

## Newer telco subscribers more loyal



File Photo: ST  
File Photo: A man looking at M1 advertisements outside its store.

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My Paper

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Long-time mobile subscribers are increasingly less loyal to their telcos, possibly because of perceptions that new customers are being better taken care of.

The converse is true for newer subscribers.

These were some of the findings from a first-quarter customer-satisfaction study on the retail and infocommunication sectors, released yesterday by the Institute of Service Excellence (Ises) at the Singapore Management University.

The report showed that, from 2009 to 2011, long-time customers who had a longer subscription tenure - of two years or more - tended to be more loyal compared to subscribers with a shorter tenure - less than two years.

But the gap narrowed considerably last year. And this year, the loyalty score for newer subscribers hit 69.4 this year, overtaking the 64.9 score for long-time customers.

This happened as the loyalty score for long-time subscribers has fallen annually since 2010, while the score for newer customers rose each year from 2011.

Loyalty scores range from zero to 100, with a higher score representing greater loyalty.

The study polled 7,656 people from January to April this year.

Ises academic director Marcus Lee said the findings suggested that the telcos' loyal customers are "feeling less appreciated".

"The general trend for most businesses is that they will identify the loyal people and, because they know you are 'sticky', they will give the discounts not to you, but to people who are not their customers yet," said Dr Lee.

Ises director Caroline Lim said that last year, there might have been "a lot more campaigns targeted at acquiring new customers by the telcos".

For some people, being less appreciated is not the reason for thinking of switching telcos.

Publishing executive Brandon Tan, 32, who has been with the same telco for over a decade, said that it recently crossed his mind to switch to other service providers because of the "wonky Internet connection" on his telco's network.

SingTel said the findings are probably due to "a perception that new customers are given more perks". However, it said that "we value all our existing customers and make sure they get the best offers from us".

These include targeted and exclusive offers, and the telco has had "favourable response from existing customers on these additional benefits".

M1 said it did not observe the trend of long-time customers being less loyal than newer ones, and said it would work with the research team to investigate the findings further.

StarHub said that "to build long-term relationships with our loyal customers, we are expanding our loyalty programme...to reward them with exclusive privileges".

While consumers' loyalty patterns are changing, overall customer satisfaction with telcos has improved.

The overall satisfaction score for telcos rose 2.6 per cent to 67.7 points, a record-high since tracking started in 2007.

Satisfaction scores also range from zero to 100. A higher score indicates better performance.