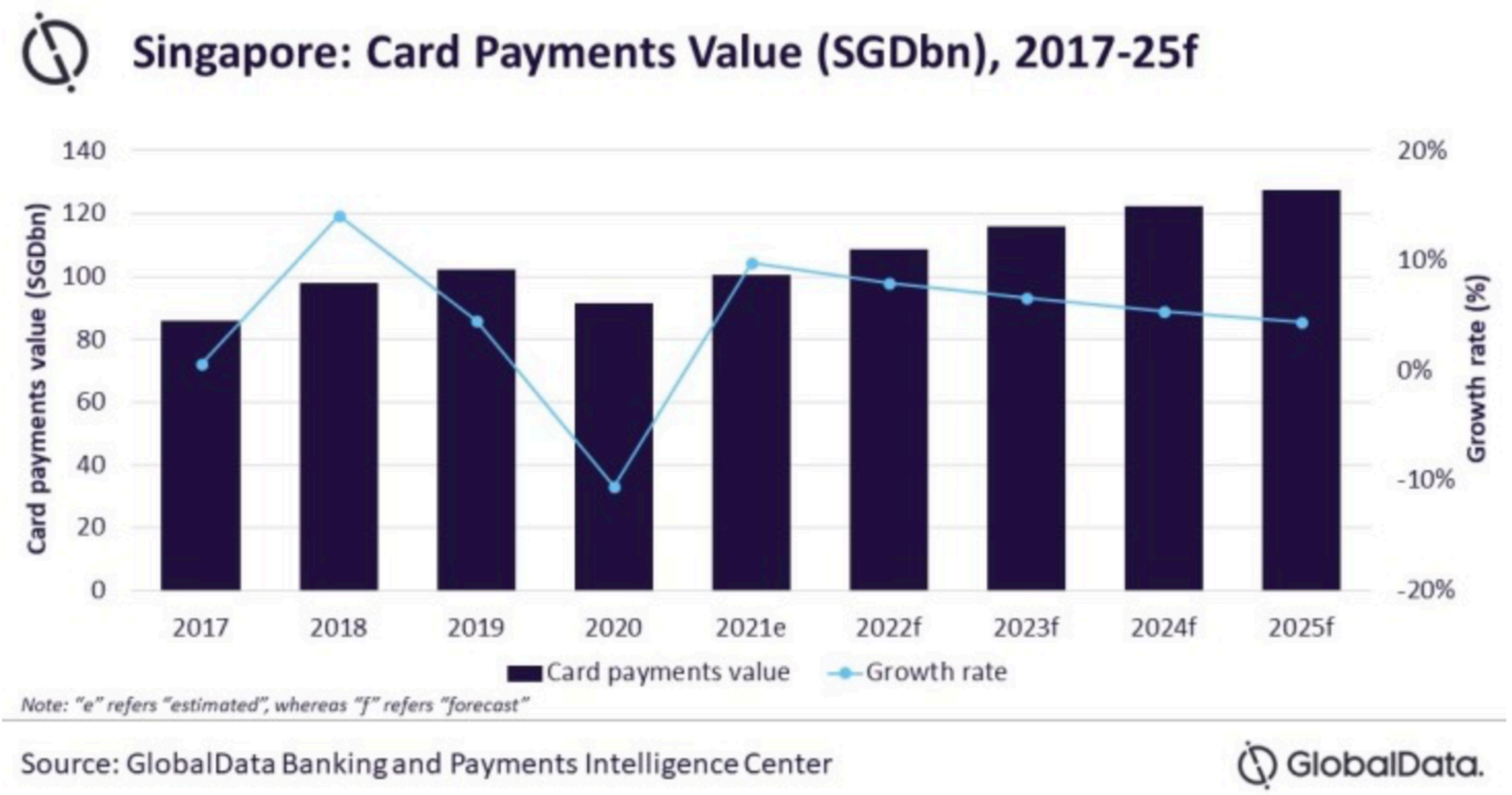
Department Stores, Supermarkets and Fashion Apparel Respondents (Excluding E-commerce sub-sector)



GREEN/**RED** score indicates one segment performed **BETTER**/**WORSE** than those who most frequently used cash with statistical significance.

Note: Data is unweighted

Contactless Cards A Key Driver For Increase In Card Payments



Singapore: Card Payments Value (SGDbn), 2017-25f

Note: "e" refers "estimated", whereas "f" refers "forecast"

Source: GlobalData Banking and Payments Intelligence Center

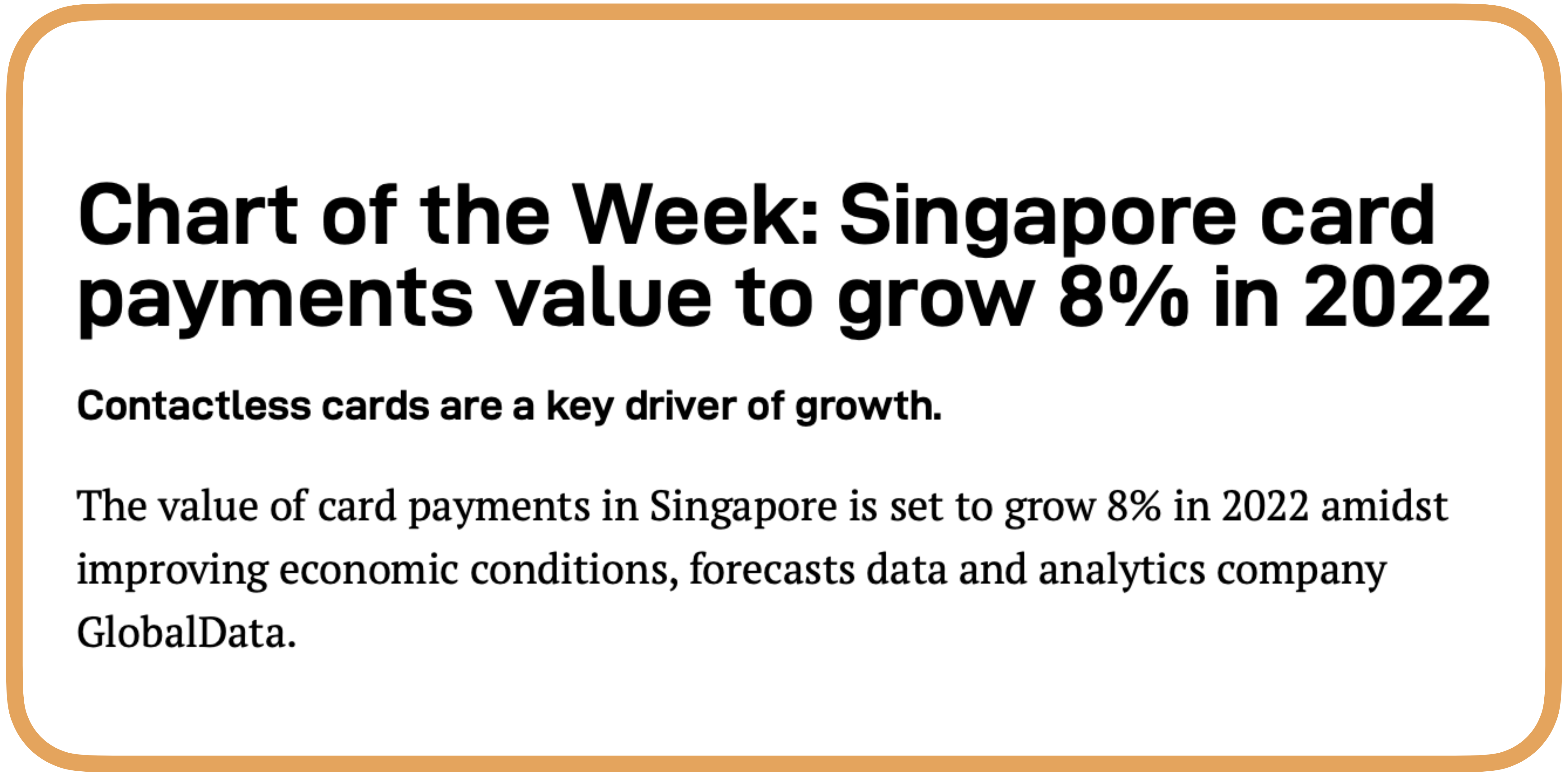
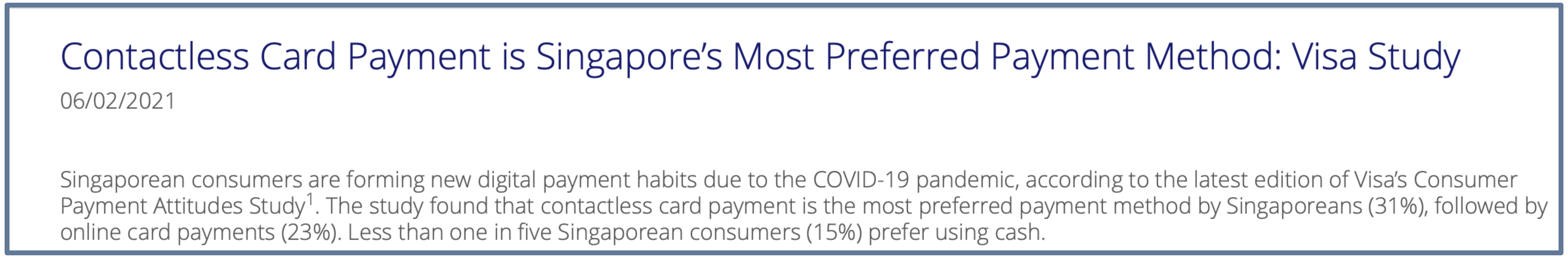


Chart of the Week: Singapore card payments value to grow 8% in 2022

Contactless cards are a key driver of growth.

The value of card payments in Singapore is set to grow 8% in 2022 amidst improving economic conditions, forecasts data and analytics company GlobalData.



Contactless Card Payment is Singapore's Most Preferred Payment Method: Visa Study

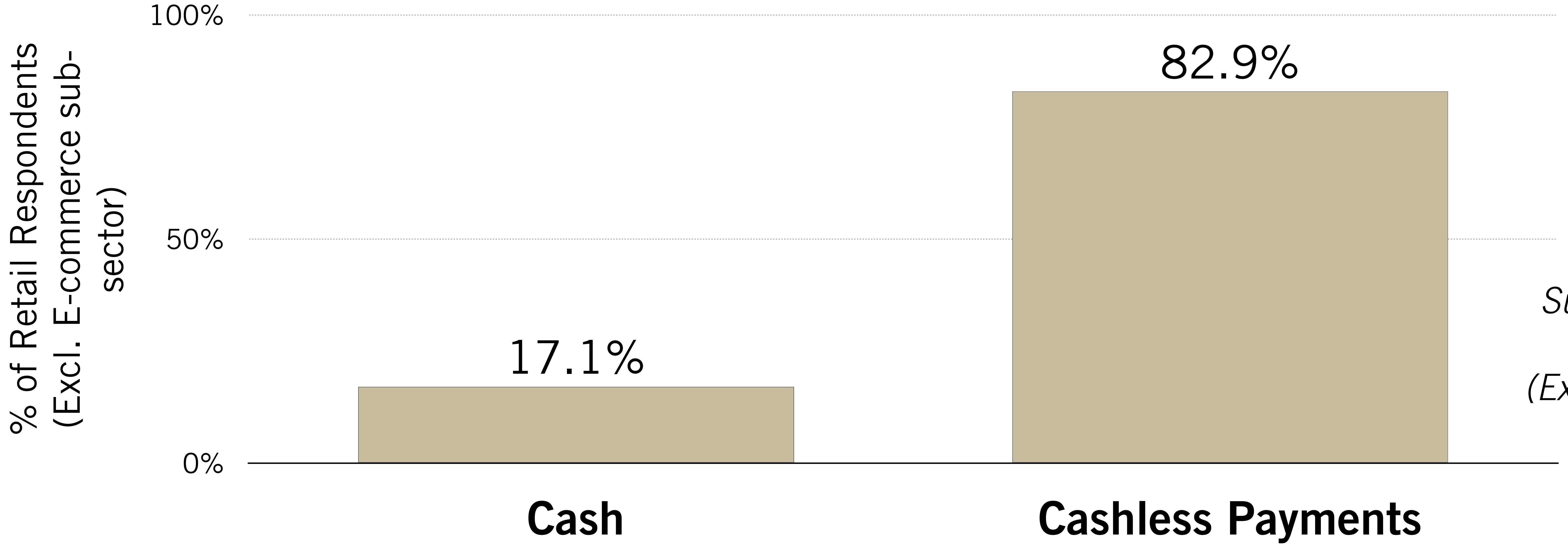
06/02/2021

Singaporean consumers are forming new digital payment habits due to the COVID-19 pandemic, according to the latest edition of Visa's Consumer Payment Attitudes Study[1]. The study found that contactless card payment is the most preferred payment method by Singaporeans (31%), followed by online card payments (23%). Less than one in five Singaporean consumers (15%) prefer using cash.

"..consumers increasingly favouring contactless cards **for low-value transactions instead of cash**" [1]

Sources:
[1] https://sbr.com.sg/cards-payments/news/chart-week-singapore-card-payments-value-grow-8-in-2022
[2] https://www.visa.com.sg/about-visa/newsroom/press-releases/contactless-card-payment-is-singapores-most-preferred-payment-method-visa-study.html

Customers Using Cashless Payments Generally More Satisfied And Loyal



Department Stores, Supermarkets and Fashion Apparel Respondents (Excluding E-commerce sub-sector)

		Cash	Cashless Payments
Score (0 to 100)	**CSISG Score**	69.7	71.8
	Loyalty Score	69.0	69.4
Rating (1 to 10)	**Payment Process**	7.17	**7.51**

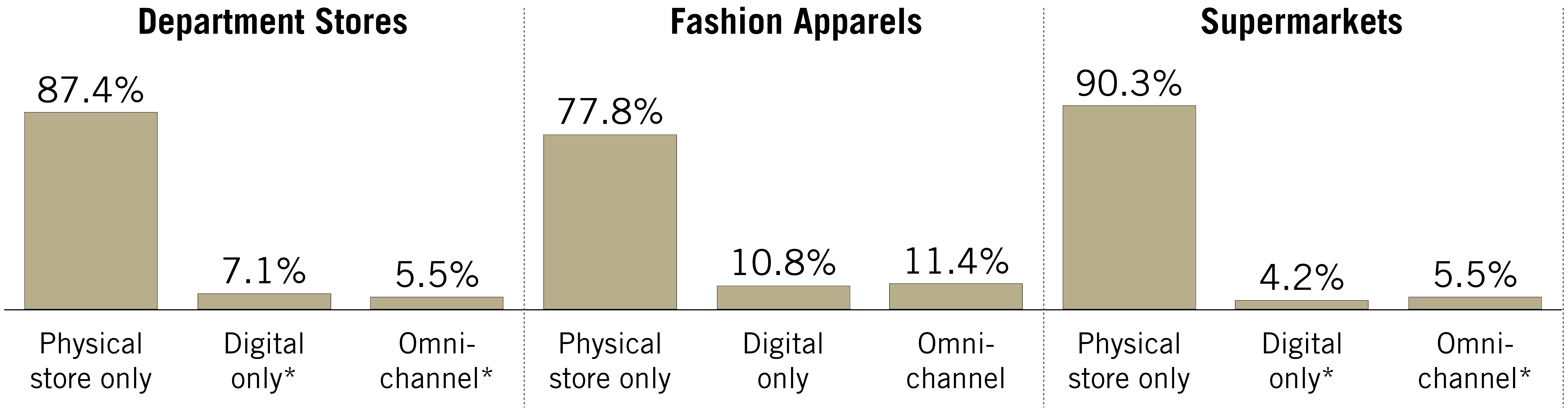
GREEN/**RED** score indicates one segment performed **BETTER**/**WORSE** than those who most frequently used cash with statistical significance.

Note: Data is unweighted

CHANNEL OF PURCHASE

Majority Of Customers Purchased At Physical Stores…

How did you make your purchase from (INSERT NAME) in the last 3 months?



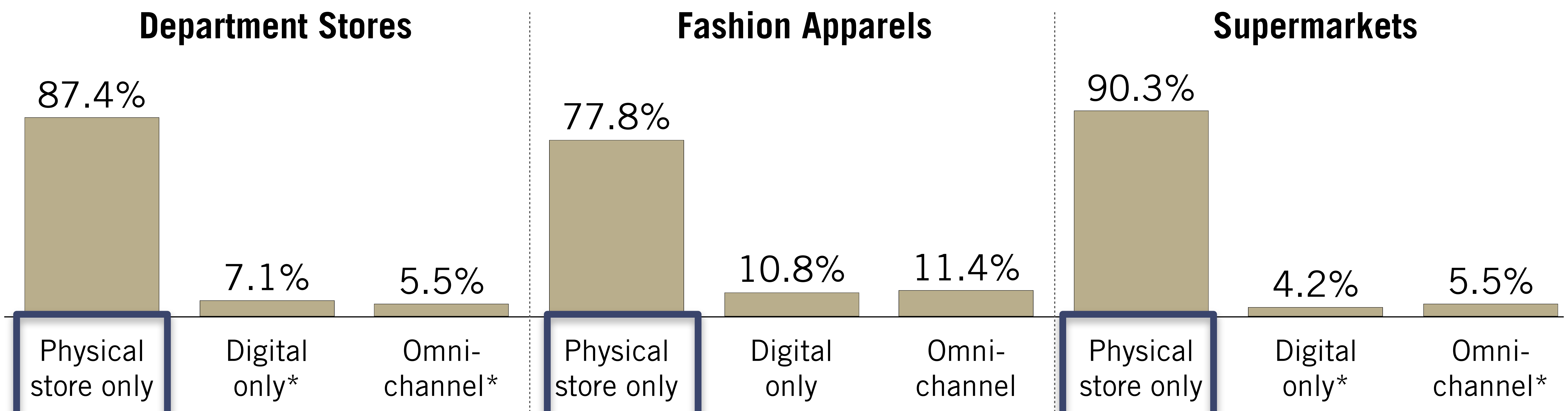
CSISG	70.6	67.7	80.2	71.6	72.2	75.1	71.4	73.0	71.1	70.8
Loyalty	67.6	68.8	76.9	70.2	72.2	76.6	69.4	72.6	72.6	68.7

Note: *No statistical testing for digital only and omni-channel customers under Department Stores and Supermarket sub-sectors, due to low samples

GREEN/**RED** scores indicate **BETTER**/**WORSE** performance than those who purchased from physical store only with statistical significance.

...But Generally Less Satisfied & Loyal Than Omni-channel Customers

How did you make your purchase from (INSERT NAME) in the last 3 months?



