

News Release

Finance and Insurance Industry See Customers' Use and Preference for Digital Channels Increase

Overall Customer Satisfaction with Both Sectors Remain Steady Year-on-Year

Singapore, 30 March 2022 (Wednesday) – The Institute of Service Excellence (ISE) at the Singapore Management University (SMU) (新大卓越服务研究院) today released the Finance and Insurance industry sectors findings from the Customer Satisfaction Index of Singapore (CSISG) 2021 national study.

The latest results showed that customer satisfaction with the Finance sector increased year-on-year by 1.2% to 74.8 points, based on a 0 to 100 scale. This performance was derived from its three constituent sub-sectors: Banks, Credit Cards, and e-Payment Apps. The Banks sub-sector scored 74.9 points, a 1.2% increase year-on-year, while Credit Cards scored 73.2 points, a 0.7% increase. The e-Payment Apps sub-sector was a new inclusion this year, scoring 77.0 points. In contrast to the Finance sector, the Insurance sector registered a marginal 0.4% decrease from the previous year to score 73.5 points.

These customer satisfaction scores also marked the final set of industry results for the 2021 CSISG study. Combined with five other service industry results released last year, namely, Retail, Info-communications, Land Transport, Food & Beverage, and Tourism, Singapore's national customer satisfaction score for 2021 stands at 73.8 points, a small 0.3% dip compared to 2020. These year-on-year changes were not considered statistically significant.

Banks

Delving more into the latest Finance sector findings, it was observed that satisfaction with the Banks' touchpoint channels, such as their contact centre and internet banking, recovered strongly, after a dip in 2020.

"The rebound in channel satisfaction is likely due to both companies and customers getting used to the operational changes necessitated by Covid-19 throughout 2020, which were quite frankly very disruptive to both customers and the banks' pre-pandemic SOPs," suggested Ms Neeta Lachmandas (妮塔.拉切曼达斯), ISE Executive Director (执行总监).

The Banks sub-sector findings also showed more older customers embracing digital channels. 80.3% of bank respondents in the '60 years old and above' demographic indicated they had recently used their bank's internet banking or mobile app. This is a marked increase from 2020's 65.5%.

Mr Chen Yongchang (陈勇畅), ISE Head of Research and Consulting, said, "The strong adoption of digital banking suggests customers' appreciate its benefits and convenience. However, our analysis has also shown that key service attributes related to assurance and reliability were critical drivers of the banking experience and are especially pertinent in light of recent events such as DBS' internet banking outage and phishing scams targeting OCBC customers."

Indeed, impact analysis of customer responses suggest service quality attributes for Assurance, such as 'Makes you feel comfortable and safe' and Reliability, such as 'Promises to do something by a certain time', were the most important drivers of customer satisfaction and loyalty, respectively.

Insurance

The Insurance sub-sector saw only a small dip in its CSISG score year-on-year, with most metrics holding steady. However, continuing an observation from 2020, service quality attributes relating to Empathy and Reliability remain underperforming areas.

Additionally, the latest findings revealed policyholders' increasing preference to purchase life, health, and medical insurance policies through digital channels. This preference rose from 28.0% in 2020 to 35.2% in 2021. Correspondingly, the preference to purchase similar policies through the more traditional route of financial advisors fell significantly year-on-year, from 51.6% to 47.1%.

Mr Chen remarked, "Although financial advisors continue to be the most preferred channel for buying life and health insurance, this preference appears to be on a decline, while preference for buying these products online has grown."

"Given these trends, the move by various insurers to offer more of their products online, are steps in the right direction. Insurers should also consider how they could more effectively and seamlessly integrate their digital platforms with the services offered by their financial advisors to improve customer experience and drive loyalty," he said.

Credit Cards and e-Payment Apps

While the Credit Cards sub-sector did not record a significant increase in satisfaction from the previous year, several attributes responsible for driving satisfaction did improve, including areas such as brand, product, and service.

"Brand attributes such as the perceived innovativeness of the card and product features like card benefits and rewards, were found to be significant drivers of satisfaction. Thus, the improvements seen in the latest survey suggest card issuers are on the right track and will serve as a catalyst for better customer satisfaction over time," said Mr Chen.

Compared to Credit Cards, the e-Payment Apps sub-sector performed notably better in both customer satisfaction and loyalty, with an overall younger user demographic driving the higher scores. The e-Payment Apps sub-sector was made up of mobile app payment platforms such as Apple Pay, DBS PayLah!, and GrabPay.

