

Infocomm scores on loyalty

But the sector garners a slightly lower mark of 66.8 this year for overall customer satisfaction, reports **TEH SHI NING**

THE infocomm sector is not exactly the poster boy for customer service – but they do make the effort when it comes to loyal customers.

In the latest Customer Satisfaction Index of Singapore (CSISG) survey, the sector – which covers mobile, broadband and, for the first time, PayTV and the Wireless@SG services – earned a lower score of 66.8 this year, compared to one of 67.7 last year. But the difference was not statistically significant, said the Institute of Service Excellence at the Singapore Management University (ISES), which is behind the index.

The unremarkable score also masks the esteem longer-term customers have for the telcos. A deeper dive into the data seems to show that the providers are doing something right when it comes to a particular segment of customers – the more loyal ones renewing mobile, broadband, or TV contracts tend to stick with the telco for two years or longer.

“For the most part, our telcos seem to be doing a good job with their longer-tenured customers,” said ISES academic director Marcus Lee.

These “re-contract customers”, whether they were buying mobile, broadband or PayTV plans, all showed higher loyalty scores and tended to be more satisfied than newer customers.

This is intuitive. But ISES says that its data also shows that it is due to a narrower gap between recontract customers’ expectations and the quality they actually experience, compared to new customers.

And this was not because they had come to expect less over the years. On the contrary, particularly when it came to the broadband and PayTV segments, recontract customers had higher expectations than their newer

peers did. Yet, the telcos delivered a high enough level of quality to satisfy them, Dr Lee noted.

“This data reinforces the value of customer satisfaction and the impact on loyalty,” said ISES director, Caroline Lim. “While there may be a self-selection bias – more satisfied users stay on and renew their contracts – service providers could also cross-sell and up-sell more to their re-contract customers.”

A SingTel spokesman explained: “As we have been able to enjoy a longer relationship with long-term customers, we have had the opportunity to gain a better understanding of their needs and expectations.”

Some of this understanding comes through internal customer experience measurements based on surveys of more than 25,000 consumers and SingTel’s business customers throughout the year – compared to the CSISG’s snapshot from the first quarter of each year.

SingTel also runs a customer appreciation programme that gets staff from managers to the chief executive officers to field hotline calls, work at the retail outlets, or follow installers to customers’ homes – with the aim of giving them a first-hand insight into customers’ needs and experiences.

Needless to say, the telcos do compete to retain their existing customers. SingTel contacts its subscribers with attractive offers when their mobile contracts are due for renewal, and runs a rewards programme that dishes out dining treats and lucky draw prizes.

Similarly, M1 cited benefits such as an additional data bundle, that are extended to recontracting customers, and special promotions such as priority bookings for M1-sponsored concerts. StarHub, too, has an expanding catalogue of rewards and promotional activities to reward customer loyalty. But StarHub’s senior vice-presi-



Customer insight: ISES says that its data shows there is a narrower gap between recontract customers’ expectations and the quality they actually experience, compared to new customers. FILE PHOTO

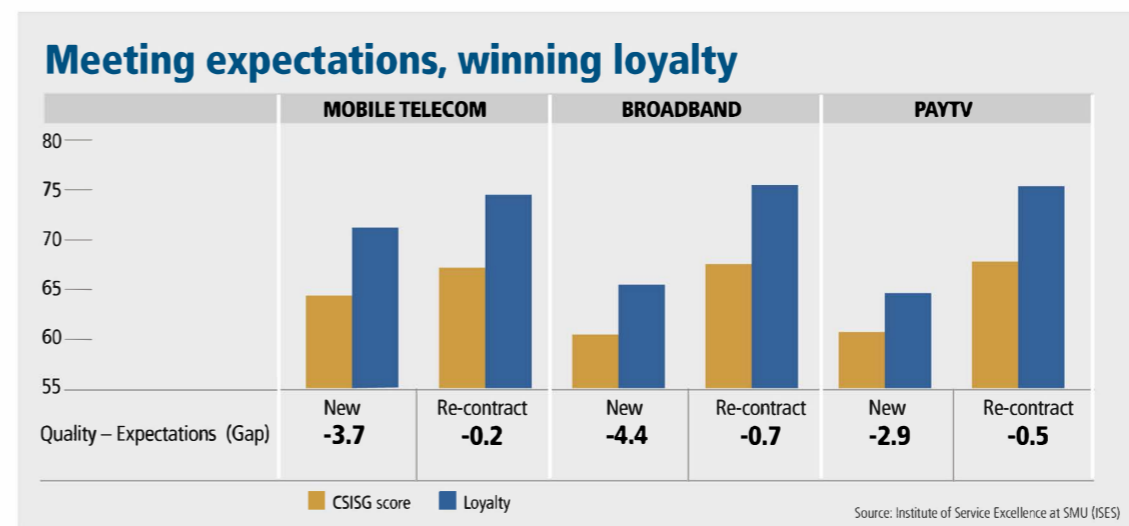
dent of customer service Diana Lee also stressed: “Every customer, whether new or recontracting, is important to us.” And both M1 and SingTel ensure that advertised promotions are made available to both recontract and new customers.

A larger determining factor of the telcos’ customer satisfaction score could be a more nebulous perception of the brand – one that is not necessarily tied to specific product lines.

Despite the introduction of a new PayTV sub-sector into this year’s survey, both positive and negative perceptions of brands from fierce competition over football broadcast rights, for instance, could have coloured customers’ views of other services too.

PayTV notched up a first-time score of 66.5, which was better than the score for the broadband sub-segment. That saw the only significant dip from 67.5 last year, to 65.3 this year.

“The experiences that users have of other business segments would surely have an effect on the overall experience with the brand,” said Ms Lim. This applies particularly to users who subscribe to bundled services. Since they respond to the survey for



only one segment within the infocomm sector, their evaluation would likely be coloured by their prior experiences with any of the three, she added.

For the first time, this year’s index also polled users of Wireless@SG, a free wireless broadband programme developed by the Infocomm Develop-

ment Authority (IDA) of Singapore as part of the government’s Next Generation National Infocomm Infrastructure initiative.

Users reported a much lower satisfaction score of 61.5 than the infocomm sector average of 66.8, mainly because their perceptions of quality fell far short of expectations, ISES said.

But, several improvements rolled out from April onwards, were not captured in this score. These included automatic log-ins and faster surfing speeds, which would not have been experienced by the users polled in the first quarter of this year.

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