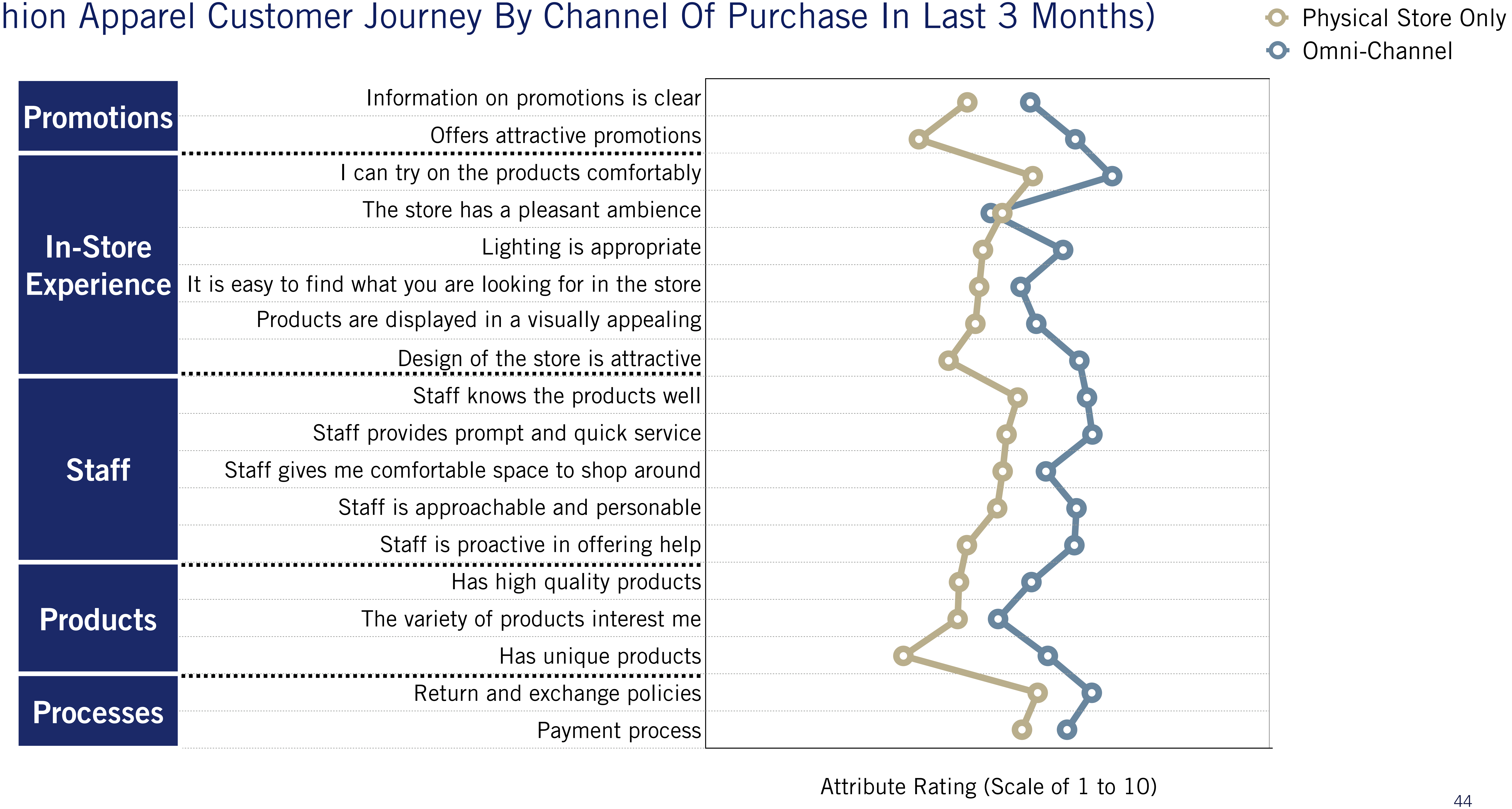
	Department Stores			Fashion Apparels			Supermarkets		
	Physical store only	Digital only*	Omni-channel*	Physical store only	Digital only	Omni-channel	Physical store only	Digital only*	Omni-channel*
CSISG	70.6	67.7	**80.2**	71.6	72.2	**75.1**	71.4	73.0	**71.1**
Loyalty	67.6	68.8	**76.9**	70.2	72.2	**76.6**	69.4	72.6	**72.6**

Note: *No statistical testing for digital only and omni-channel customers under Department Stores and Supermarket sub-sectors, due to low samples

GREEN/**RED** scores indicate **BETTER**/**WORSE** performance than those who purchased from physical store only with statistical significance.

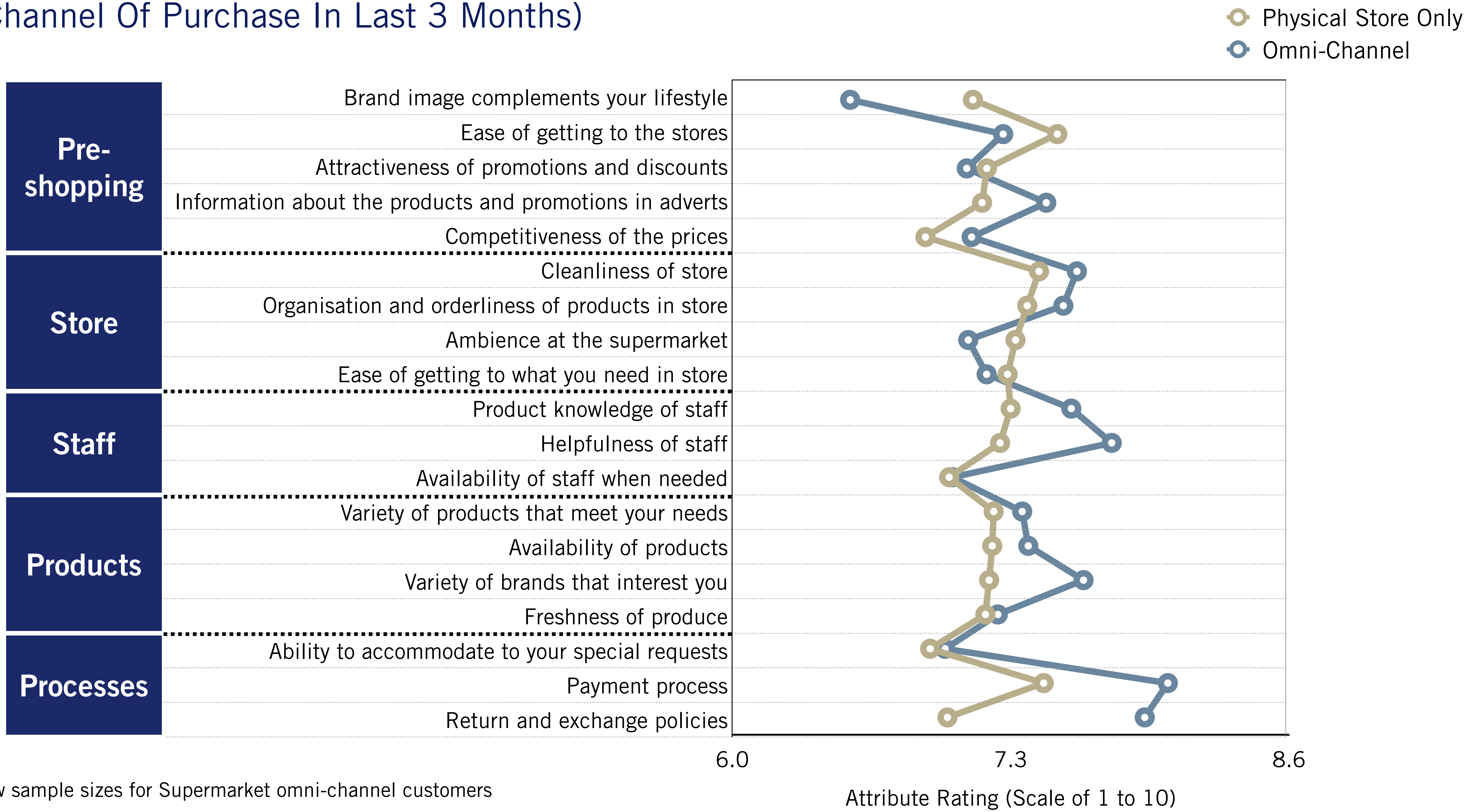
Omni-Channel Customers Also Rate Shopping Experience Better

(Fashion Apparel Customer Journey By Channel Of Purchase In Last 3 Months)



Supermarket Omni-channel Customers Rate Most Attributes Higher

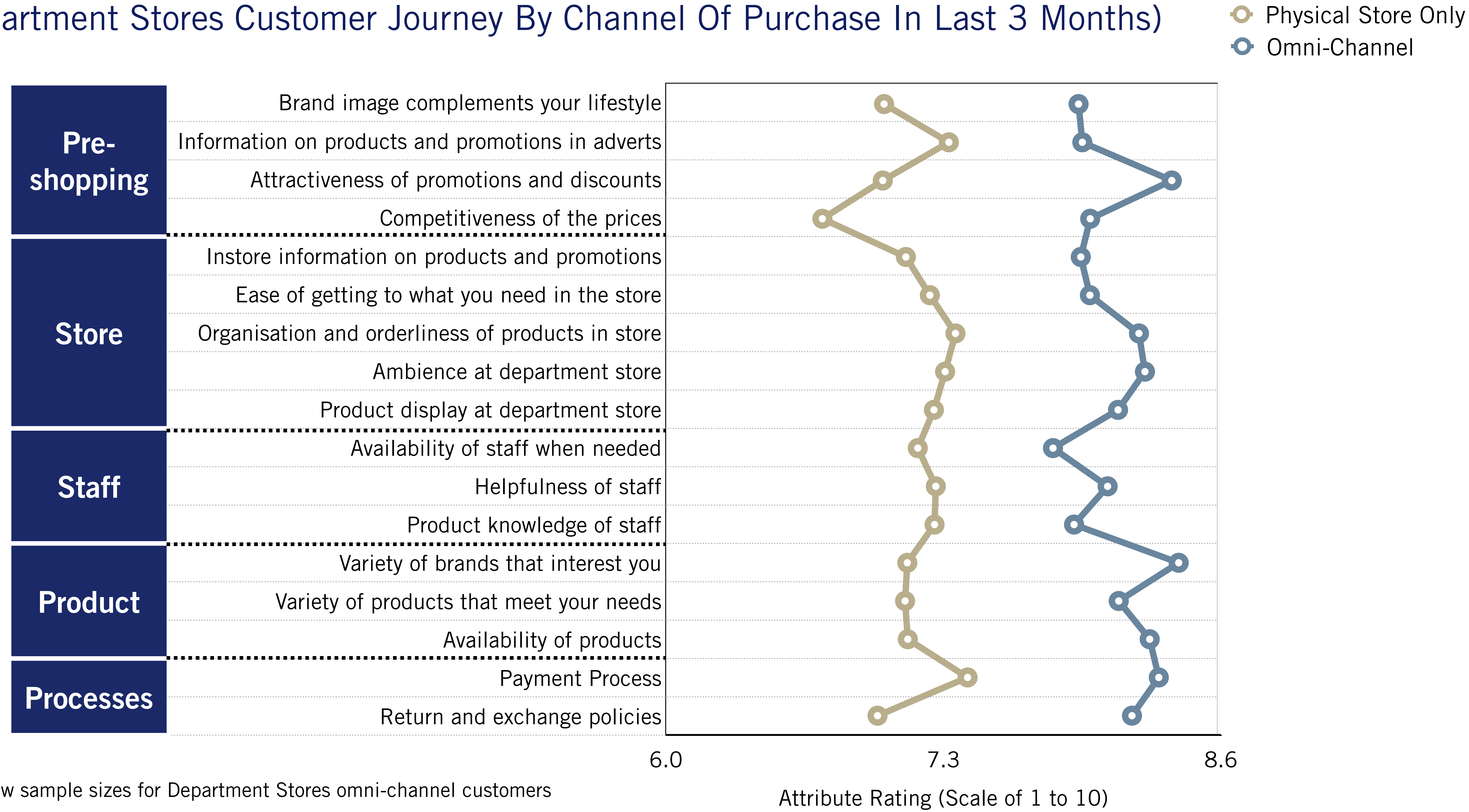
(By Channel Of Purchase In Last 3 Months)



Note: Low sample sizes for Supermarket omni-channel customers

Department Store Omni-Channel Customers Also Rate Experience Better

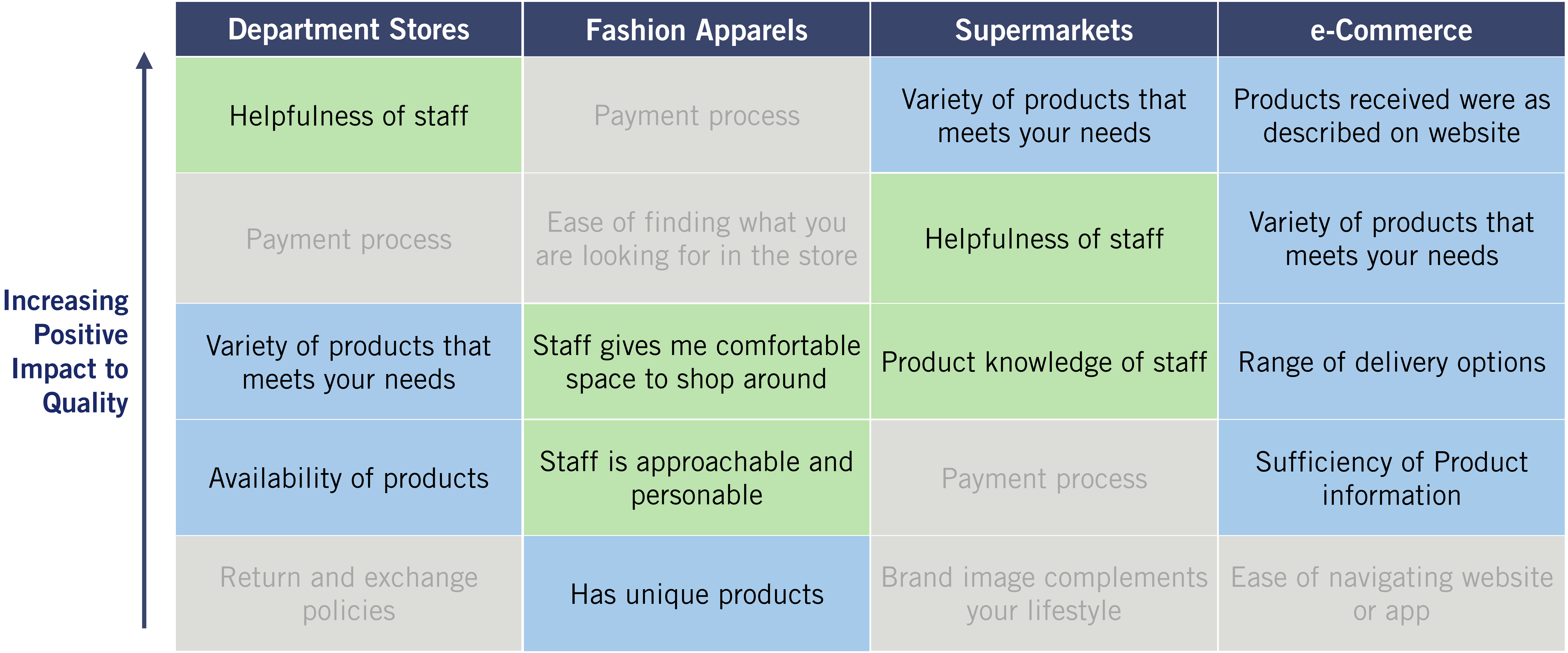
(Department Stores Customer Journey By Channel Of Purchase In Last 3 Months)



Note: Low sample sizes for Department Stores omni-channel customers

Service Staff And Products Key To Drive Perceived Quality

Retail Sector: Top 5 Drivers of Quality



Increasing Positive Impact to Quality

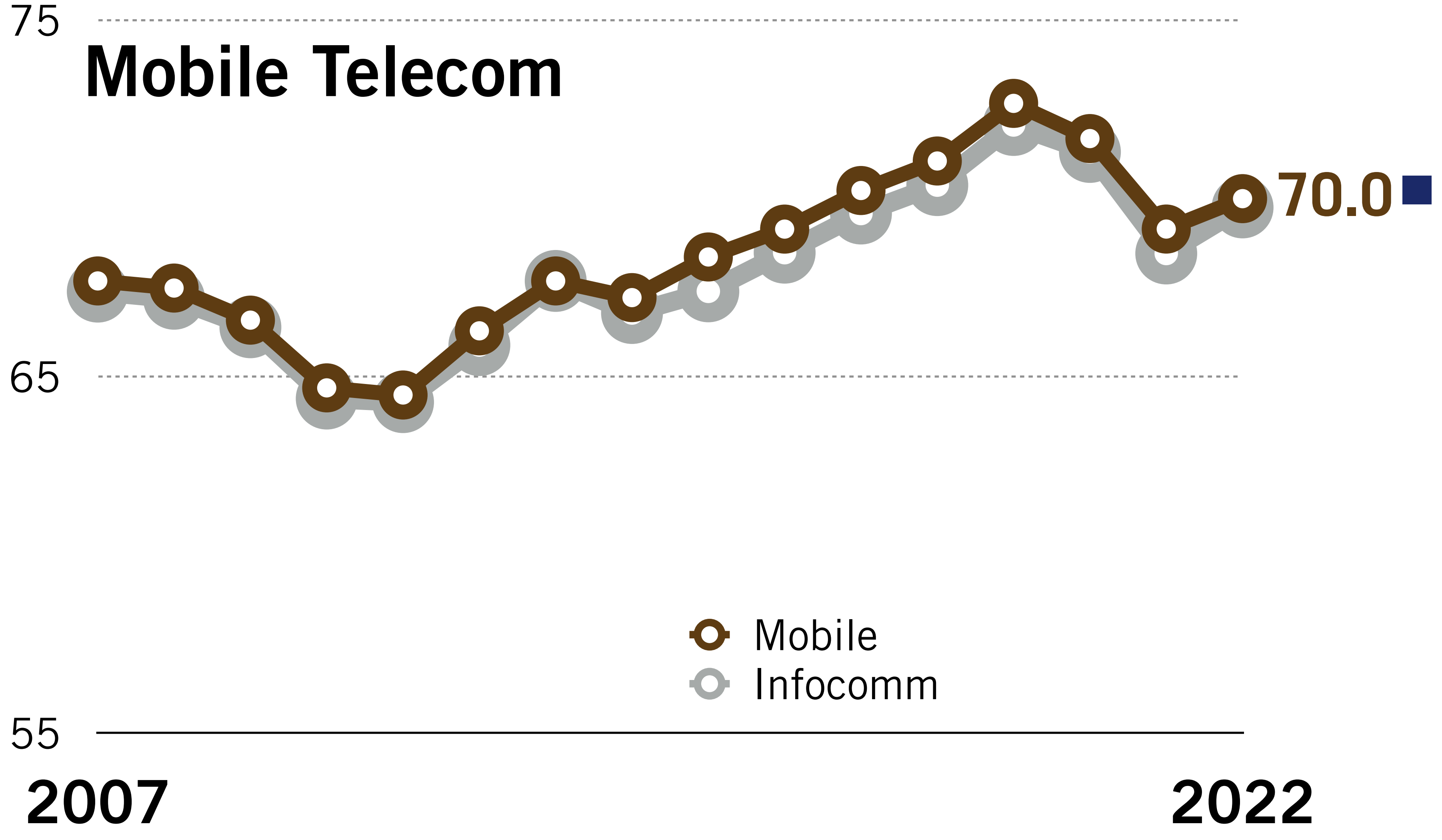
Department Stores	Fashion Apparels	Supermarkets	e-Commerce
Helpfulness of staff	Payment process	Variety of products that meets your needs	Products received were as described on website
Payment process	Ease of finding what you are looking for in the store	Helpfulness of staff	Variety of products that meets your needs
Variety of products that meets your needs	Staff gives me comfortable space to shop around	Product knowledge of staff	Range of delivery options
Availability of products	Staff is approachable and personable	Payment process	Sufficiency of Product information
Return and exchange policies	Has unique products	Brand image complements your lifestyle	Ease of navigating website or app