"In general, the younger demographic rated the e-Payment apps higher than credit cards. For instance, users in the 18 to 34 age bracket had a CSISG score of 77.3 points for e-Payment Apps while only 72.6 points for credit cards" he noted.

However, both payment modes shared similar drivers of loyalty, with attributes relating to Brand and Product strong determinants of the likelihood of reusability for a card or app.

"The analysis suggests that by focusing on attributes such as brand image and reputation, and product features such as merchant tie-ups and rewards, payment apps can more effectively drive repeat usage," said Mr Chen.

Industry Digital Uptake

In both the Finance and Insurance sectors, the CSISG study observed strong and sustained consumer adoption of digital services.

"The shift to digital is here to stay. More older customers are taking to online banking services year-on-year. Insurance products, traditionally sold at a very interpersonal level, is seeing a preference shift towards online channels," observed Ms Lachmandas.

“For businesses, this means it will be paramount to continue investing in the digital domain, as consumer preference for buying, transacting, and indeed living online continues to rise,” she surmised.

The CSISG 2021 Q4 study was conducted between October 2021 and January 2022. A total of 4,700 local consumers were surveyed for the Finance and Insurance sectors.

Prior to the Q4 study, the Info-Communications and Retail sectors were measured in Q1, the Land Transport sector in Q2, and the Food & Beverage and Tourism sectors in Q3. In total, the CSISG 2021 study completed 14,700 unique interviews. A total of 245 distinct entities were measured and 104 entities received published scores.

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

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 can 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. 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.

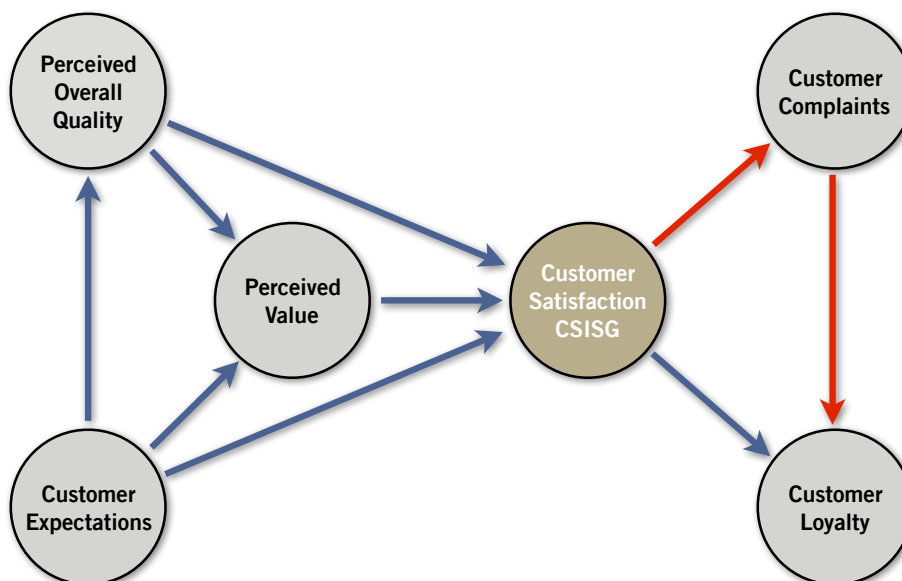
Sub-sector scores are derived as a weighted average of company scores, in proportion to the local (and where applicable, tourist) incidence interactions with the constituent companies. Sector scores are derived by aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions.

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





2021 NATIONAL SCORE

73.8

HOW WELL DID COMPANIES SATISFY THEIR CUSTOMERS?

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

74.8 Finance

- 77.0 e-Payment Apps*
- 79.3 DBS PayLah!
- 74.9 GrabPay
- 74.8 FavePay
- 76.9 Other digital payment apps

74.9 Banks

- 75.1 UOB
- 74.9 DBS
- 74.9 HSBC
- 74.9 OCBC
- 74.7 Maybank
- 74.6 Citibank
- 74.3 Standard Chartered
- 74.0 Other banks

73.2 Credit Cards*

- 73.9 HSBC
- 73.9 Maybank
- 73.7 UOB
- 73.7 OCBC
- 73.2 American Express
- 73.0 Citibank
- 72.8 DBS
- 72.4 Standard Chartered
- 73.3 Other credit cards

