

## **News Release**

### **Singapore's Customer Satisfaction Reaches Record High**

*Significant improvements in seven of the nine measured industry sectors drive the national customer satisfaction index to new heights despite dampening performance in the Q4 for the Finance & Insurance and Healthcare sectors.*

**Singapore, 28 March 2013 (Friday)** – The Institute of Service Excellence at the Singapore Management University (ISES) (卓越服务研究院) released the 2013 full-year results for the Customer Satisfaction Index of Singapore (CSISG), alongside the announcement of results for the Finance & Insurance, and Healthcare sectors for the 4th quarter (Q4) of 2013.

The annually computed national satisfaction index rose for the third consecutive year to 70.7-points (on a 0 to 100 scale), a 0.71-point (+1.0%) increase from 2012. This represents a record high since the CSISG started tracking Singapore's customer satisfaction levels in 2007.

The improvement in national customer satisfaction was due to significant gains in the Food & Beverage, Info-Communications, Transport & Logistics, Private Education, Public Education, Retail, and Tourism sectors.

For Q4, the two measured sectors of Finance & Insurance and Healthcare registered declines in satisfaction. The Finance & Insurance sector scored 69.1-points, a 2.55-point (-3.6%) decrease from 2012. The Healthcare sector scored 69.9-points, a 1.45-point (-2.0%) year-on-year decline.

Ms Caroline Lim (林晓玲), Director (总监) of ISES said, "Three straight years of improving national customer satisfaction levels is very encouraging.

"Over the last seven years of measuring the national satisfaction index, we observed a common characteristic among companies which perform significantly above the sector average, and that is an unwavering leadership focus on evolving customer expectations, needs and preferences as well as a corresponding commitment to shape an appropriate design and culture to enable performance," she said.

Within the Finance & Insurance sector, the Banks and Life Insurance sub-sectors were responsible for the sector's score decline. The Banks sub-sector

scored 69.4-points, a 2.38-point (-3.6%) decrease from 2012, while the Life Insurance sub-sector scored 66.1-points, a 4.54-point (-6.4%) decrease from the previous year. The Health & Medical Insurance and Motor or Other Personal Insurance sub-sectors did not register significant year-on-year changes, scoring 69.1-points (+1.31-points/+1.9%) and 70.2-points (+0.39-points/+0.6%) respectively.

Analysis of the Banks and Life Insurance sub-sectors indicated the decline in satisfaction was the result of a fall in all three drivers of satisfaction, namely expectations of quality, perceptions of quality, and perceptions of value. Analysis also revealed another characteristic common to these two sub-sectors in that there was an increase in the variability of customer responses to satisfaction. This may suggest customers perceived they were receiving a less consistent level of service in 2013 compared to 2012.

Assistant Professor of Marketing (Practice) Marcus Lee (李德发), Academic Director (学术总监), ISES said, "Increased variability may not be an unexpected observation, particularly if a specific company is serving varied customer segments.

"However, the increased variability may also be due to changing customer requirements. It may be worthwhile for companies to investigate the relevance of their product and service offerings," said Dr Lee.

As for the Healthcare sector, the scores for all five measured sub-sectors declined from a year earlier. The decrease in satisfaction was significant in the Restructured Hospitals (69.0-points, -1.49-points/-2.1%) and Specialised Healthcare (70.2-points, -1.75-points/-2.4%) sub-sectors. Changes in the General Practitioners (69.8-points, -0.32-points/-0.5%), Polyclinics (65.9-points, -0.71-points/-1.1%), and Private Hospitals (72.2-points, -0.57-points/-0.8%) sub-sectors were not significant.

A key observation for the Healthcare sector was in the perceptions of value, which declined markedly from its 2012 performance. This fall in customers' perceptions of value was observed in all five measured sub-sectors. Further analysis of perceptions of value also indicated that, year-on-year, value had become a more important driver of satisfaction.

"This data suggest that Healthcare consumers are, compared to last year, becoming more price conscious in the face of rising healthcare cost. Healthcare providers should thus ensure that any fee increase matches up with customer perceptions of overall quality," commented Dr Lee.

On a national level, a key observation was the difference in levels of satisfaction between tourist and local respondents. In sub-sectors where the CSISG took into account both tourist and local responses, tourists were always the more satisfied group of customers.

“Various factors can account for this contrast in ratings, but research has shown one such factor to be differing national cultures and social norms. As different cultural profiles respond differently to service quality attributes, there appears to be a potential to boost customer satisfaction by profiling the various customer types to optimise service processes,” remarked Dr Lee.

Another broad national observation of the CSISG came from analysis of top performing companies on the Index. There were 11 companies that consistently outperformed the national CSISG each year they were measured and it is notable that they each tended to have less variability in their customers’ satisfaction responses as compared to their immediate competition. In effect, these consistently good performers also provided a relatively more consistent service experience to their customers.

Said Ms Caroline Lim, “There are many aspects to consider when designing a high quality customer experience, but as the trend data on these industry leaders suggests, a consistent and reliable service experience is one fundamental aspect.”

The CSISG 2013 Q4 survey was conducted between November and December 2013. Prior to this, the Info-Communications and Retail sectors were measured in Q1. This was followed by the Public Education, Private Education and Transportation & Logistics sectors in Q2. The Food & Beverage and Tourism sectors were measured in Q3. These Q4 results conclude the measurement for CSISG 2013.

Please refer to Annex A for the background on CSISG and the 2013 Study, and Annex B for the detailed scores of all sub-sectors and companies measured in the national study.

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

The CSISG is an annual benchmark of customer satisfaction, covering nine key economic sectors in Singapore. The index has a quarterly measure-and-release cycle, covering up to three industry sectors each time. The CSISG serves as an objective barometer of service competitiveness across countries, industry sectors, sub-sectors and companies. Companies can tap on the detailed CSISG reports and its unique cross-industry comparison capability to make strategic business decisions.

### **About the Institute of Service Excellence at SMU (ISES)**

The Institute of Service Excellence at the Singapore Management University (ISES) is the cornerstone of an initiative to raise Singapore's service standards and promote a culture of service excellence. Working in close collaboration with government agencies and business leaders, ISES champions service excellence through an integrated approach that encompasses benchmarking and analysis, research and thought leadership, and industry engagement.

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