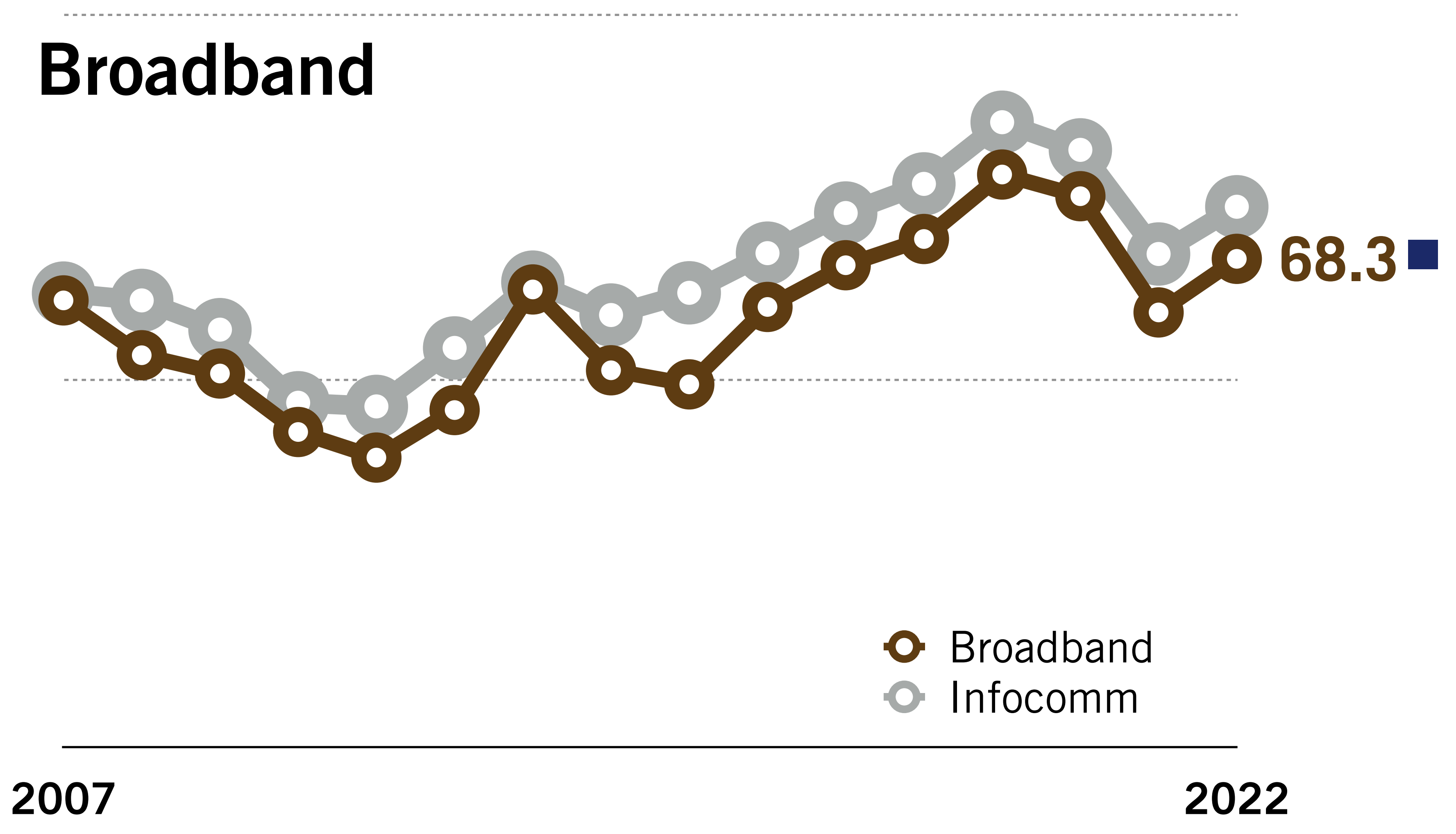
Legend: *Product* *Staff*

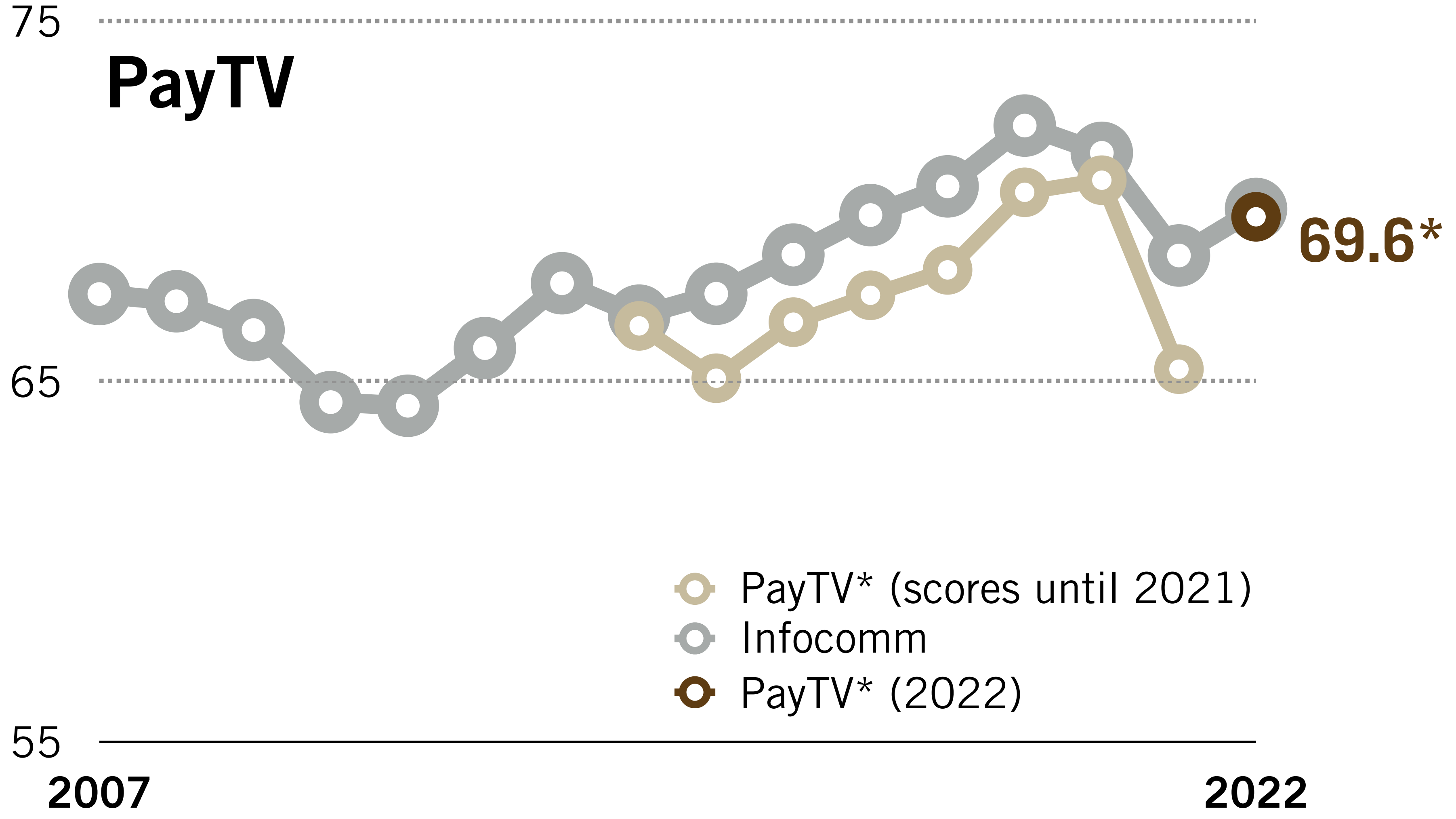
CSISG 2022 Q1 RESULTS
INFO-COMMUNICATIONS SECTOR

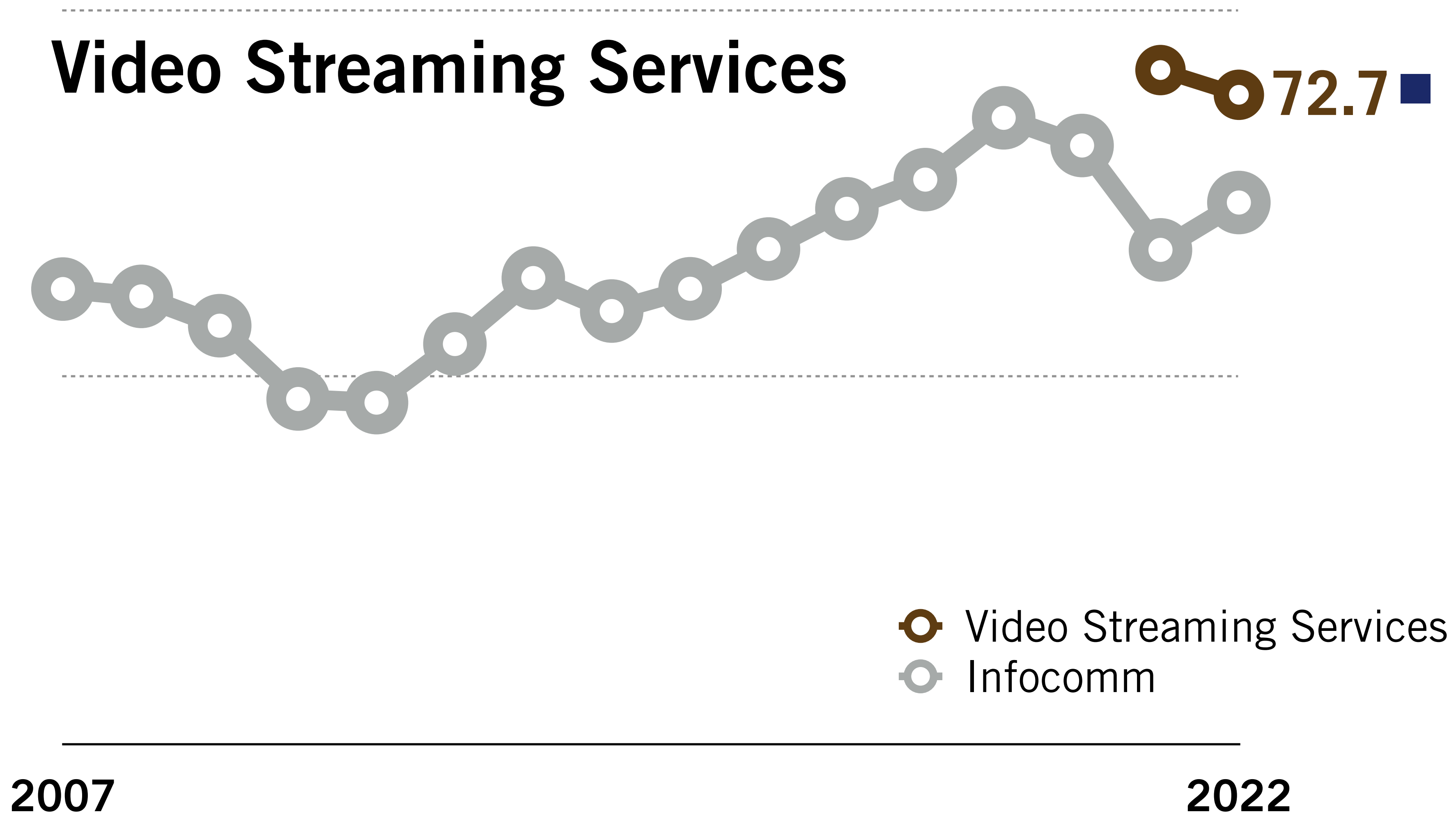
Info-Communications Sector CSISG Trends

○ Info-Comms Sector







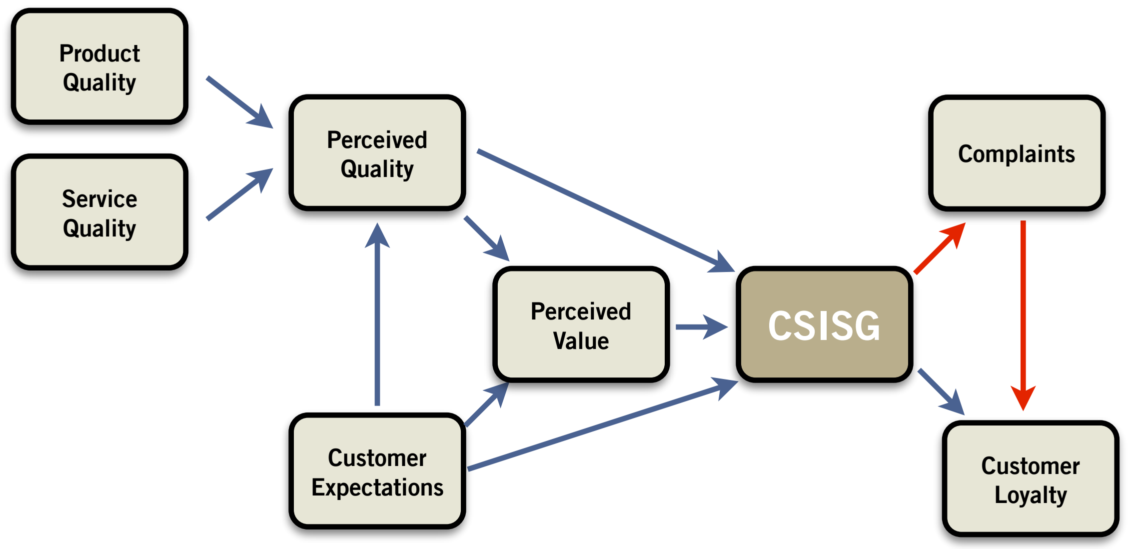


*Change in methodology for Pay TV sub-sector in 2022 from face to face interviews to online surveys, so scores are not directly comparable with previous years.

▲▼ Statistically significant increase/decrease between the 2022 and 2021 scores at 90% confidence

■ No statistically significant change between the 2022 and 2021 scores at 90% confidence

Infocomm: CSISG Dimensions Improved for Mobile Telcos And Broadband



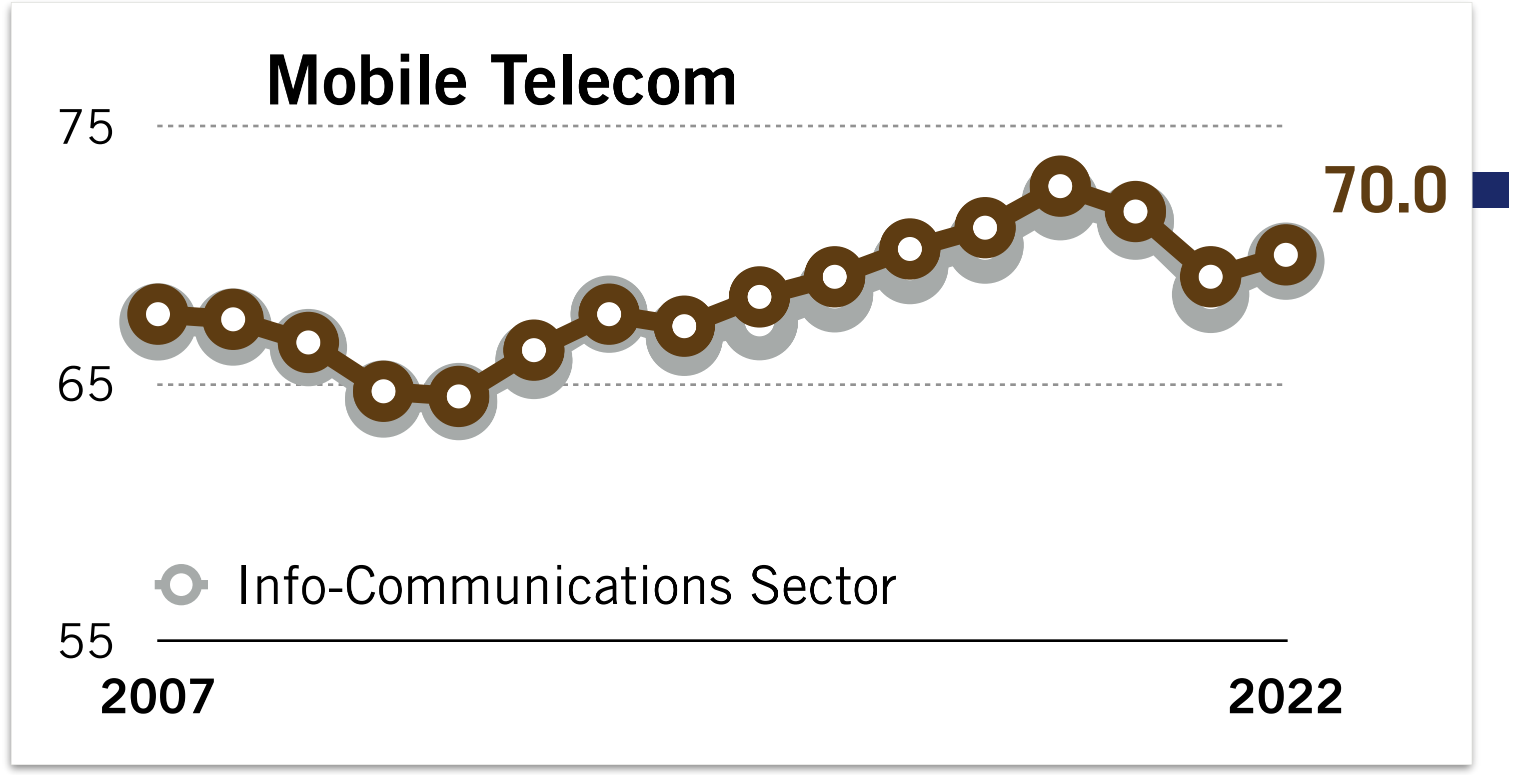
	Customer Expectations (Predicted Quality Before Recent	**Perceived Quality** (After Recent Experience)	**Perceived Value**	**CSISG**	**Customer Loyalty**
Mobile Telecom	73.0 ■ (+1.3%)	75.5 ▲ (+3.1%)	75.8 ▲ (+3.5%)	70.0 ■ (+1.2%)	71.1 ▲ (+3.5%)
Broadband	71.2 ■ (+1.2%)	75.5 ▲ (+5.2%)	76.6 ▲ (+5.8%)	68.3 ■ (+2.2%)	71.2 ▲ (+3.4%)
Video Streaming Services	75.2 ■ (-1.8%)	74.9 ■ (+0.2%)	71.7 ■ (-1.8%)	72.7 ■ (-0.9%)	70.2 ■ (-1.9%)
PayTV*	73.8	71.4	68.1	69.6	67.9