74.1 Land Transport

- 74.4 Public Buses
- 74.5 SBS Transit
- 74.3 SMRT
- 74.1 Other bus operators
- 74.2 Mass Rapid Transit System
- 78.2 SBS Transit*
- 72.1 SMRT

73.1 Point-to-Point Transport

- 84.6 SMRT (Strides)*
- 76.4 Gojek*
- 71.6 ComfortDelGro
- 70.4 Grab
- 77.2 Other Ride Hailing Apps

73.5 Insurance

- 73.5 Insurance
- 73.3 Prudential
- 73.2 Great Eastern
- 72.4 NTUC Income
- 71.6 AIA
- 76.3 Other insurers*

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

72.4 Retail

- 73.3 Fashion Apparels
- 74.1 Giordano
- 73.6 G2000
- 72.4 Uniqlo
- 71.9 Cotton On
- 71.2 H&M
- 73.9 Other fashion apparels

72.7 Department Stores

- 75.7 Takashimaya
- 74.6 Tangs
- 74.5 Mustafa
- 73.2 Isetan
- 73.1 Metro
- 71.2 Marks & Spencer
- 70.9 BHG
- 68.7 OG

72.0 Supermarkets

- 76.1 Market Place/Jasons*
- 75.2 Sheng Siong
- 74.8 Cold Storage
- 70.3 NTUC FairPrice
- 69.9 Giant
- 68.4 Prime

71.1 e-Commerce

- 75.8 Amazon*
- 72.7 Taobao/Tmall
- 72.3 Lazada
- 71.8 Zalora
- 71.1 Fave
- 70.1 Carousell
- 69.8 Qoo10
- 69.5 Aliexpress
- 68.6 Shopee
- 73.2 Other e-Commerce

68.5 Info-Communications

- 73.4 Video Streaming Services*
- 75.1 Apple TV+
- 75.0 Viu
- 74.2 Netflix
- 70.6 Amazon Prime Video
- 70.4 HBO Go
- 64.6 MeWatch

69.8 Wireless@SG

69.2 Mobile Telecom

- 70.2 StarHub
- 69.1 Singtel
- 69.1 Circles.Life
- 68.6 M1
- 68.3 Other Mobile Telecom Providers

66.9 Broadband

- 68.0 StarHub
- 66.4 Singtel
- 66.2 M1

65.3 PayTV

- 66.2 Singtel
- 63.9 StarHub

This scorecard summarises the results of the CSISG 2021 satisfaction scores at the national, sector, sub-sector, and company levels. CSISG scores are generated based on the econometric modelling of survey data collected from end-users after the consumption of products and services. Company scores (in black) are weighted based on a separate incidence study. This incidence study helps determine each company's sample profile and the local-tourist weights. Sub-sector scores (in blue) are derived as a weighted average of company scores, in proportion to the local and tourist incidence interactions with the constituent companies. Sector scores (in gold) are derived by aggregating the sub-sector scores proportionately to each sub-sector's revenue contributions.

Finally, the national index of 73.8 represents a weighted average, by each sector's contribution to GDP, of the 7 sector scores.

All scores displayed are accurate to one-decimal place. Entities are presented in decreasing levels of satisfaction.

* Companies indicated with an asterisk(*) are companies that have performed significantly above their sub-sector average.

