

## News Release

### **Info-Comm Sector's Customer Satisfaction Declined by 4% in 2021**

***In contrast, the Retail industry saw a modest 1.9% improvement***

**Singapore, 30 June 2021 (Wednesday)** – The Institute of Service Excellence (ISE) at the Singapore Management University (SMU) (卓越服务研究院) released the 2021 Customer Satisfaction Index of Singapore (CSISG) survey results for the Info-Communications and Retail sectors today.

#### **Info-Communications Sector**

The study showed satisfaction with the Info-communications sector declined by a significant 4.0% year-on-year to 68.5 points (on a 0 to 100 scale). This fall came on the back of a smaller decline of 1.0% in the previous year. These results were based on a survey conducted between January and April 2021 when many people were still staying at and working from home due to pandemic restrictions.

The Info-Communications sector comprised of five constituent sub-sectors: Mobile Telecom, Broadband, Pay TV, Wireless@SG, and Video Streaming Services, the latter being a new addition in 2021. The Mobile Telecom (69.2 points), Broadband (66.9 points), and PayTV (65.3 points) sub-sectors all registered substantial year-on-year declines in their customer satisfaction scores, falling 3.5%, 4.5%, and 7.4%, respectively. The Wireless@SG service (69.8 points) was not comparable with previous years due to a lack of tourist respondents, while the Video Streaming Services (73.4 points) sub-sector is making its debut on the Index.

The Mobile Telecom sub-sector also saw additions to its make-up, with customers from Mobile Virtual Network Operators (MVNOs), such as Circles.Life and MyRepublic, added to the survey. However, these new additions did not change the general decline in the sub-sector's CSISG performance. Excluding MVNOs, all key CSISG dimensions, including customer expectations, perceived quality, value, and loyalty, continued to register significantly poorer year-on-year scores.

Analysis of the various attributes for the three established Mobile Network Operators (MNOs), namely Singtel, StarHub, and M1, suggest product and responsiveness-related factors may be a key contributor for subscribers' unhappiness. Key product attributes such as network coverage, reliability, data speeds, and range of subscription plans, as well as responsiveness attributes such as efficiency and promptness of service, all saw marked year-on-year declines in satisfaction. Similar declines in product and responsiveness related attributes were also observed in the Broadband and PayTV sub-sectors.

Delving deeper to look at customer touchpoint usage for the telcos, it was observed that more customers were calling the telcos' contact centres for technical support-related issues. In the case of the Broadband service providers, this rose from 59.5% in 2020 to 71.6% in 2021.

"This was unsurprising as the Covid-19 pandemic has required people to become more reliant on telecommunication technologies for both work and play. This increased dependency would have likely caused greater urgency among customers to require any issues and concerns be promptly addressed by their telcos," said Mr Chen Yongchang (陈勇畅), ISE Head of Research and Consulting.

Unfortunately, the latest data showed touchpoints struggling to keep up. At the Info-communications sector level, satisfaction with all measured touchpoints, i.e., contact centre, stores or service centres, website, and app, rated lower year-on-year. In particular, Contact Centre satisfaction for mobile telco and broadband customers declined significantly compared to 2020.

Comparing the MNOs with the MVNOs, the former was better able to meet customers' expectations. MNOs also had higher levels of customer loyalty, while customers of MVNOs have substantially lower price tolerances. Price tolerance is defined as the maximum amount the business can raise fees before the customer leaves.

"MVNOs' significantly more price sensitive customer base was likely perpetuated by the fierce price and data war they competed on to gain market share over the last few years. Nonetheless, we have observed that, similar to the MNOs, MVNO customers share similar drivers of loyalty, such as empathy and assurance. Rather than offer lower prices or more data than the next competitor, telcos, virtual or otherwise, can leverage these common attributes to build more sustainable relationships with their customers," commented Mr Chen.

The new addition to the Info-communications sector was the Video Streaming Services sub-sector. Compared to the PayTV sub-sector, customer satisfaction, expectations and perceived quality were all markedly higher for the new sub-sector.

However, there was a notable observation from PayTV subscribers: Of those that had also subscribed to a video streaming service, their overall satisfaction with the PayTV service (7.56 points on a 1 to 10 scale) was significantly better than subscribers that did not (at 7.15 points).