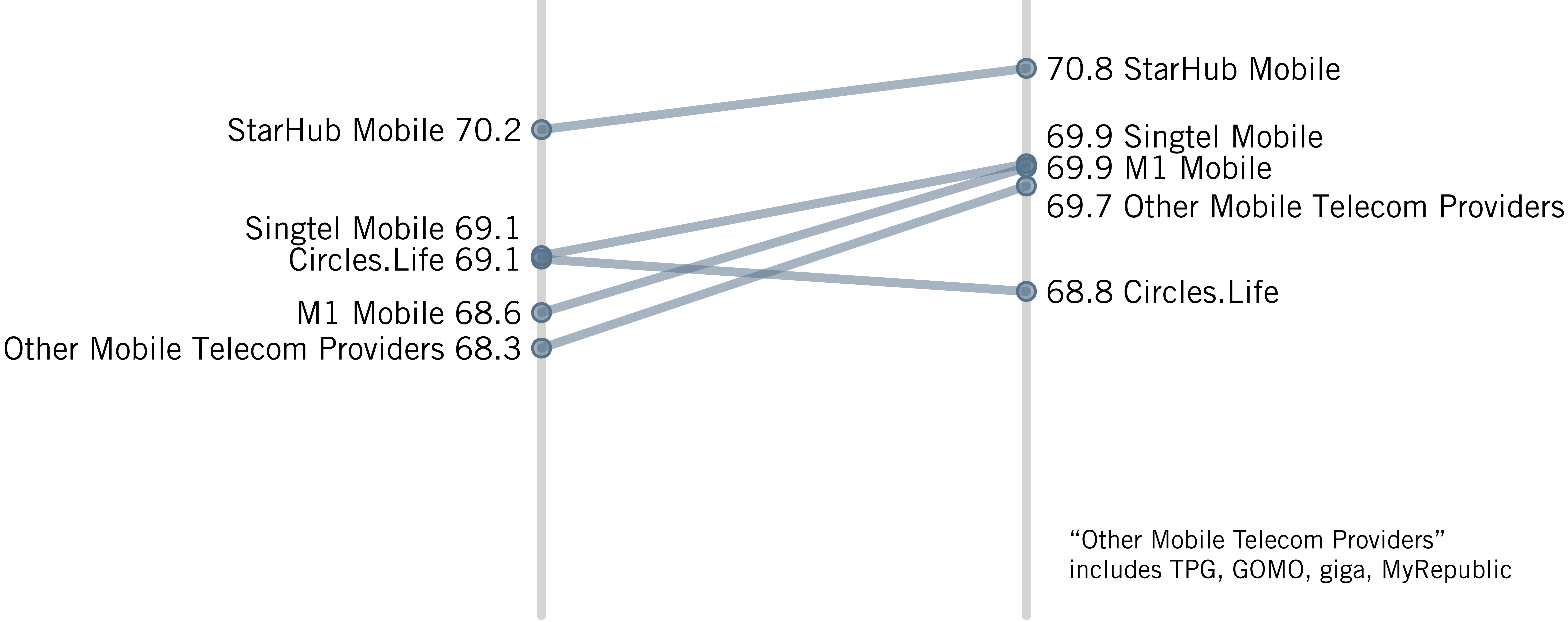
▲▼ Statistically significant year-on-year increase/decrease at 90% confidence

■ No statistically significant year-on-year change at 90% confidence

***Note**: PayTV scores not comparable year-on-year due to change in methodology in 2022

Marginal Improvements In CSISG Scores (Mobile Telecom)

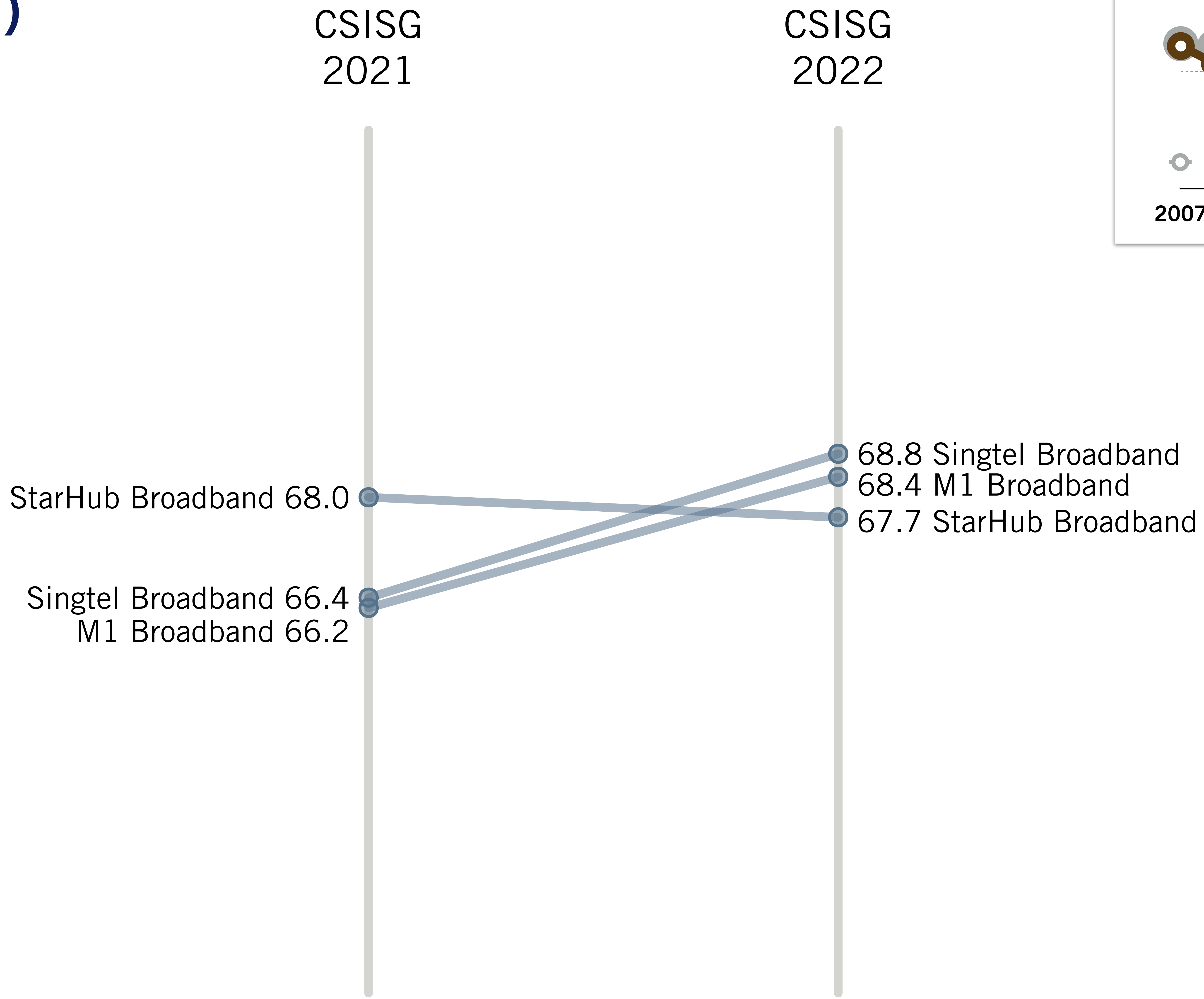


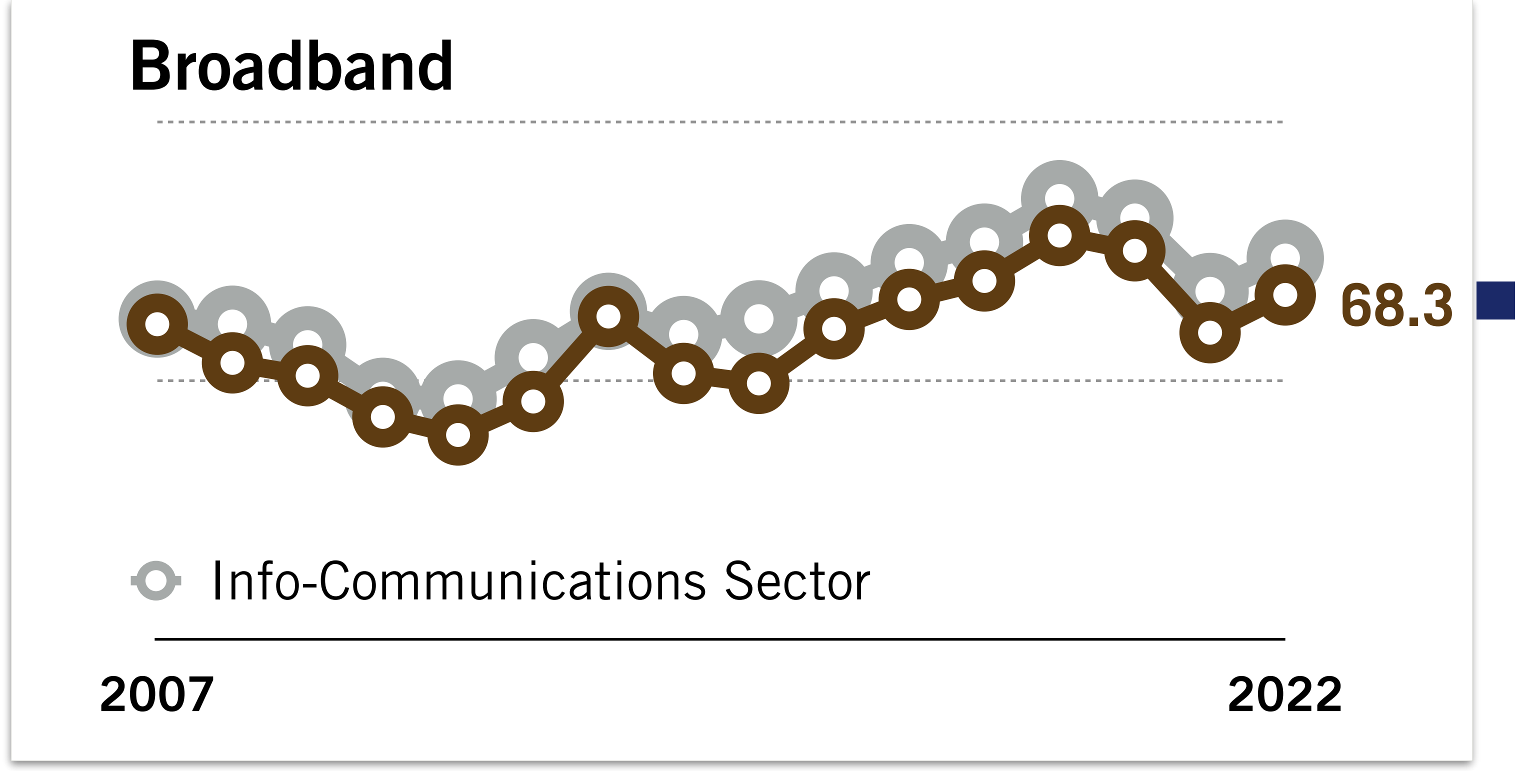


"Other Mobile Telecom Providers"
includes TPG, GOMO, giga, MyRepublic

Note: Entities shown above have samples of N≥50.

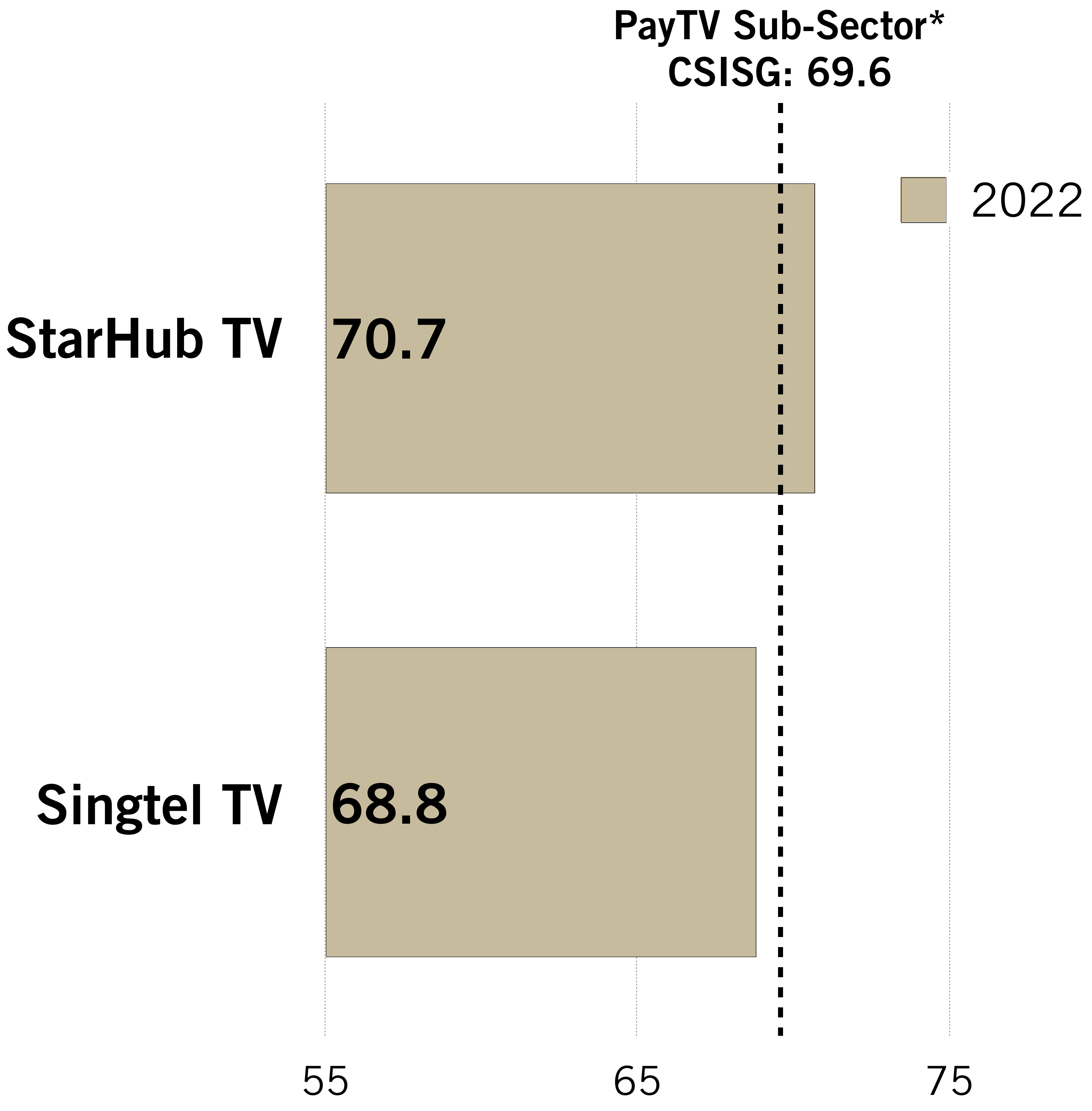
Marginal Movements in Broadband CSISG Scores (Broadband)

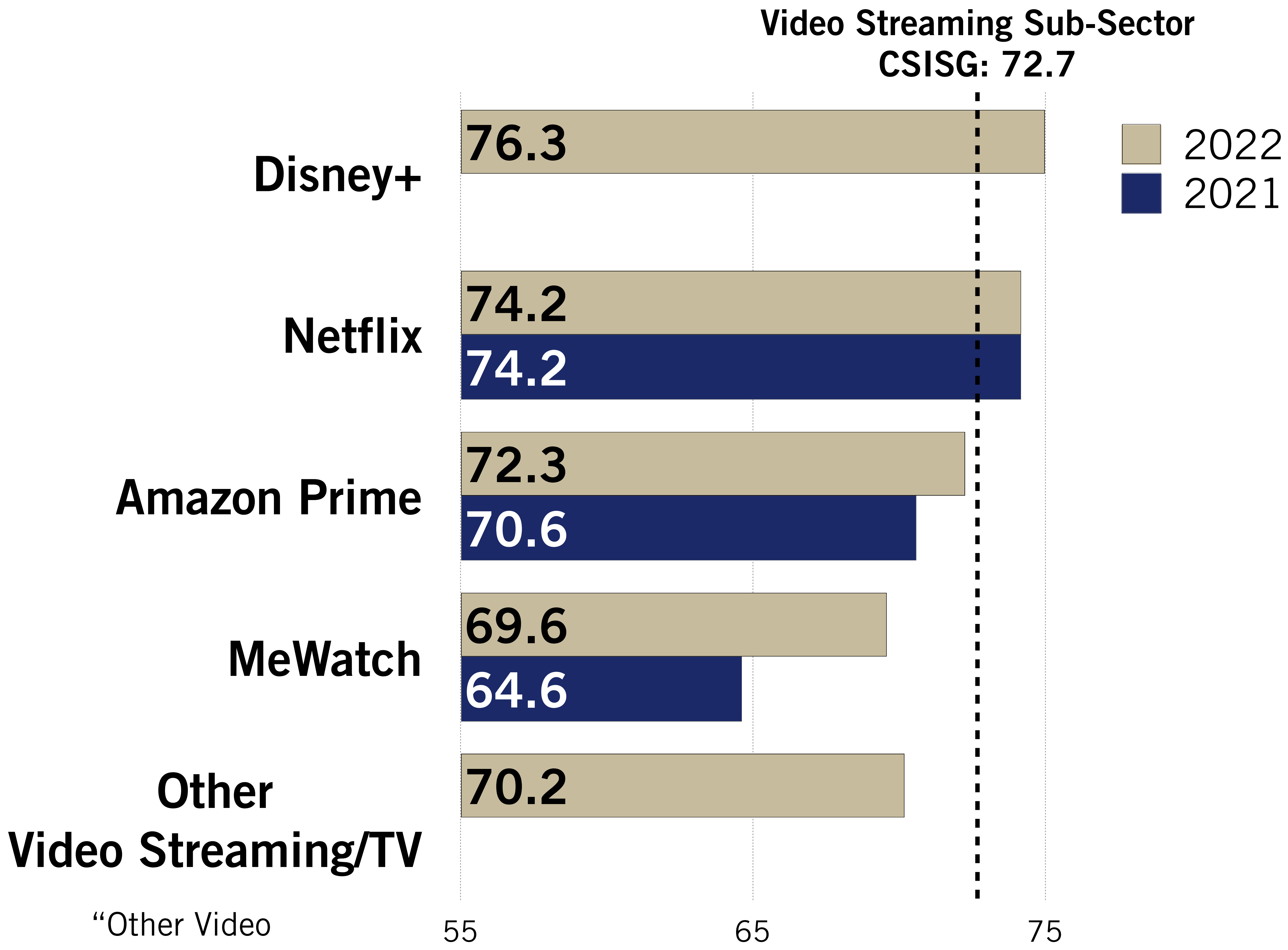




Note: Entities shown above have samples of N≥50.

