

Dept stores 'can gain edge if they go online'

Retailers that offer both gain more customer loyalty than online-only stores: Survey

Melissa Lin

The growth of e-commerce may pose a serious threat to bricks-and-mortar stores, but there is a silver lining for department stores here.

A nationwide survey has found that department stores with both a physical and online presence can have a competitive edge over online-only stores.

Department store customers who shopped via the store's online channels – such as its website or mobile app – reported higher levels of customer loyalty than shoppers at e-commerce sites such as Zalora and Groupon.

This was one of the findings of

the latest Customer Satisfaction Index of Singapore released yesterday.

"This would suggest that traditional bricks-and-mortar stores could be better served and complemented by developing a robust omni-channel presence if they have not already done so. It can potentially give them a competitive edge over the e-commerce retailers," said Mr Chen Yongchang, head of research and consulting at the Institute of Service Excellence (ISE) at the Singapore Management University, which compiled the index.

The survey of 6,900 Singapore residents and tourists between January and April this year found that satisfaction levels in the retail sec-



The survey of 6,900 Singapore residents and tourists showed that Metro was the only department store whose customer satisfaction score had increased significantly. ST PHOTO: AZIZ HUSSIN

tor remained similar to last year's, with the retail sector scoring 72.1 points out of 100, up from 71.7 the year before.

Of the four retail sub-sectors surveyed, only the department store sub-sector showed significant improvement.

This largely stemmed from more satisfied local shoppers, said Ms Neeta Lachmandas, ISE's executive director.

"This increase could be related to the revamps of various stores and product offerings, as well as in-

creased promotional activities targeted at boosting sales."

Among department stores, DFS had the highest score of 73.6 while Metro was the only store whose score had increased significantly.

DFS managing director for Singapore and Indonesia, Ms Wilcy Wong, attributed the retailer's high score to its focus on providing "authentic and personal customer engagement".

"But at the heart of the DFS experience is of course our people," she added. "We invest heavily in talent

management programmes, as well as learning and development through our own DFS University to enhance our operations."

The fashion apparel, supermarket and e-commerce sub-sectors did not see any significant change in scores.

But a notable observation among supermarket customers was that those who frequently used self-checkout counters were more satisfied than those who mostly used manned cashier counters.

The survey also looked at cus-

tom satisfaction for the information and communications sector, which scored a record high of 69.6 points out of 100, up 1.6 per cent.

ISE found that service attributes relating to responsiveness, assurance and empathy were key drivers of loyalty among mobile telecommunications and broadband customers. This was in addition to the usual product-related attributes such as suitable subscription plans and fast data speeds.

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