"For both PayTV and streaming, it comes as no surprise consumers' continued use of the services was driven by variety of content. However, given that PayTV customers with a streaming service appear to be happier, current partnerships and tie-ups with such providers by telcos appear to be steps in the right direction," remarked Mr Chen.

## **Retail Sector**

The Retail sector recorded a 1.9% year-on-year improvement to score 72.4 points in customer satisfaction. This upswing came via incremental upticks in the performance of the Department Stores (72.7 points), Fashion Apparels (73.3 points), and Supermarkets (72.0 points) sub-sectors. However, the fourth constituent Retail sub-sector, e-Commerce, registered a clear decrease in CSISG performance, falling 2.4% to score 71.1 points.

This year's study of the traditionally brick and mortar businesses included customers that had exclusively patronised the retailers through their digital channels, be it their online web store or app. In previous years, respondents must have had at least visited the physical store.

This change was made as more consumers gravitated to online shopping. In fact, while CSISG scores for customers who at least visited the physical store remained statistically unchanged from the previous year, it was observed that digital and omni-channel shopping appeared to provide customers with better experiences than a physical store-only experience.

"Although the number of online-only customers formed a small proportion of the total respondent pool, it was observed they provided a sizeable uplift across many of the CSISG dimensions the study tracks," said Ms Neeta Lachmandas (妮塔.拉切曼达斯), ISE Executive Director (执行总监).

For example, the CSISG score for Physical-only department store customers was 71.4 points, whereas omni-channel customers and digital-only customers scored 73.5 and 82.6 points, respectively. Similar observations were made for the Fashion Apparel and Supermarkets sub-sectors.

Notably, these brick and mortar industries' digitally-savvy customers had generally higher levels of satisfaction, perceived quality, and loyalty, compared to e-commerce retailers.

“Going forward, we think synergising in-store experiences with the pervasive accessibility of digital shopping will be the holy grail for retailers, online or off. Businesses that manage this omni-channel blend most effectively will be able to count on happier and more loyal customers,” surmised Ms Lachmandas.

Another interesting observation came from the Supermarkets sub-sector. Among all retail respondents that indicated having shopped physically at a store, supermarkets customers were the only segment to register a significant increase in perceived quality year-on-year. In fact, improvements were also seen across many of the Supermarkets' measured attributes, such as helpfulness of staff, product knowledge of staff, and payment process.

“With people spending more time at home, grocery shopping has become more essential than ever during the pandemic. We see this with customers increasing their spending at supermarkets. Yet, despite the higher customer volume and some initial stockout issues, supermarkets ultimately appear to have been able to not only keep up with the increased operational challenges, but improve their services as well,” Mr Chen highlighted.

The CSISG 2021 Q1 study was conducted between January and April 2021. A total of 5,050 consumers were surveyed, covering 90 distinct business entities from the Info-communications and Retail sectors. The Index has 47 entities with published scores.

Please refer to Annex A for a background on the CSISG and Annex B for the detailed scores.

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### **About the Customer Satisfaction Index of Singapore**

The Customer Satisfaction Index of Singapore (CSISG) is a landmark study that computes customer satisfaction scores at the national, sector, sub-sector, and company levels with the intent of producing a rigorous, objective and comprehensive assessment of Singapore's service levels. Given that the CSISG is the only national customer satisfaction measurement tool with cross sector capabilities, ISE is able to provide organisations with exclusive benchmarking insights about customer satisfaction as well as use predictive analytics and regression models to pinpoint drivers that would deliver the most impact.

### **About the Institute of Service Excellence (ISE) at Singapore Management University**

The Institute of Service Excellence was jointly set up by Singapore Management University and Singapore Workforce Development Agency in July 2007 to elevate service levels and promote a culture of service excellence in Singapore. Working in close collaboration with government agencies and business leaders, ISE champions service excellence through an integrated approach that encompasses benchmarking and analysis, research and thought leadership, as well as industry engagement.