PayTV And Video Streaming Services CSISG Scores





"Other Video Streaming" includes Hayu, Viu, Apple TV+, HBOGo, iQiyi

*****Note**: Due to the change in methodology for Pay TV sub-sector from face to face interviews in 2021 to online surveys in 2022, scores are not directly comparable year-on-year.

▲▼ Statistically significant year-on-year increase/decrease at 90% confidence

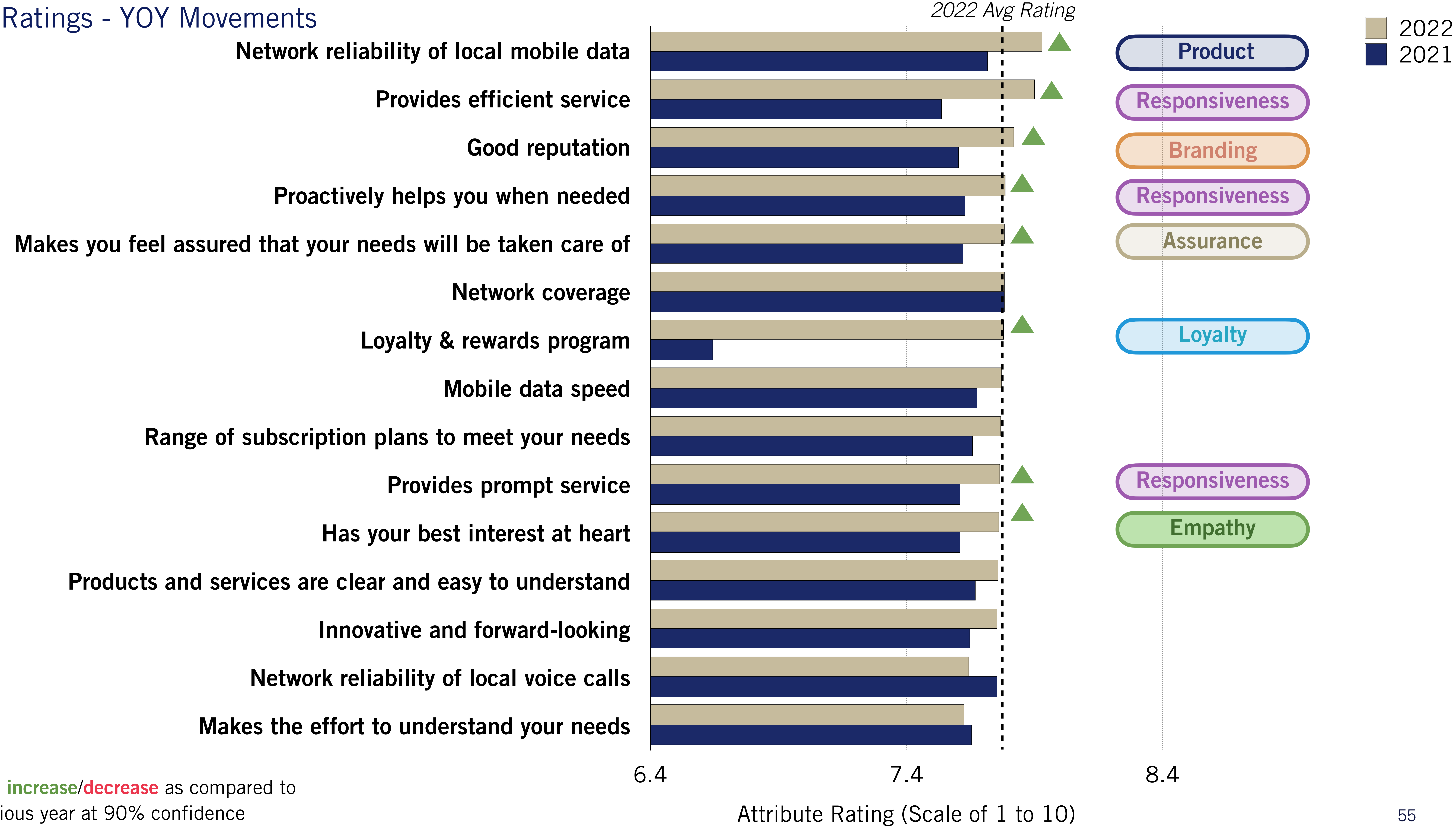
Note: Entities shown above have samples of N≥50.

ATTRIBUTE PERFORMANCE- YEAR ON YEAR MOVEMENTS

Mobile Telecom: Improvement in Various Attributes

Attributes Ratings - YOY Movements

Descending Order Of Attributes Ratings

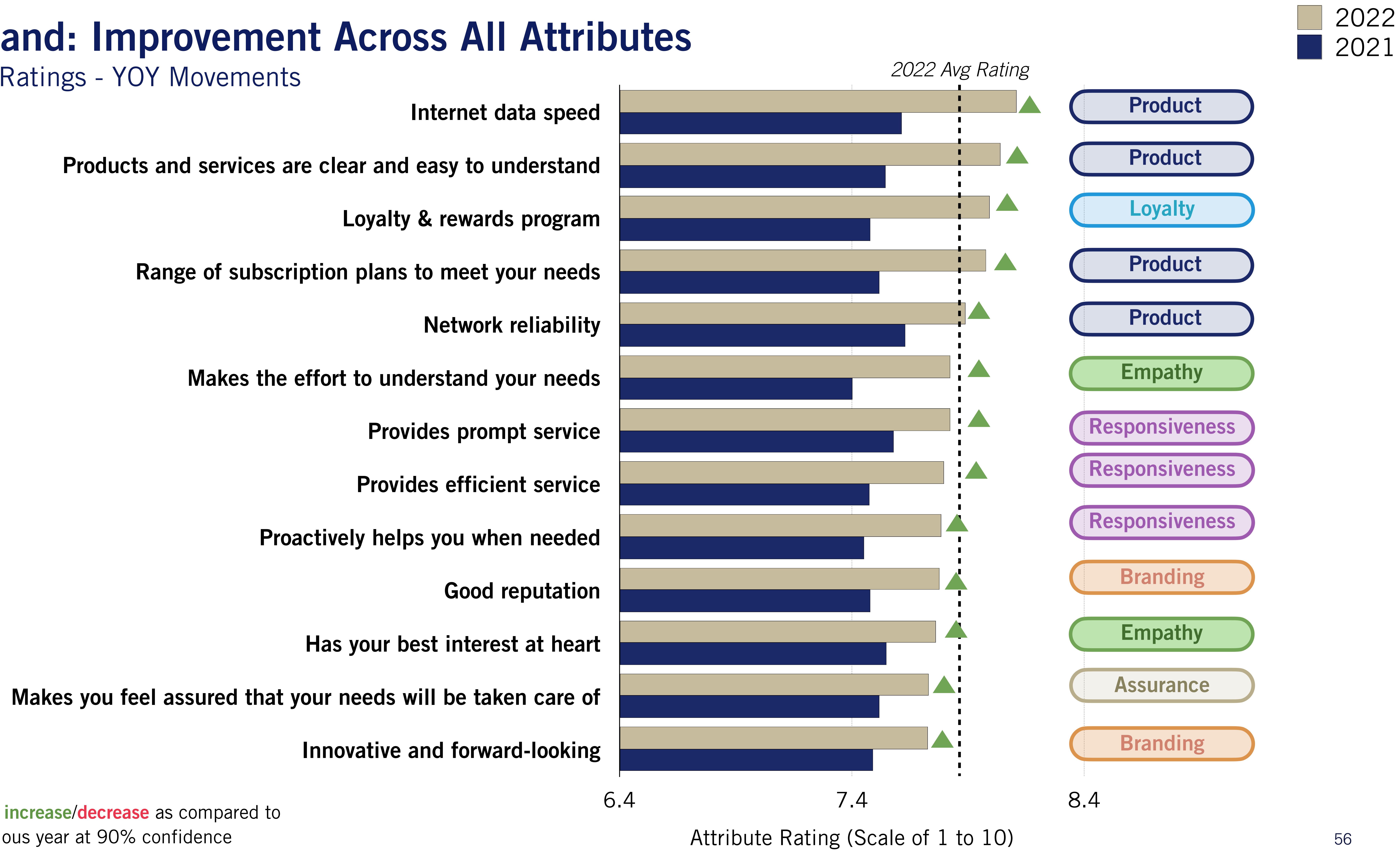


▲▼ Statistically significant increase/decrease as compared to the score from the previous year at 90% confidence

Broadband: Improvement Across All Attributes

Attributes Ratings - YOY Movements

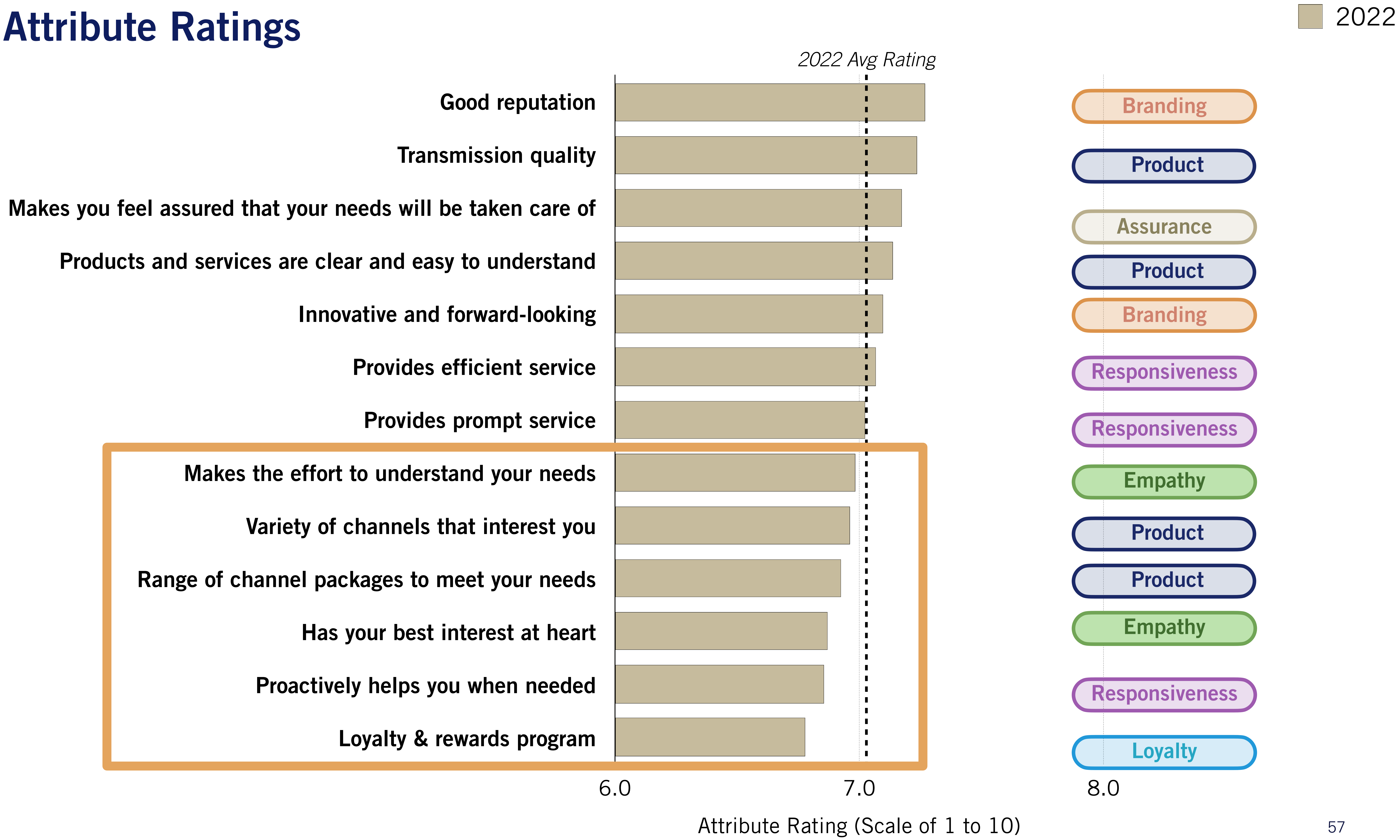
Descending Order Of Attributes Ratings



▲▼ Statistically significant increase/decrease as compared to the score from the previous year at 90% confidence

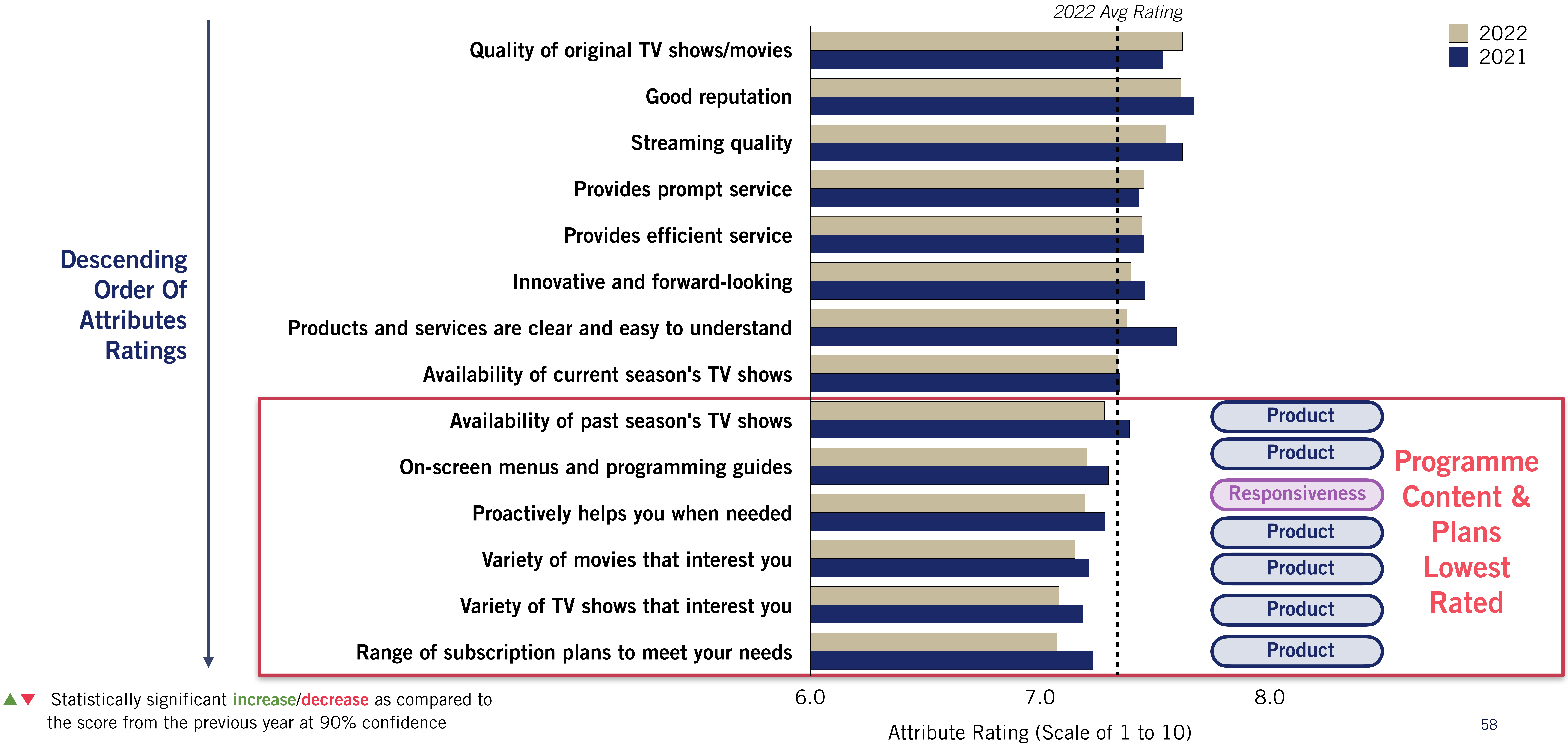
PayTV: Attribute Ratings

Descending Order Of Attributes Ratings



Note: No year on year comparison due to change in methodology

Marginal Movements In Video Streaming Services Attributes



Programme Content & Plans Lowest Rated

▲▼ Statistically significant increase/decrease as compared to the score from the previous year at 90% confidence

MNO VS MVNO

The Value Proposition of MNO vs MVNO

Singtel
M1
TPG SIMBA
StarHub

gomo by SINGTEL
giga!
CIRCLES.LIFE
VIVIFI
MyRepublic™
Gorilla
CHANGI mobile
redONE back to basics
ZERO1

	Network	Retail Shops	Customer Service	Subscription Plans	Promotions & Offers
MNO	Owned infrastructure	Various locations	**Multi-channel** *(Virtual chat, Contact centre, Shops)*	Contract plans SIM-Only plans	Varied
MVNO	Network/ Bandwidth rental from MNOs	None	**Digital** *(Virtual chat/ "Leave a message")*	SIM-Only plans *(handset instalment payment plan)*	Data-centric

