News Release

F&B Sector Seeing More Customers Ordering Takeaway
However, café customers less satisfied and loyal compared to a year ago

Singapore, 30 November 2021 (Tuesday) – The Institute of Service Excellence (ISE) (卓越服务研究院) at Singapore Management University (SMU) today released the 2021 third quarter (Q3) Customer Satisfaction Index of Singapore (CSISG) results for the Food & Beverage and Tourism sectors.

In the latest results, the Food & Beverage sector scored 72.7 points in Customer Satisfaction (on a 0 to 100 scale). 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, derived from survey responses for Singapore's tourist attractions; because of the Covid-19 pandemic, there were no tourists surveyed and only local visitors were interviewed. Both performances were statistically on par with satisfaction levels from the previous year.

Food & Beverage
With Covid-19 necessitating changes to consumers' dining behaviour — the survey quizzed respondents between July and September 2021 — researchers looked at how customers were patronising Food & Beverage establishments.

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.

While this change in the way customers patronised F&B did not impact the satisfaction and loyalty levels for the Restaurants and Fast Food sub-sectors, customers of Cafés & Coffee Houses were observed to be markedly 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 considerably lower than the previous year.

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 using Food Delivery. This sentiment of a poorer in-store order experience was also reflected by customers dining-in.

Mr Chen Yongchang (陈勇畅), Head of Research and Consulting at ISE, said, "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. While the data indicates the majority of consumers still prefer dine-in when given a choice, takeaway orders are likely to remain elevated for some time."

"As takeaway orders tend to have better margins, F&B businesses who want to grow the segment, as well as strengthen their dine-in offering, should look to smoothen in-store ordering processes, avoiding pitfalls such as focusing on delivery orders at the expense of customers in the store," he added.

Other pain points observed include service attributes relating to staff service quality. 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.

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

Attractions

The CSISG study surveyed Singapore residents that recently visited local tourist attractions. Due to the Covid-19 travel restrictions, tourists were not interviewed.

In a similar observation to the Cafés & Coffee Houses sub-sector, visitors to tourist attractions were substantially 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.

In terms of demographics, the latest results show a shift 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%.

Ms Neeta Lachmandas (妮塔.拉切曼达斯), Executive Director (执行总监) of ISE, said "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."

"In fact, half of the respondents we interviewed said they had made use of the SingapoRediscovers Vouchers for their visit," she observed.

Alongside the lower overall Customer Loyalty levels and changing visitor profiles, additional analysis revealed pain points in the areas of the 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.

Ms Lachmandas remarked, "In addition to addressing these key drivers of loyalty, local attractions can also take a fresh look at the visitor experience, keeping in mind the evolving visitor profile. These efforts will go some ways to improve the visitor experience and hopefully boost the re-playability of our local attractions."

A total of 2,600 local consumers were surveyed in the CSISG 2021 Q3 study.

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.

For media queries, please contact:

Mr Tim Zhuang
Senior Manager, Partnerships and Programme Development
Institute of Service Excellence (ISE) at Singapore Management University
DID: (65) 6808 5258
Mobile: (65) 9748 9389
Email: timzhuang@smu.edu.sg

Mr Teo Chang Ching
Senior Assistant Director, Corporate Communications
Office of Corporate Communications and Marketing
DID: (65) 6828 0451
Mobile: (65) 9431 8353
Email: ccteo@smu.edu.sg

Annex A

About the Customer Satisfaction Index of Singapore (CSISG)

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CSISG measures customers' cumulative satisfaction with companies. Each company score is generated using a structural equations model (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 local (and where applicable, tourist) incidence interactions with the constituent companies. Sector scores are derived by aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions.

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. The ACSI has been a 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 model

CSISG
Customer Satisfaction Index of Singapore
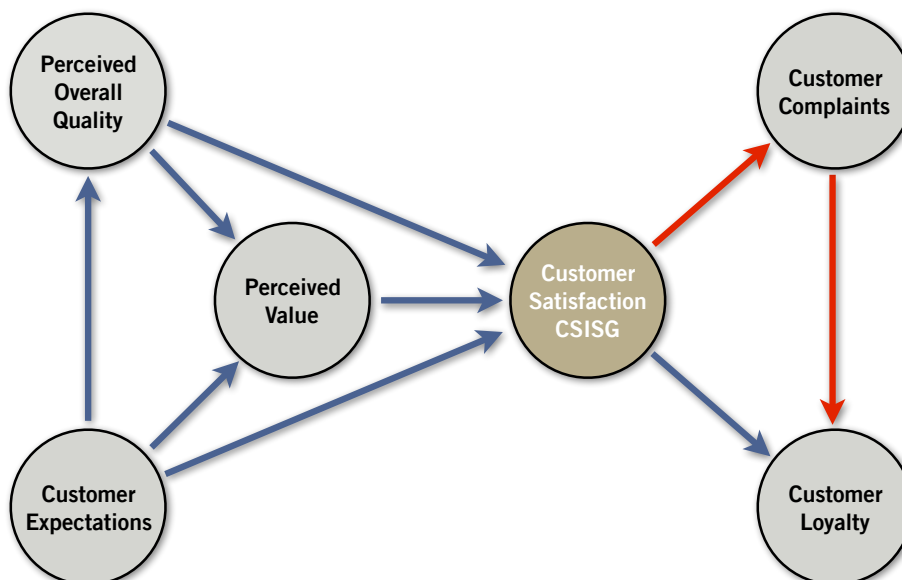
2021 Q3 SCORES
FOOD & BEVERAGE AND TOURISM

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.