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## Annex A

### About the Customer Satisfaction Index of Singapore (CSISG)

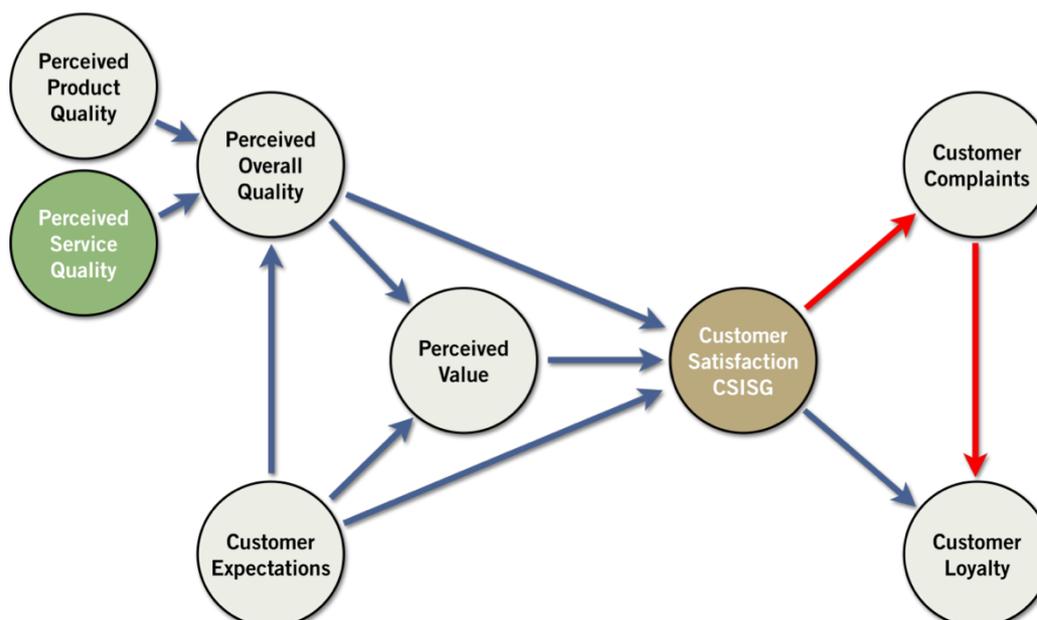
The Customer Satisfaction Index of Singapore (CSISG) is a landmark study that computes customer satisfaction scores at the national, sector, sub-sector, and company levels with the intent of producing a rigorous, objective and comprehensive assessment of Singapore's service levels.

CSISG measures customers' cumulative satisfaction with companies. The scores are generated using a structural equations model (please refer to Figure 1) based on survey data collected from end-users after consumption of products and services. Sub-sector scores are derived as a weighted average of company scores, in proportion to the revenue contributions of companies. Sector scores are derived in a similar fashion, aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions. CSISG scores customer satisfaction on a scale of 0 to 100 with higher scores representing better performance.

The methodological foundations of the CSISG are based on the American Customer Satisfaction Index (ACSI) that was developed by the National Quality Research Center (NQRC) at the University of Michigan. ACSI has been standardised measure of customer satisfaction in the United States economy since 1994.

Given that the CSISG is the only national customer satisfaction measurement tool with cross sector capabilities, ISE is able to provide organisations with exclusive benchmarking insights about customer satisfaction as well as use predictive analytics and regression models to pinpoint drivers that would deliver the most impact.

**Figure 1: CSISG expanded model**



# Annex B



## 2021 Q1 SCORES RETAIL AND INFO-COMMUNICATIONS

### HOW WELL DID COMPANIES SATISFY THEIR CUSTOMERS?



This chart summarises the results of the CSISG 2021 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 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 Quarter 1