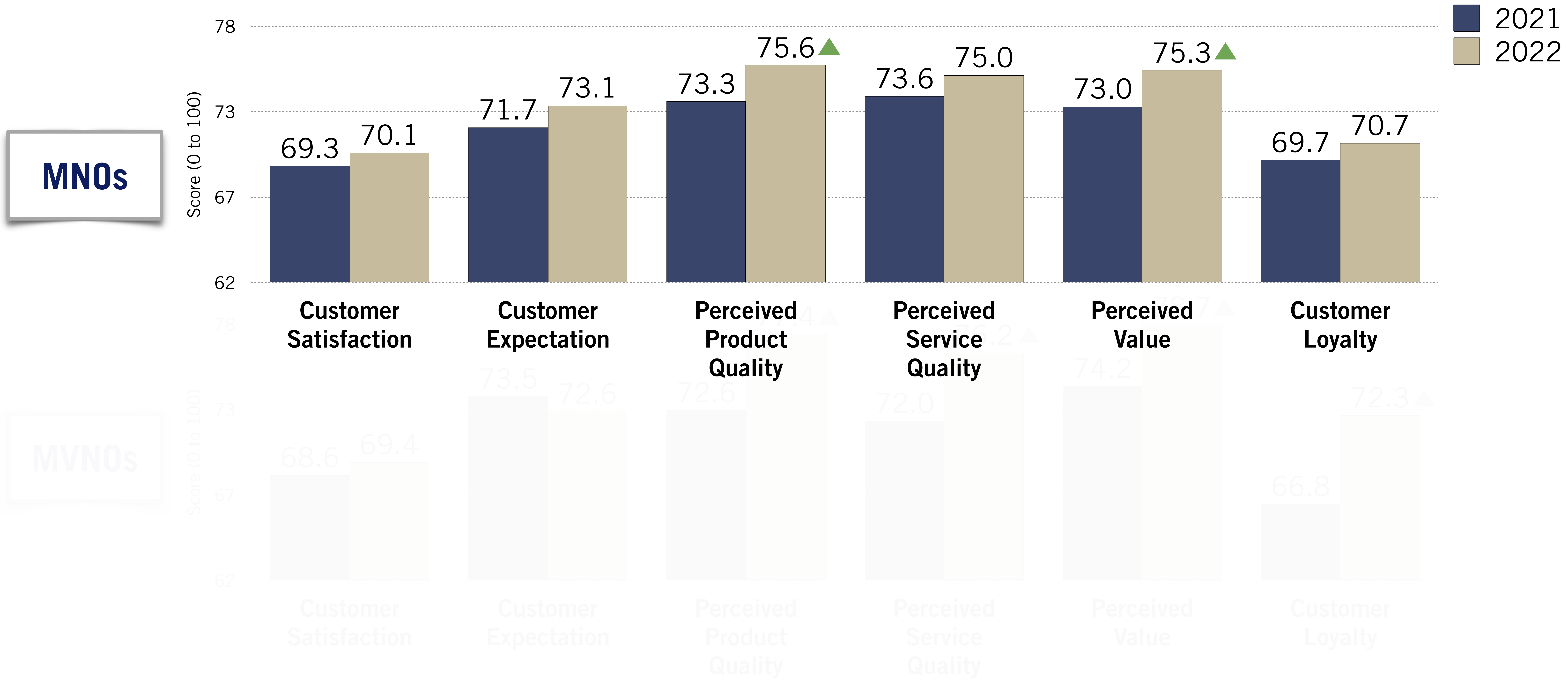
Lower Overheads for MVNOs Translating to Lower Prices

Proposition: Lots of Data, No Lock-ins, Low Prices

Sources
(1) https://dollarsandsense.sg/cheatsheet-best-sim-plan-in-singapore/
(2) https://blog.moneysmart.sg/budgeting/mvno-redone-vivifi-grid-mobile/

Improved Quality And Value Scores For Both; Loyalty Improvement For MVNOs

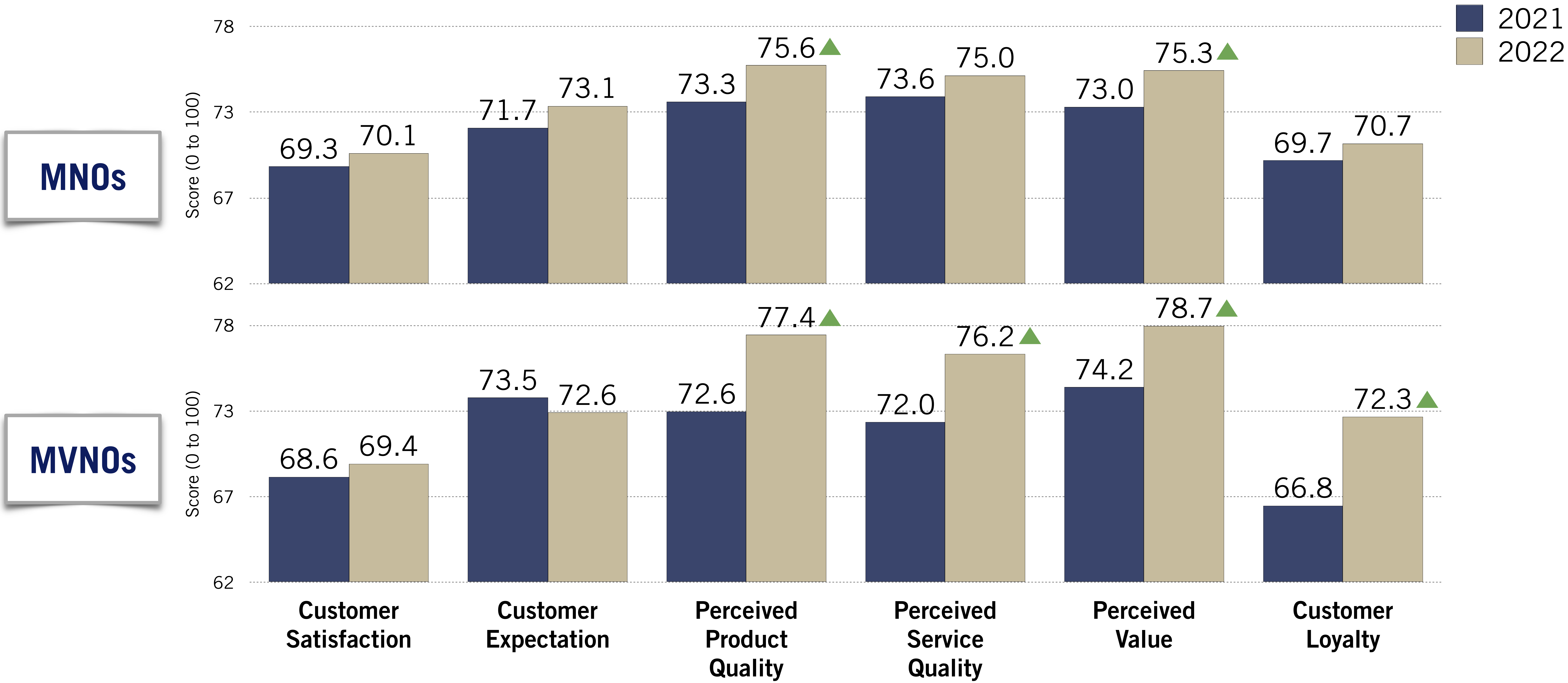
MVNO vs MNO



▲▼ Statistically significant year-on-year increase/decrease at 90%

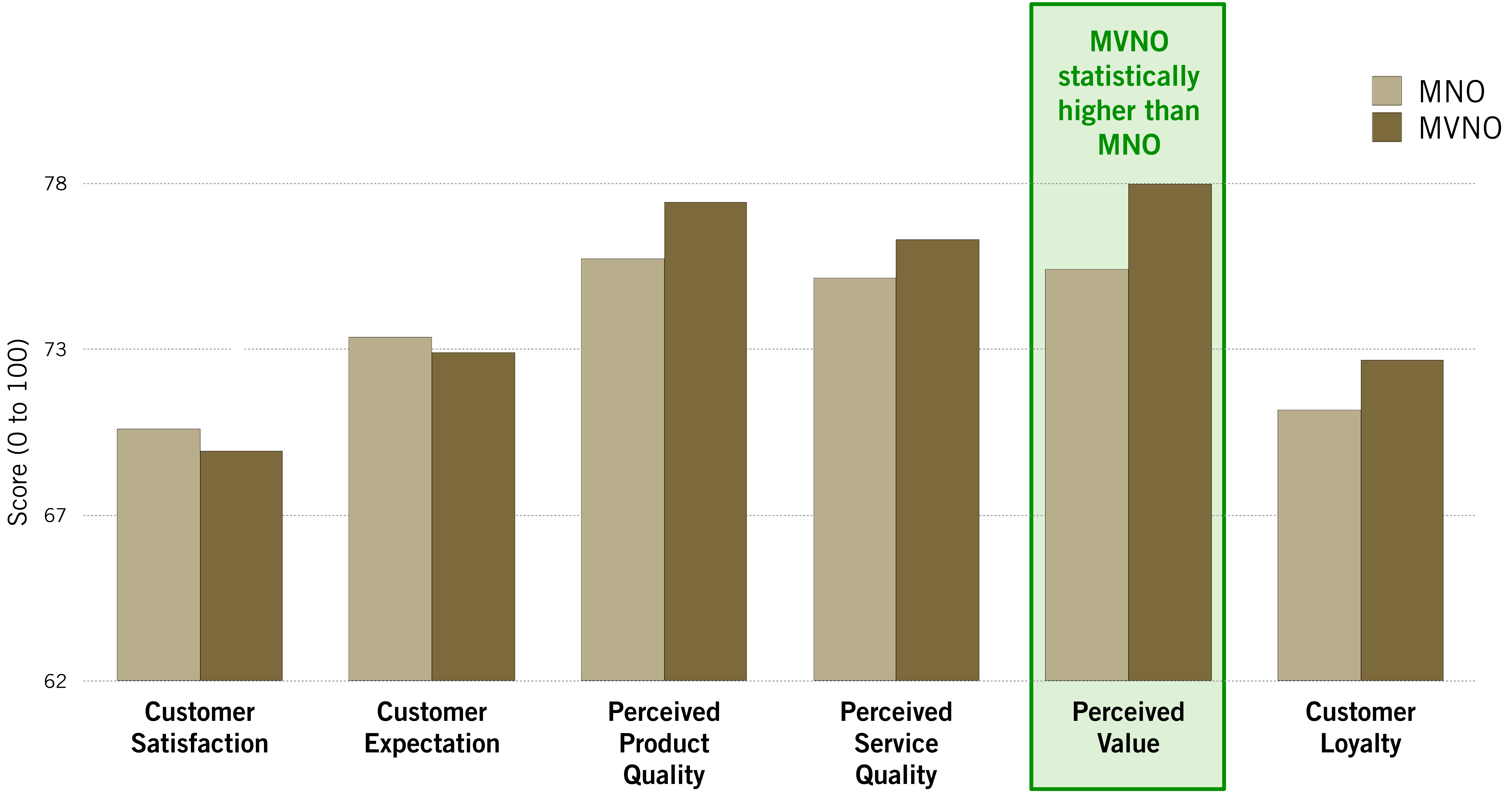
Improved Quality And Value Scores For Both; Loyalty Improvement For MVNOs

MVNO vs MNO



▲▼ Statistically significant year-on-year increase/decrease at 90%

MVNOs’ Perceived Value Performed Better Than MNOs



Customer Loyalty Improved For Both, But MVNO Loyalty Significantly Higher

Customer Loyalty

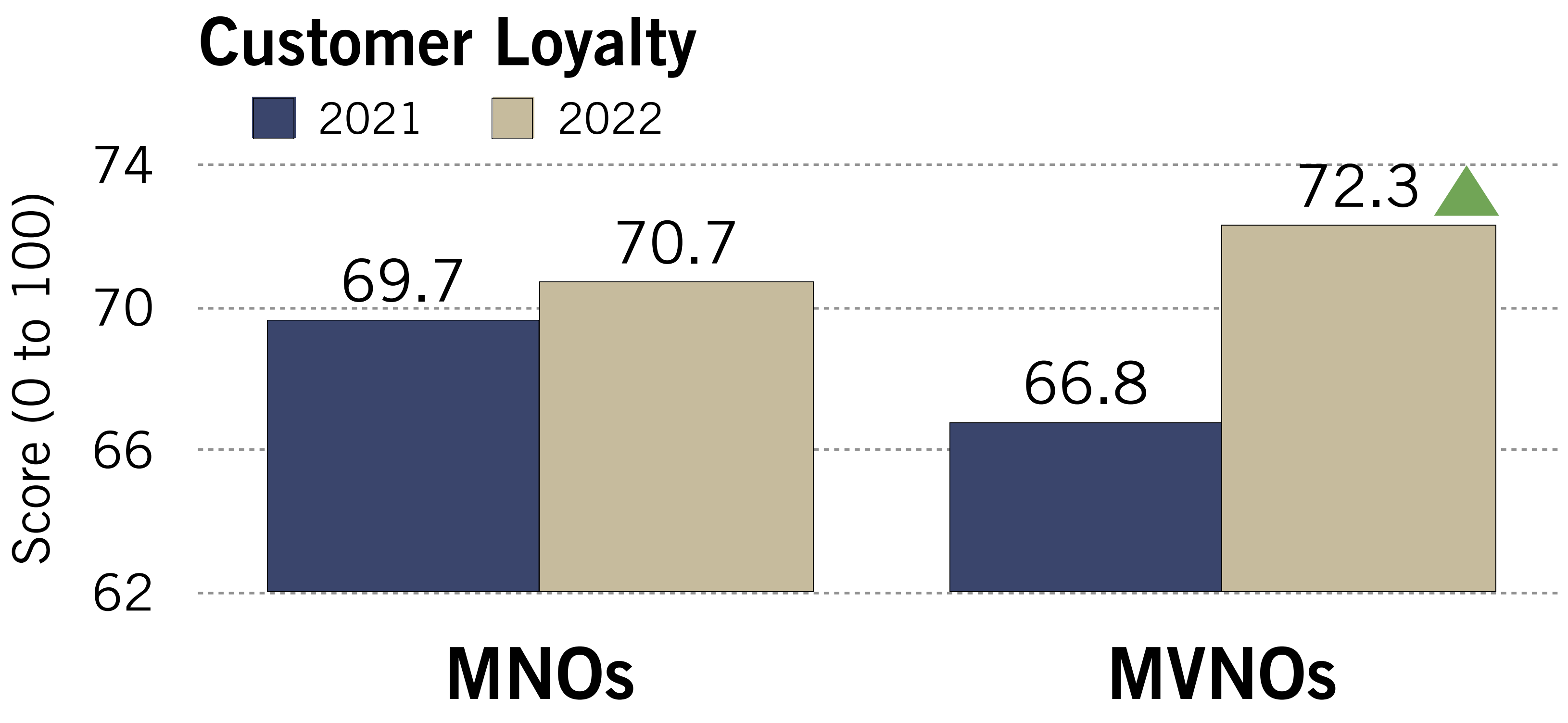
	MNOs	MVNOs
ase Intention	7.77 ↑	7.83 ↑
rice Tolerance (Reservation Price)	9.0% ↓	10.2% ↑

↑ ↓ denotes statistically significant year-on-year **increase/decrease** at 90% confidence.

GREEN/**RED** indicates that the score/rating is **HIGHER**/**LOWER** than MNOs with statistical significance.

MVNO Customers Have Higher Repurchase Intention And Price Tolerance

Components of Customer Loyalty



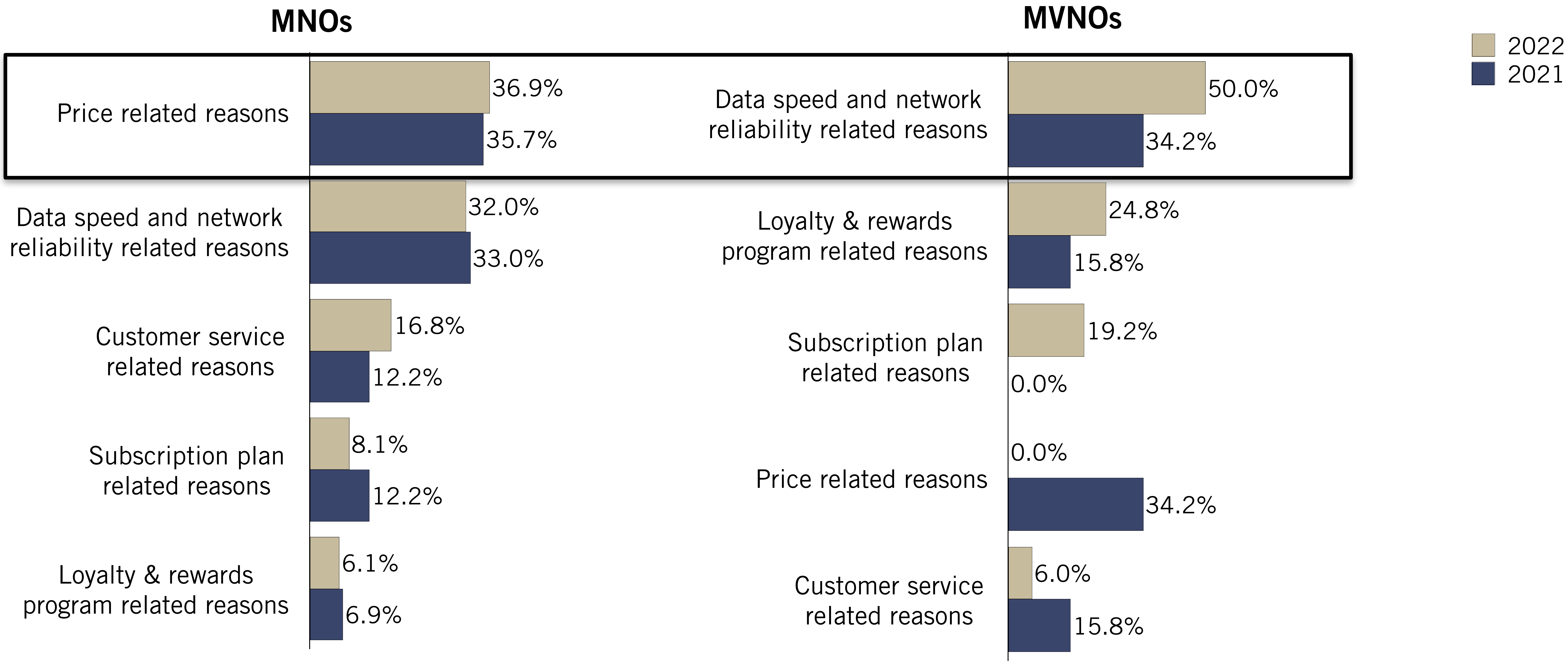
		MNOs	MVNOs
Rating Scale (1 to 10)	Repurchase Intention	7.77 ↑	7.83 ↑
Percentage %	Price Tolerance (Reservation Price)	9.0% ↓	10.2% ↑

↑ ↓ denotes statistically significant year-on-year **increase/decrease** at 90% confidence.

GREEN/**RED** indicates that the score/rating is **HIGHER**/**LOWER** than MNOs with statistical significance.