	Previously reported scores based on the door-to-door methodology *(See Note 3)*							Note 3		2020–2021 Year-on-Year		
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Change / % Change		SECTOR / *Sub-sector* / Company Measured
67.7	70.3	65.8	67.1	70.1	71.7	74.2	76.9	73.6	72.7	–0.98	(–1.3%)	FOOD & BEVERAGE (Sector)
Note 1	Note 1	Note 1	Note 1	69.8	71.5	74.4	78.3	73.8	73.1	–0.77	(–1.0%)	*Restaurants (Sub-sector)*
NM	NM	NM	NM	71.3	73.0	74.5	76.4	76.2	76.8	+0.63	(+0.8%)	Din Tai Fung
NM	NM	NM	NM	70.9	72.6	75.2	77.0	72.4	75.6	+3.20	(+4.4%)	Crystal Jade Kitchen
NM	NM	NM	NM	69.8	71.2	74.5	82.3	73.5	73.5	–0.02	(–0.0%)	Sakae Sushi
NM	NM	NM	NM	70.6	71.1	72.0	76.6	71.2	72.6	+1.44	(+2.0%)	Pizza Hut
NM	NM	NM	NM	70.2	72.0	74.5	78.3	71.0	71.7	+0.68	(+1.0%)	Swensen's
Note 1	Note 1	Note 1	Note 1	68.0	70.9	75.2	80.2	74.2	72.6	–1.57	(–2.1%)	Other restaurants
68.2	67.9	69.0	69.4	70.7	71.7	73.6	74.6	73.1	74.0	+0.84	(+1.2%)	*Fast Food Restaurants (Sub-sector)*
NM	NM	NM	NM	68.8	70.7	71.9	73.7	74.6	75.9	+1.23	(+1.6%)	Subway
68.9	67.6	71.6	72.2	72.2	72.7	74.9	76.2	74.7	73.2	–1.47	(–2.0%)	McDonald's
67.5	68.9	69.6	67.6	71.0	72.9	74.2	75.0	75.1	72.5	–2.59	(–3.5%)	Burger King
68.2	66.8	67.9	67.5	70.4	70.4	72.7	73.6	69.9	69.8	–0.15	(–0.2%)	KFC
66.1	69.6	62.6	64.3	67.9	70.3	72.1	72.3	72.6	77.1	+4.45	(+6.1%)	Other fast food restaurants
NM	NM	NM	NM	NM	71.9	73.9	74.8	73.6	69.6	–3.96	(–5.4%)	*Cafes & Coffee Houses (Sub-sector)*
68.8	73.4	69.1	70.1	72.7	73.2	75.6	76.4	77.1	72.3	–4.79	(–6.2%)	Starbucks
NM	NM	NM	NM	NM	NM	NM	NM	NM	68.8	NA	NA	Coffee Bean & Tea Leaf
NM	NM	NM	NM	70.1	70.2	72.3	72.7	72.7	65.6	–7.10	(–9.8%)	Ya Kun
NM	NM	NM	NM	69.6	70.3	71.4	73.1	68.3	65.5	–2.79	(–4.1%)	Toast Box
70.0	74.5	69.1	69.4	71.1	74.2	75.1	75.8	76.1	75.4	–0.68	(–0.9%)	TOURISM (Sector)
72.6	79.8	72.6	70.3	72.8	73.3	74.1	75.1	76.1	75.4	–0.68	(–0.9%)	*Attractions (Sub-sector)*
NM	NM	NM	NM	72.1	73.2	74.4	75.4	76.2	75.9	–0.27	(–0.4%)	Gardens By The Bay
74.9	81.6	73.2	71.0	73.1	71.9	73.1	74.5	72.7	75.7	+2.95	(+4.1%)	Universal Studios
70.8	78.7	70.8	71.6	73.3	74.5	74.7	75.7	78.9	74.5	–4.47	(–5.7%)	Singapore Zoo
73.1	78.1	71.6	71.6	74.3	74.9	75.6	76.5	72.2	74.4	+2.25	(+3.1%)	Sentosa
71.5	79.3	69.1	68.7	70.5	71.2	72.0	73.2	77.7	75.6	–2.13	(–2.7%)	Other attractions

NM Not Measured
NA Not Applicable

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

Note 1 Restaurants were previously measured at holding-level. Since 2016, brand-level entities were measured instead.
Note 2 Cafes & Coffee Houses and Snack Bars & Food Kiosks were previously measured as 1 sub-sector. Since 2017, they were measured separately.
Note 3 From 2020, data collection for these sub-sectors 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 scores from 2020 and should only be used as reference.
Note 4 Due to the Covid-19 situation and travel restrictions, the Hotels sub-sector, which only surveyed tourists, was not measured in 2020 and 2021.