Previously reported scores based on the door-to-door methodology (See Note 1)										2020-2021 Year-on-Year Change / % Change		SECTOR / Sub-sector / Company Measured
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021			
69.1	72.2	69.6	70.0	71.7	72.1	72.6	73.4	71.0	72.4	+1.34	(+1.9%)	RETAIL (Sector)
70.3	75.2	68.4	68.6	70.2	71.2	71.8	73.0	71.2	72.7	+1.48	(+2.1%)	Department Stores (Sub-sector)
71.9	75.2	69.5	70.9	71.7	72.1	73.0	73.4	NM	75.7	NA	NA	Takashimaya
71.9	75.8	67.9	67.3	68.6	70.1	71.3	73.3	73.2	74.6	+1.41	(+1.9%)	Tangs
67.3	71.1	65.6	65.6	NM	NM	NM	NM	NM	74.5	NA	NA	Mustafa
68.5	76.2	69.7	70.8	71.0	70.9	72.0	72.7	NM	73.2	NA	NA	Isetan
68.6	75.1	68.0	67.0	69.1	71.7	72.6	73.9	NM	73.1	NA	NA	Metro
NM	NM	NM	NM	NM	NM	NM	NM	72.3	71.2	-1.10	(-1.5%)	Marks & Spencer
NM	NM	NM	NM	70.8	71.2	71.5	73.1	70.0	70.9	+0.96	(+1.4%)	BHG
69.3	70.7	66.7	69.4	NM	69.2	69.6	70.9	70.1	68.7	-1.36	(-1.9%)	OG
67.9	70.0	71.1	70.6	71.5	72.4	72.9	73.6	69.9	72.0	+2.16	(+3.1%)	Supermarkets (Sub-sector)
NM	NM	NM	NM	NM	NM	NM	NM	76.5	76.1	-0.34	(-0.4%)	Market Place/Jasons
67.0	66.8	71.6	69.4	71.9	72.4	73.1	73.7	70.7	75.2	+4.49	(+6.4%)	Sheng Siong
67.9	69.5	71.7	71.6	72.5	72.3	72.7	73.5	73.0	74.8	+1.77	(+2.4%)	Cold Storage
68.5	71.4	70.9	70.7	71.7	73.1	73.6	74.2	70.3	70.3	-0.01	(-0.0%)	NTUC FairPrice
NM	NM	NM	NM	71.1	71.6	71.9	72.9	65.6	69.9	+4.30	(+6.6%)	Giant
NM	NM	NM	NM	NM	NM	NM	NM	67.9	68.4	+0.50	(+0.7%)	Prime
70.0	71.5	69.2	69.3	71.9	72.5	72.8	73.4	72.1	73.3	+1.23	(+1.7%)	Fashion Apparels (Sub-sector)
NM	NM	NM	NM	71.5	71.7	71.4	74.1	72.1	74.1	+1.99	(+2.8%)	Giordano
NM	NM	NM	NM	73.1	72.9	73.6	73.7	74.3	73.6	-0.75	(-1.0%)	G2000
NM	NM	NM	NM	74.5	72.4	74.9	71.5	74.6	72.4	-2.18	(-2.9%)	Uniqlo
NM	NM	NM	NM	69.9	71.9	70.1	72.6	66.3	71.9	+5.62	(+8.5%)	Cotton On
NM	NM	NM	NM	72.5	71.1	74.2	73.4	70.3	71.2	+0.89	(+1.3%)	H&M
NM	NM	NM	NM	71.4	72.7	72.0	74.1	72.4	73.9	+1.52	(+2.1%)	Other fashion apparels stores
NM	NM	NM	NM	71.1	71.4	72.0	73.0	72.9	71.1	-1.77	(-2.4%)	e-Commerce (Sub-sector)
NM	NM	NM	NM	69.3	70.0	71.2	72.0	75.7	75.8	+0.09	(+0.1%)	Amazon
NM	NM	NM	NM	72.0	71.7	72.1	73.1	70.3	72.7	+2.38	(+3.4%)	Taobao/Tmall
NM	NM	NM	NM	71.9	NM	NM	NM	70.0	72.3	+2.33	(+3.3%)	Lazada
NM	NM	NM	NM	73.2	73.7	74.2	74.7	75.7	71.8	-3.85	(-5.1%)	Zalora
NM	NM	NM	NM	72.0	73.1	73.7	74.2	72.7	71.1	-1.56	(-2.1%)	Fave
NM	NM	NM	NM	70.6	71.4	71.4	72.6	69.5	70.1	+0.61	(+0.9%)	Carousell
NM	NM	NM	NM	70.3	71.5	72.1	73.3	70.6	69.8	-0.75	(-1.1%)	Qoo10