Price & Product Reliability Issues Are Key Push Factors For Customers

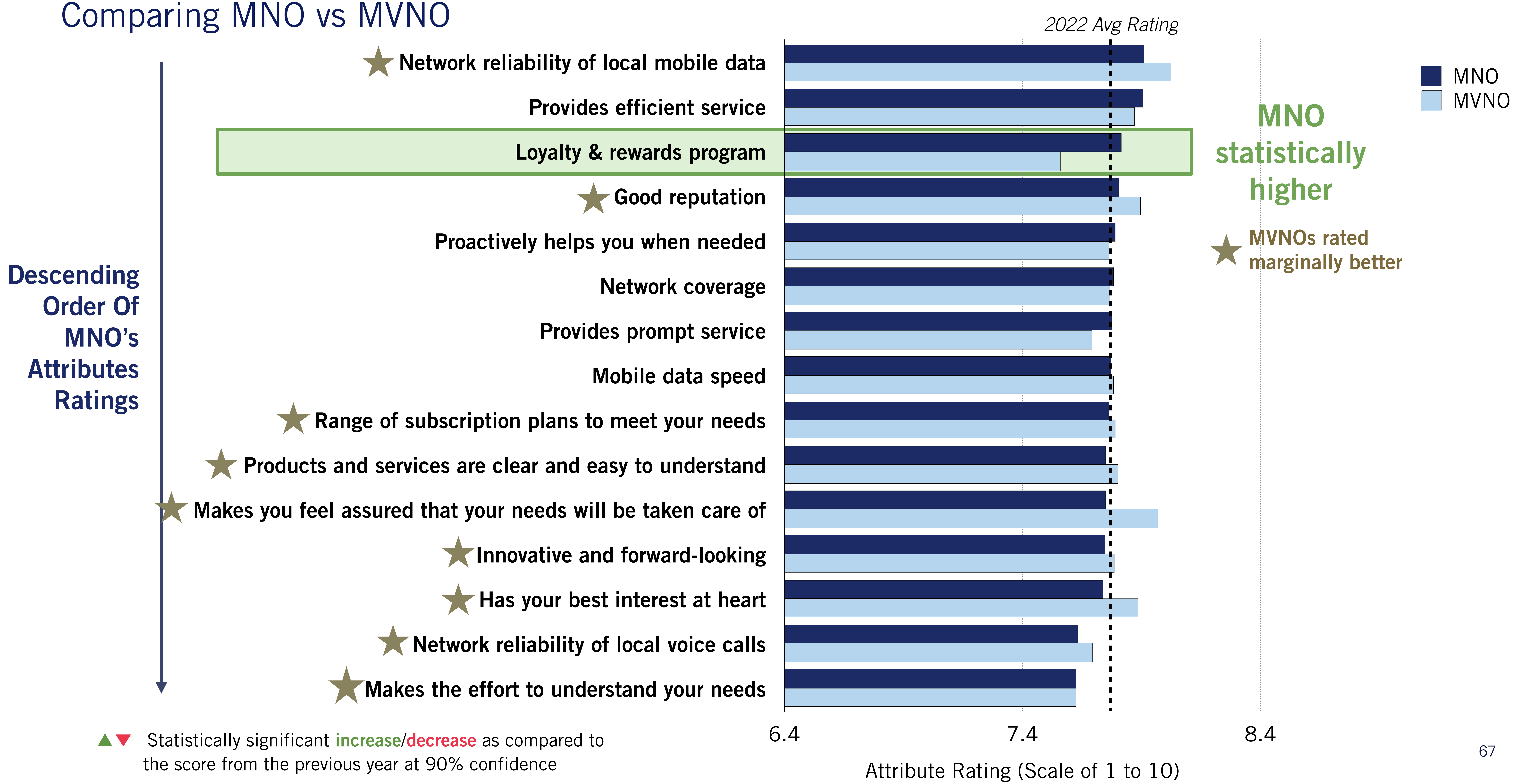
(MNOs vs MVNOs: Main Reason To Consider Switching)



▲▼ denotes statistically significant year-on-year **increase/decrease** in proportions at 90% confidence.

MVNOs Performed Marginally Better For Product & Some Service Attributes

Comparing MNO vs MVNO



▲▼ Statistically significant increase/decrease as compared to the score from the previous year at 90% confidence

MNO vs MVNO: Top 5 Attributes with Impact on Loyalty

Increasing Positive Impact ↑

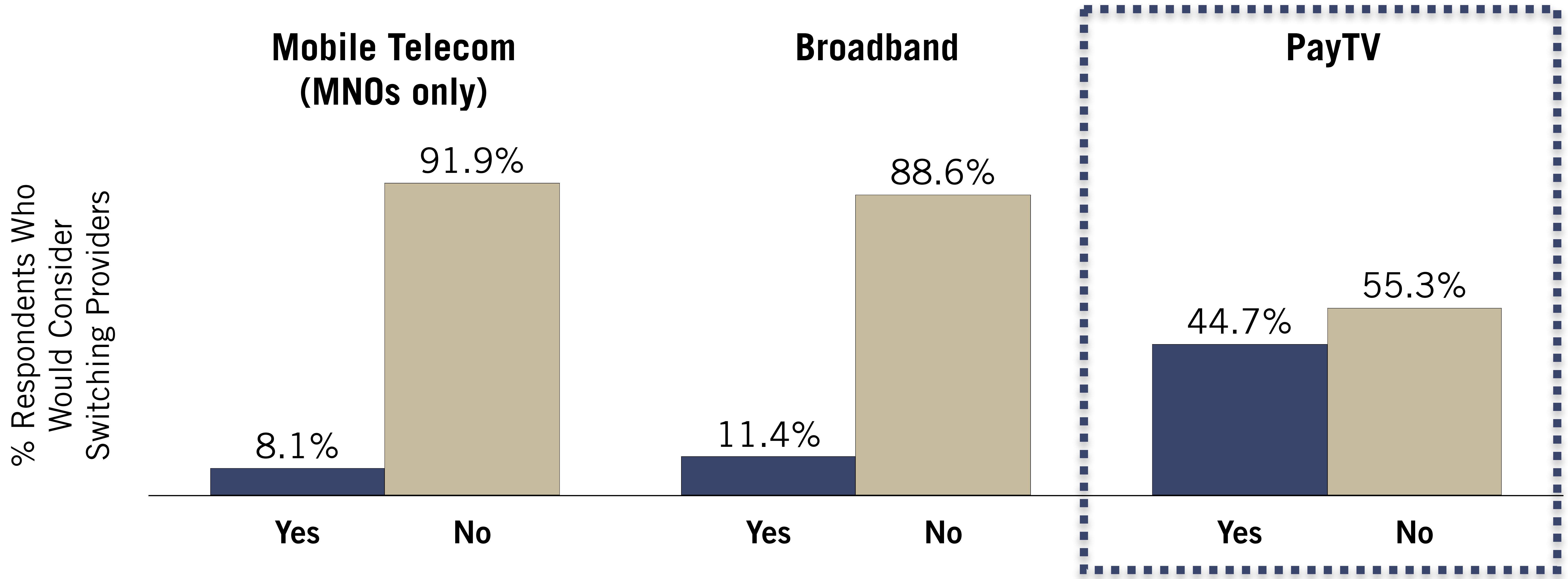
MNO	MVNO
🟩 Has your best interest at heart	🟪 Provides prompt service
🟪 Provides prompt service	🟧 Network reliability of local mobile data
🟩 Makes the effort to understand your needs	🟩 Makes the effort to understand your needs
🟪 Proactively helps you when needed	🟦 Products and services are clear and easy to understand
🟦 Makes you feel assured that your needs will be taken care of	

Legend: 🟪 *Responsiveness* 🟩 *Empathy* 🟦 *Assurance* 🟧 *Product*

INTENT TO SWITCH PROVIDERS

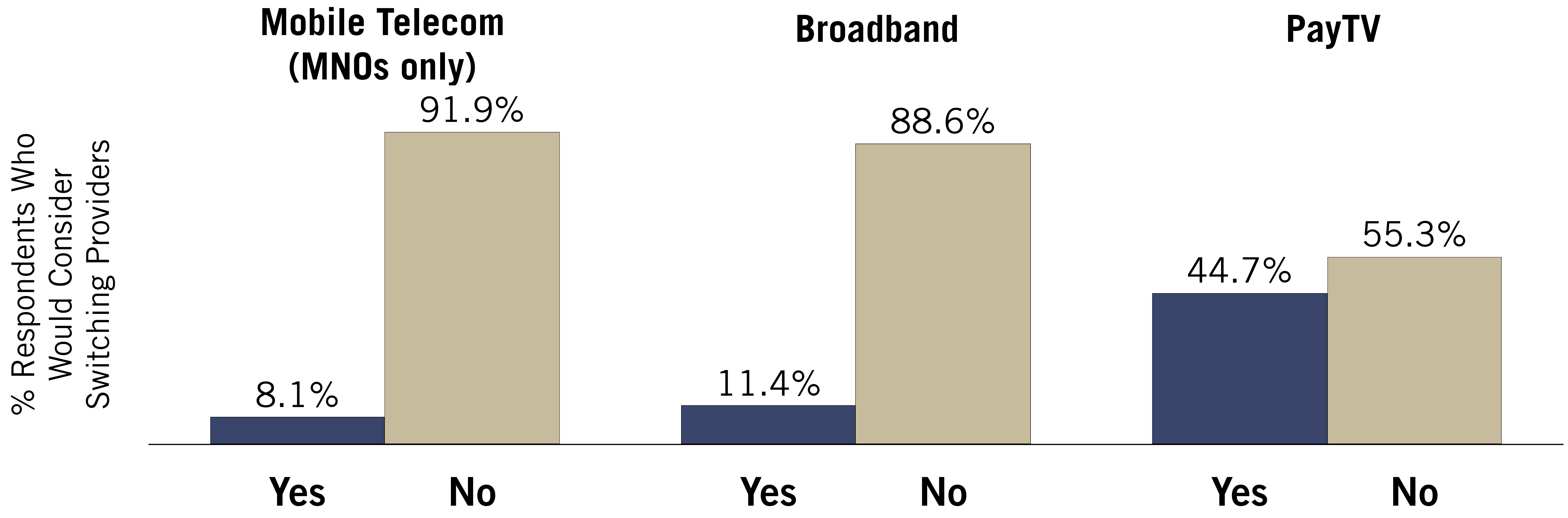
High Proportion Of PayTV Customers Who Intend To Switch

Infocomm: Intent to Switch



Customers Who Intend To Switch Are Less Satisfied and Loyal

Infocomm: Intent to Switch



		Mobile Telecom (MNOs only) Yes	Mobile Telecom (MNOs only) No	Broadband Yes	Broadband No	PayTV Yes	PayTV No
Score of 0 to1 00 points	CSISG	57.9	**71.2**	54.8	70.2	64.3	73.9
	Customer Loyalty	57.1	**71.9**	53.6	73.5	61.0	73.5
Rating Scale (1 to 10)	Repurchase Intention	6.51	**7.88**	6.15	7.91	6.68	8.04

↑ ↓ denotes statistically significant year-on-year **increase/decrease** at 90% confidence.
GREEN/**RED** scores indicate **BETTER**/**WORSE** performance than those who will not consider switching with statistical significance.

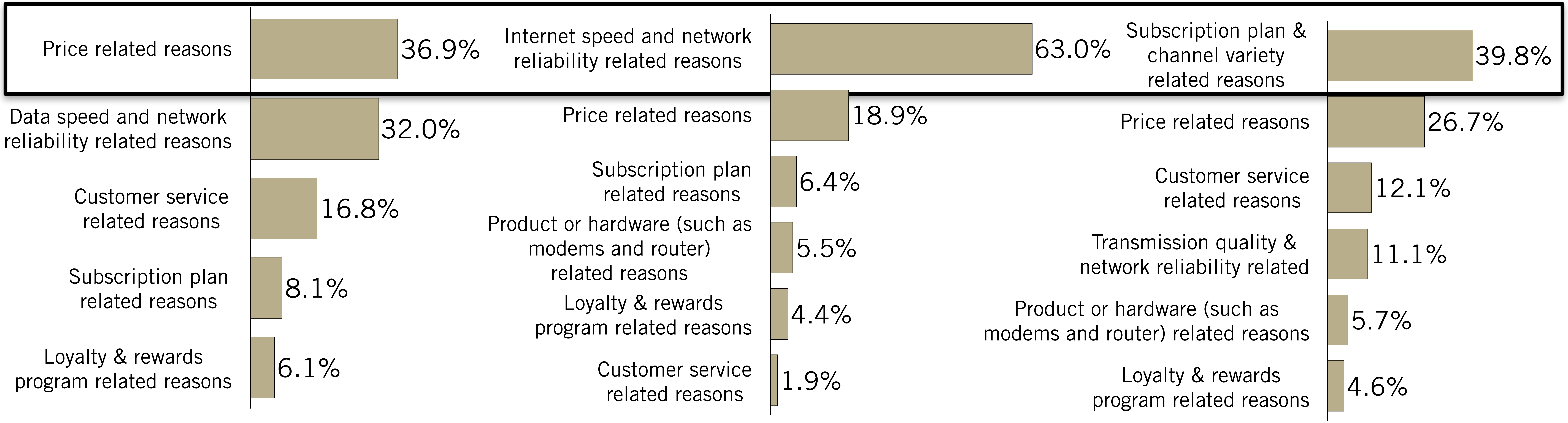
Price, Product Reliability And Channel Variety Key Push Factors

Infocomm: Main Reason to Switch Providers

Mobile Telecom (MNO only)
8.1%

Broadband
11.4%

PayTV
44.7%



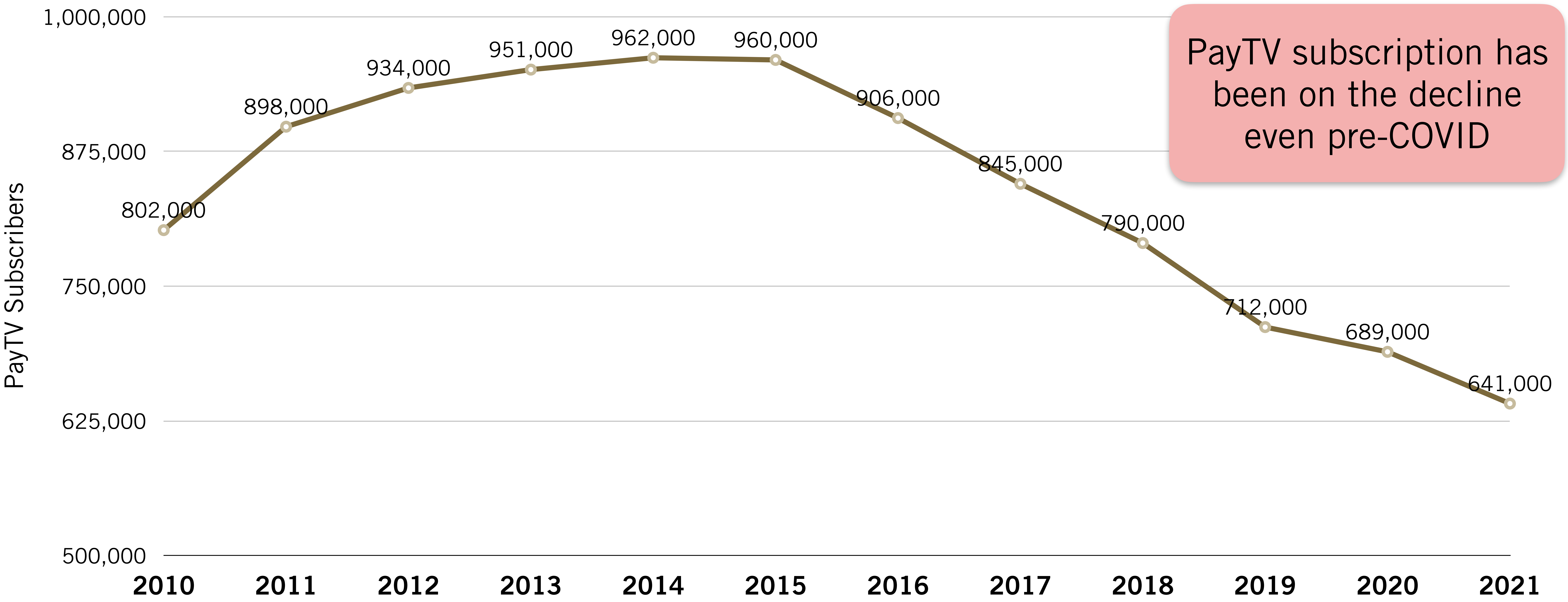
▲▼ denotes statistically significant year-on-year **increase/decrease** at 90% confidence.

Selected Verbatim On Push Factors

Mobile (MNOs) Price and Network related	Broadband Internet Speed, Network and Price	PayTV Programme Content
"They are the **most expensive telco in terms of bills**… They need to monitor their mobile plans to make sure they stay competitive in the market."	"The **broadband connectivity and speed is very slow.** They need to improve the speed of the broadband network, we **should get the speed that we paid for.**"	"**Poor selection of shows, all are so out-dated…** So many channels have been removed too, and **channels added are not worth the price paid** due to how back dated they are."
"…**Network is not stable and reliable enough, 4G network is getting less stable which is frustrating to use.** I think they need to improve on their 4G network, making it more stable."	"The connection really **weak and very unstable.** Speed and stability of the connection need to improve, I think their **price should be much more cheaper** since they over promised."	"**Outdated programs and limited packages. No longer worth paying for** with so much restriction in programs."

