

News Release

Customer Satisfaction for F&B Improves while Tourism Sector remains unchanged

Improvements in the F&B sector led by higher year-on-year satisfaction scores in the Restaurants and Cafes & Snack Bars sub-sectors.

Singapore, 25 November 2015 (Wednesday) – The Institute of Service Excellence at the Singapore Management University (ISES) (卓越服务研究院) released the 2015 third quarter (Q3) Customer Satisfaction Index of Singapore (CSISG) results for the Food & Beverage (F&B) and Tourism sectors today.

Customer satisfaction for the F&B sector improved year-on-year, increasing by 1.32-points (+2.0%) to 67.1-points (on a 0 to 100 scale). On the other hand, the Tourism sector's performance was generally unchanged, inching up by 0.31-points (+0.4%) over the previous year to 69.4-points.

Ms Neeta Lachmandas (妮塔.拉切曼达斯), ISES Executive Director (执行总监) said, "These latest CSISG results of our F&B and tourism sectors are a positive and encouraging sign to redouble our efforts in innovating and reinventing Singapore's service proposition to our consumers amid the challenging business climate."

Within the F&B sector, the Cafés & Snack Bars sub-sector scored 68.1-points (+1.83-points/+2.8%) while the Restaurants sub-sector scored 66.2-points (+2.06-points/+3.2%), both meaningful improvements over the previous year. The other three constituent F&B sub-sectors' performances were generally unchanged, with Fast Food Restaurants scoring 69.4-points (+0.40-points/+0.6%), Bars & Pubs scoring 69.0-points (-1.06-points/-1.5%), and Food Courts scoring 66.5-points (+0.40-points/+0.6%).

Additional analysis into the F&B sector also revealed distinct differences in two particular groups of restaurant patrons: those who made dining reservations and those who did not. Diners who made reservations were more concerned with issues such as the quality of food served, whereas walk-in

customers' perceptions of quality were affected more by time-related issues, such as waiting to get a seat and how quickly they could get their food.

Assistant Professor of Marketing (Practice) Marcus Lee (李德发), Academic Director (学术总监) of ISES said, "Impact analysis such as this will help restaurateurs focus their energies on the most important aspects of a customer's dining experience.

"In a hectic service environment, knowing the sweet spot to please differing groups of customers will go a long way towards boosting both customer satisfaction and staff productivity," he remarked.

While the Tourism sector's overall year-on-year performance was relatively similar, its constituent sub-sectors had mixed results. The Attractions sub-sector fell 2.31-points (-3.2%) to 70.3-points. Meanwhile, the Hotels sub-sector improved by 1.33-points (+1.9%) to 70.8-points. The Travel & Tour Services sub-sector scored 66.4-points, a 0.99-point (-1.4%) dip compared to 2014.

Also noteworthy was observations from the respondent data for the Attractions sub-sector. It showed that visitors' satisfaction levels were not swayed much by discounts or free passes. Whether paying full fees or receiving some sort of ticketing concession, their satisfaction with the attraction was virtually the same. Rather, visitors' perceived product quality, i.e., the quality of the attraction itself, held the largest sway in driving satisfaction.

Dr Lee commented, "This should not be interpreted as a justification to remove discounts and price related promotions, which are still useful tools to entice and get visitors in the door.

"Instead, what this finding underscores is the importance of periodically innovating and refreshing the visitor experience so as to spur satisfaction and ultimately promote revisits", he said.

This year's survey also looked at the relationship between social media usage and its effects on consumers' expectations and perceptions: respondents who used social media prior to their experience with an F&B outlet or a tourist attraction had significantly higher expectations as compared to those who did not access social media to preview the establishment.

"While the proportion of customers precluding their visit with social media reviews is small, businesses cognizant of its effects and potential can use this

medium to shape expectations and customers' eventual perceptions of their experience," observed Dr Lee.

The CSISG 2015 Q3 survey was conducted between July and September 2015. The fieldwork garnered a total of 10,460 unique responses about customer experiences in the F&B and Tourism sectors.

Please refer to Annex A for a background on the CSISG and the 2015 study, and Annex B for the detailed scores.

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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