NM	NM	NM	NM	NM	NM	NM	NM	72.6	69.5	-3.09	(-4.3%)	Aliexpress
NM	NM	NM	NM	NM	NM	NM	NM	75.5	68.6	-6.95	(-9.2%)	Shopee
NM	NM	NM	NM	NM	69.2	69.8	71.1	80.7	73.2	-7.47	(-9.3%)	Other e-Commerce
65.9	67.7	66.8	67.4	68.5	69.6	70.4	72.1	71.3	68.5	-2.85	(-4.0%)	INFO-COMMUNICATIONS (Sector)
66.3	67.7	67.2	68.4	69.2	70.2	71.1	72.7	71.7	69.2	-2.54	(-3.5%)	Mobile Telecom (Sub-sector)
66.6	66.8	67.2	69.0	67.5	69.2	69.4	71.9	72.1	70.2	-1.82	(-2.5%)	StarHub
65.6	69.3	68.1	69.4	72.0	73.0	74.1	75.2	71.5	69.1	-2.35	(-3.3%)	Singtel
NM	NM	NM	NM	NM	NM	NM	NM	NM	69.1	NA	NA	CirclesLife
68.0	64.3	64.4	63.9	65.0	66.6	67.9	69.7	71.6	68.6	-2.99	(-4.2%)	M1
NM	NM	NM	NM	NM	NM	NM	NM	NM	68.3	NA	NA	Other Mobile Telecom Providers
64.2	67.5	65.3	64.9	67.0	68.2	68.9	70.6	70.1	66.9	-3.18	(-4.5%)	Broadband (Sub-sector)
64.4	67.5	65.8	66.9	67.0	68.2	68.9	70.9	69.2	68.0	-1.16	(-1.7%)	StarHub
64.0	67.7	65.1	64.1	66.9	68.0	68.7	70.2	70.9	66.4	-4.50	(-6.3%)	Singtel
63.9	64.3	66.2	66.2	67.5	68.2	69.4	70.9	70.3	66.2	-4.01	(-5.7%)	M1
NM	NM	66.5	65.1	66.6	67.4	68.1	70.2	70.6	65.3	-5.24	(-7.4%)	PayTV (Sub-sector)
NM	NM	65.0	64.4	65.8	66.9	67.3	69.7	70.2	66.2	-3.95	(-5.6%)	Singtel
NM	NM	67.0	66.6	67.7	67.6	68.8	70.7	70.9	63.9	-7.03	(-9.9%)	StarHub
NM	NM	NM	NM	NM	NM	NM	NM	NM	73.4	NA	NA	Video Streaming Services (Sub-sector)
NM	NM	NM	NM	NM	NM	NM	NM	NM	75.1	NA	NA	Apple TV+
NM	NM	NM	NM	NM	NM	NM	NM	NM	75.0	NA	NA	Viu
NM	NM	NM	NM	NM	NM	NM	NM	NM	74.2	NA	NA	Netflix
NM	NM	NM	NM	NM	NM	NM	NM	NM	70.6	NA	NA	Amazon Prime Video
NM	NM	NM	NM	NM	NM	NM	NM	NM	70.4	NA	NA	HBO Go
NM	NM	NM	NM	NM	NM	NM	NM	NM	64.6	NA	NA	MeWatch
NM	NM	61.5	59.6	69.6	70.3	71.7	73.2	73.9	69.8	Note 3	Note 3	Wireless@SG (Sub-sector)

Not Measured  
Not Applicable

Customer Satisfaction scores are based on a 0 to 100 scale.

**Note 1** In 2020, data collection for the Retail Sector was done via an online methodology and no tourists were measured. Data shown in the years before 2020, and collected via the face-to-face methodology, cannot be directly comparable to the 2020 scores and should only be used as reference.

**Note 2** Video Streaming Services sub-sector was newly added to the Infocomm Sector. Thus, there is no year-on-year comparison.

**Note 3** Only locals were surveyed for Wireless@SG due to travel restrictions in light of the Covid-19 situation in 2021. This is as opposed to the years before where both locals and tourists were measured. Thus, there is no year-on-year comparison.