PAYTV AND VIDEO STREAMING SERVICES

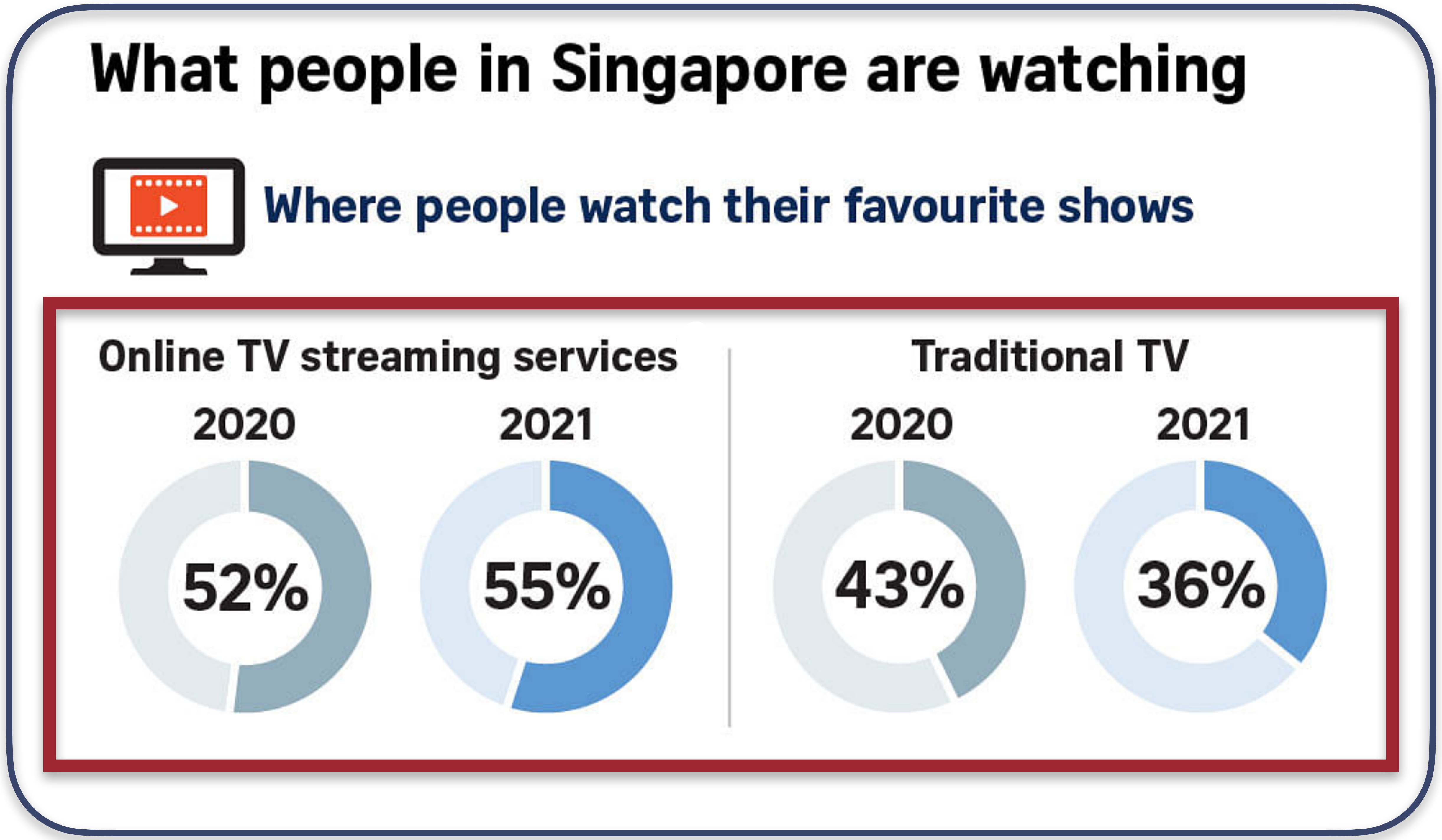
The Rise and Fall of PayTV subscribers over the years

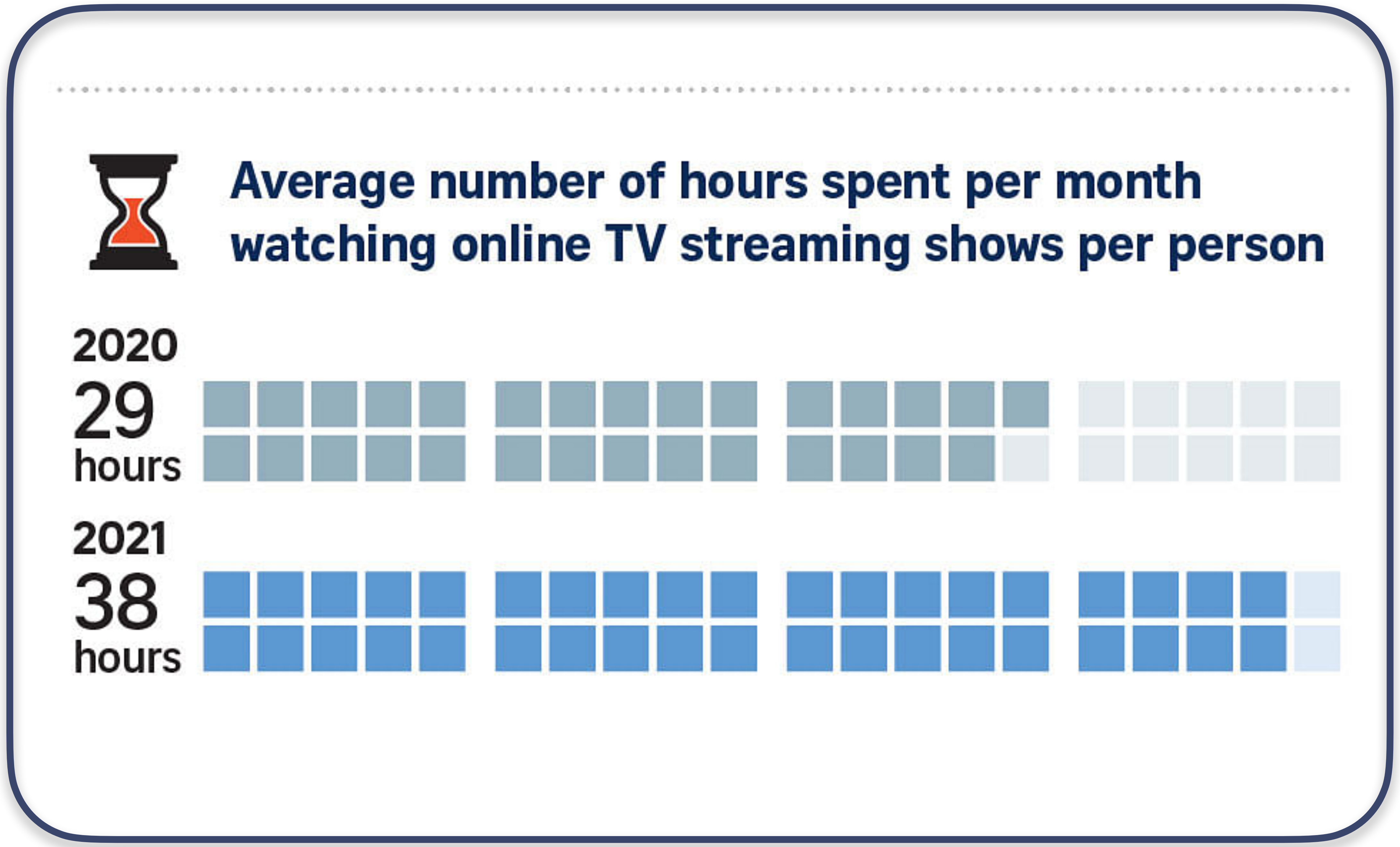


PayTV subscription has been on the decline even pre-COVID

Source: Singstat (https://www.singstat.gov.sg/publications/reference/ebook/industry/infocomm-and-media)

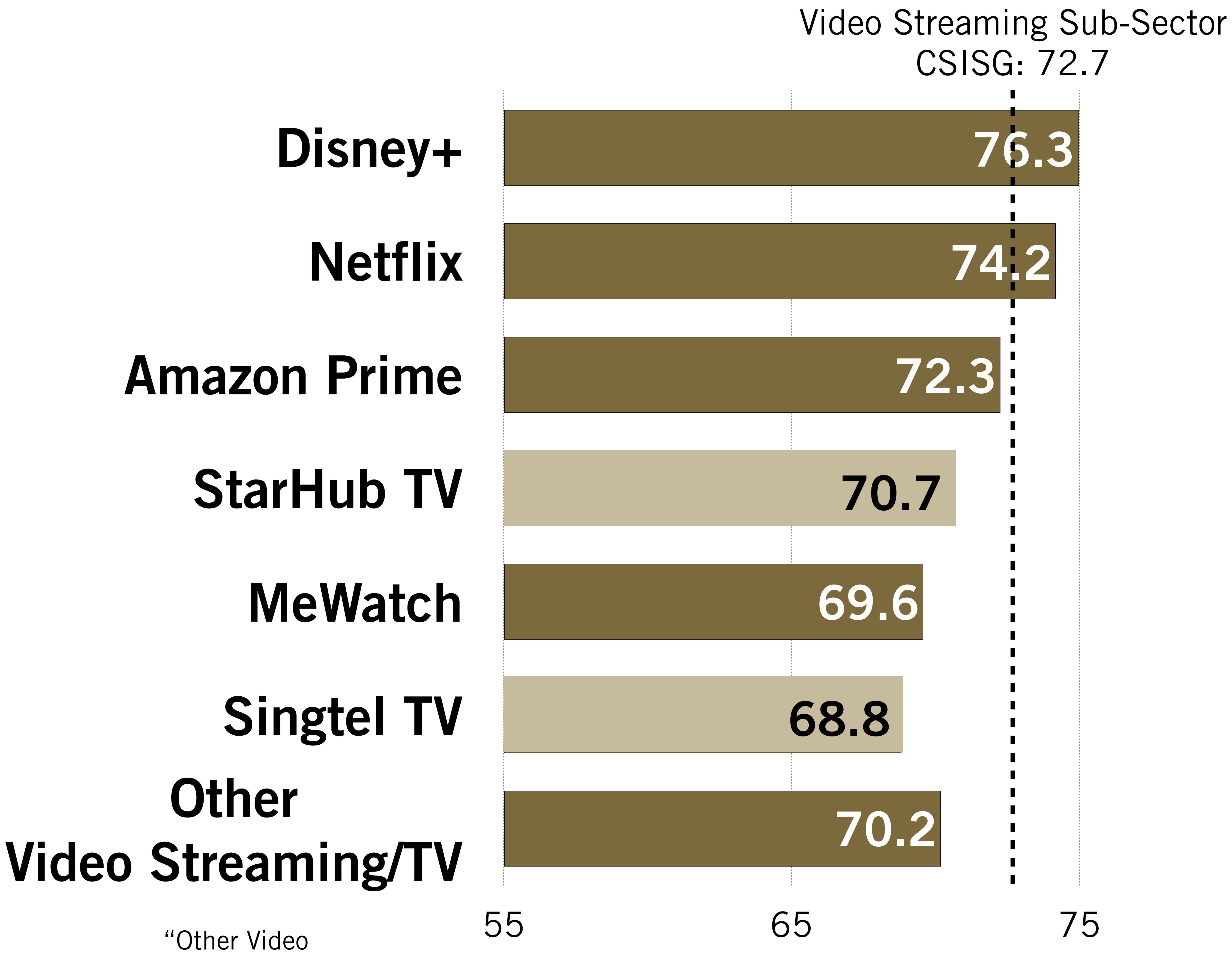
Increase in OTT Viewership Driven By WFH And Programme Content





Source: https://www.straitstimes.com/tech/tech-news/online-tv-streaming-in-singapore-gets-boost-from-wfh-south-korean-shows

PayTV vs Video Streaming Services

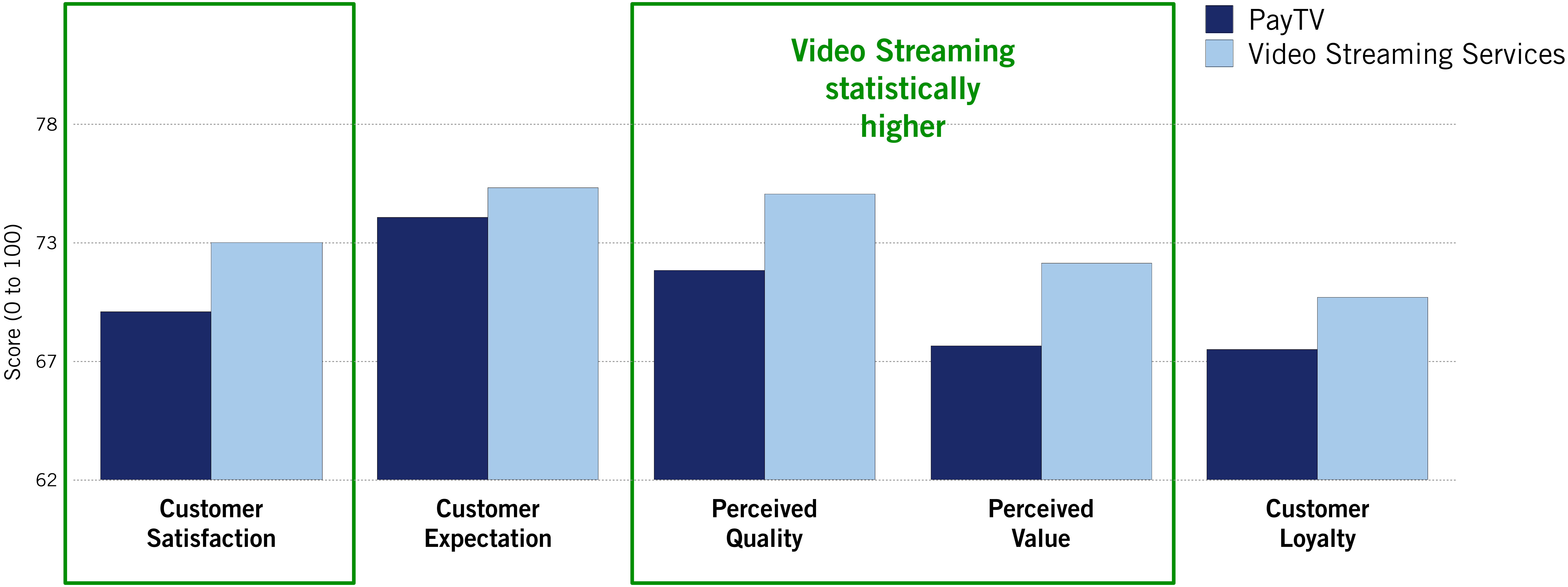


"Other Video Streaming" includes Hayu, Viu, Apple TV+, HBOGo, iQiyi

Video Streaming Services tend to outperform PayTV in Satisfaction

Notes: Entities shown above have samples of N≥50.

Video Streaming Services Outperforms PayTV In Various Dimensions

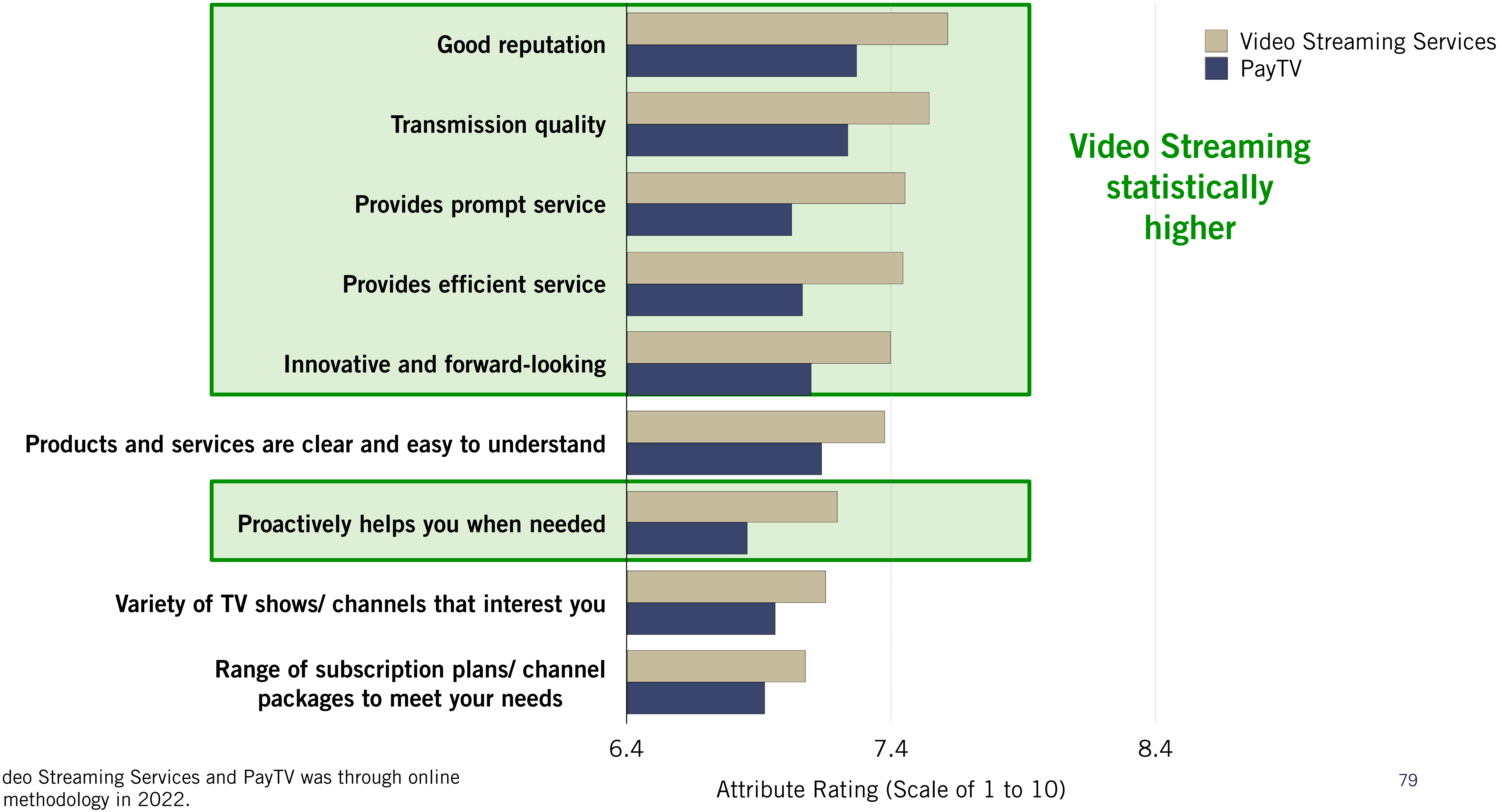


Note: Data collection for both Video Streaming Services and PayTV was through online methodology in 2022.

Video Streaming Services Performs Better than PayTV In Brand, Transmission Quality & Responsiveness

Video Streaming Services vs PayTV Attribute Ratings

Descending Order Of Video Streaming Services' Attributes Ratings



Note: Data collection for both Video Streaming Services and PayTV was through online methodology in 2022.

Empathy And Responsiveness Increasingly Important For Mobile And Broadband

Infocomm: Top 5 Attributes with Impact on Loyalty

Increasing Positive Impact on Loyalty ↑

Mobile Telecom	Broadband	PayTV	Video Streaming Services
🟩 Has your best interest at heart	🟩 Feel assured that needs will be taken care of	🟧 Range of channel packages to meet my needs	⬜ Innovative and forward-looking
🟩 Makes the effort to understand your needs	🟩 Makes the effort to understand your needs	🟧 Transmission quality	🟧 Variety of TV shows that interest me
🟪 Provides prompt service	⬜ Innovative and forward-looking	🟪 Provides efficient service	🟧 Ease of website or app usage
⬜ Feel assured that needs will be taken care of	🟪 Provides prompt service	🟪 Provides prompt service	🟧 Range of subscription plans to meet my needs
🟧 Mobile data speed	⬜ Loyalty & Rewards program	⬜ Loyalty & Rewards program	🟧 Variety of movies that interest me

Legend: 🟩 *Empathy* 🟪 *Responsiveness* 🟧 *Product*

Key Takeaways

Retail Sector

- Marginal movements across most metrics. However, Fashion Apparel and Department Stores saw a decline in loyalty.
- **Shopper Experience:** More customers shopped at physical stores, driven by the economy opening up. However, omni-channel customers rated their experience better. New retail trends like live-streaming played a key role in informing and influencing shopper decisions.
- **Moving Forward:** Consider how best to align with customer's product requirements as Products remain a key driver of both Quality and Loyalty. Focus on Service Staff to improve Quality and enhance in-store experience for Loyalty.

Infocomm Sector

- Improvement in various metrics including satisfaction, loyalty, value and product.
- **Digital Disruptors:** Landscape remains competitive with MVNOs and Video Streaming Services. MVNOs catching up with MNOs in product and service-related areas. Video Streaming Services outperforms PayTV in satisfaction, overall quality, perceived value and programme content.
- **Moving Forward:** Work on Empathy and Responsiveness, which are key loyalty drivers for legacy telcos. Continue focusing efforts on price, product reliability and product quality which are top push factors for customers to switch providers.

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