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

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

CSISG Quarter 4

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2020-2021 Year-on-Year Change / % Change	SECTOR / Sub-sector / Company Measured
NM	NM	NM	NM	NM	NM	NM	Note 1	74.0	74.8	+0.86 (+1.2%)	FINANCE (Sector)
NM	NM	NM	NM	NM	NM	NM	NM	Note 3	77.0	NA NA	e-Payment Apps (Sub-sector)
NM	NM	NM	NM	NM	NM	NM	NM	Note 3	79.3	NA NA	DBS PayLah!
NM	NM	NM	NM	NM	NM	NM	NM	Note 3	74.9	NA NA	GrabPay
NM	NM	NM	NM	NM	NM	NM	NM	NM	74.8	NA NA	FavePay
NM	NM	NM	NM	NM	NM	NM	NM	NM	76.9	NA NA	Other digital payment apps
71.8	69.4	72.2	71.1	72.9	74.1	74.6	75.3	74.0	74.9	+0.86 (+1.2%)	Banks (Sub-sector)
71.2	71.4	71.6	70.8	71.7	72.4	72.6	74.3	74.7	75.1	+0.37 (+0.5%)	UOB
69.1	71.9	75.8	71.6	73.1	74.5	75.1	75.6	73.8	74.9	+1.06 (+1.4%)	DBS
74.0	69.7	69.5	69.7	71.3	72.8	73.8	74.2	74.5	74.9	+0.45 (+0.6%)	HSBC
69.0	71.3	71.8	71.6	72.9	73.8	74.5	75.1	74.7	74.9	+0.15 (+0.2%)	OCBC
70.8	69.0	68.2	71.9	72.5	73.6	73.5	74.0	74.5	74.7	+0.20 (+0.3%)	Maybank
74.5	70.2	75.7	70.6	72.5	73.9	75.3	75.7	73.6	74.6	+0.98 (+1.3%)	Citibank
73.5	70.1	71.2	71.3	71.9	73.1	73.2	73.6	73.8	74.3	+0.50 (+0.7%)	Standard Chartered
72.1	68.8	67.0	70.1	70.8	72.0	71.3	72.5	73.3	74.0	+0.68 (+0.9%)	Other banks
NM	NM	NM	NM	70.7	71.9	72.0	72.7	72.7	73.2	+0.54 (+0.7%)	Credit Cards (Sub-sector)
NM	NM	NM	NM	70.4	71.4	71.6	72.8	73.8	73.9	+0.16 (+0.2%)	HSBC
NM	NM	NM	NM	70.7	72.0	72.3	72.9	73.3	73.9	+0.60 (+0.8%)	Maybank
NM	NM	NM	NM	70.7	72.0	72.1	72.7	73.0	73.7	+0.70 (+1.0%)	UOB
NM	NM	NM	NM	70.0	71.5	71.4	72.1	73.5	73.7	+0.23 (+0.3%)	OCBC
NM	NM	NM	NM	72.1	72.8	72.9	73.2	72.9	73.2	+0.38 (+0.5%)	American Express
NM	NM	NM	NM	72.1	72.4	73.1	73.5	71.9	73.0	+1.11 (+1.5%)	Citibank
NM	NM	NM	NM	70.9	72.3	72.7	73.4	71.9	72.8	+0.94 (+1.3%)	DBS
NM	NM	NM	NM	NM	NM	NM	NM	72.4	72.4	-0.07 (-0.1%)	Standard Chartered
NM	NM	NM	NM	69.0	70.6	70.1	71.4	72.0	73.3	+1.36 (+1.9%)	Other credit cards
NM	NM	NM	NM	NM	NM	NM	Note 1	73.8	73.5	-0.28 (-0.4%)	Insurance (Sector)
NM	NM	NM	NM	NM	NM	NM	Note 2	73.8	73.5	-0.28 (-0.4%)	Insurance (Sub-sector)
NM	NM	NM	NM	NM	NM	NM	NM	74.6	73.3	-1.27 (-1.7%)	Prudential
NM	NM	NM	NM	NM	NM	NM	NM	73.2	73.2	-0.00 (-0.0%)	Great Eastern
NM	NM	NM	NM	NM	NM	NM	NM	72.3	72.4	+0.09 (+0.1%)	NTUC Income
NM	NM	NM	NM	NM	NM	NM	NM	73.3	71.6	-1.74 (-2.4%)	AIA
NM	NM	NM	NM	NM	NM	NM	NM	75.1	76.3	+1.20 (+1.6%)	Other insurers
69.9	70.7	71.1	70.2	71.8	72.9	73.5	74.3	74.0	73.8	-0.24 (-0.3%)	SINGAPORE NATIONAL SCORE

NM Not Measured
NA Not Applicable

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

As there was a change from face-to-face methodology to online surveys for majority of the sectors measured, the Singapore National Scores for the years before 2020 cannot be directly comparable to the 2020 score and should only be used as reference.

Note 1: 2020 was the first year of measure for the Finance and Insurance sectors. Previously, they were measured as one sector (i.e., the Finance & Insurance sector).

Note 2: From 2020, data collection for Insurance sub-sector was done online with locals only, as opposed to face-to-face interviews in 2019 and before. The Life and Health & Medical Insurance sub-sectors were merged into one sub-sector.

Note 3: The entities measured in 2020 are not comparable year-on-year due to a change in the survey's design.