

Taking in the sights: Visitors gave the tourism sector a score of 80.1, a 10 per cent jump from 2012's 72.6.
FILE PHOTO

Visitors give the thumbs up

Record scores for tourism, F&B sectors driven by tourists; locals not as impressed

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EVEN as they gear up for the year-end ringing of tills, restaurants, cafes and bars, hotels and tourist attractions have another reason to cheer – happier customers.

Both the food & beverage and tourism sectors notched up record scores on the latest Customer Satisfaction Index of Singapore (CSISG) – the highest satisfaction levels each of the sectors has produced since the index was first compiled in 2007.

But if this doesn't gel with the average Singaporean's experience, that would be because this year's improvement was powered almost entirely by a surge in the satisfaction reported by tourists.

Visitors gave the tourism sector a score of 80.1, a 10 per cent jump from 2012's 72.6. Local residents scored the sector a better 71.5, but this was a mere 2 per cent rise from 2012's 70.2.

Similarly, for the F&B sector, locals were no more happy than they were a year ago. This year's score of 67.6 was not significantly higher than last year's 67.1.

This dragged down the sector's average, as tourists interviewed had found much to like about F&B outlets across the board. Bars and pubs, restaurants and cafes and snack bars all saw double-digit jumps in satisfaction scores, yielding a 15 per cent rise in F&B's average score to 81.1, from last year's 70.5.

Sentosa, which saw an improvement of 7 per cent to score 78.1 on average, said that its regular guest satisfaction surveys also tend to show higher ratings from tourists. But in its surveys, the improvement in satisfaction for both local and foreign guests was comparable in percentage terms.

Between August and September this year, interviews were conducted with tourists in the departure halls of Changi Airport, and with Singapore residents in their homes – randomly selected from a representative listing of addresses from the Department of Statistics. More than 8,500 questionnaires were completed in all.

Caroline Lim, director of the Institute of Service Excellence at the Singapore Management University (ISES), which is behind the index, says: "In 2012, there was a perceptible gap in what tourists were expecting from hotels and the quality they experienced. Their expectations were unmet and therefore satisfaction dropped."

This year, F&B and tourism players managed to close the quality expectations gap. Both drivers of tourist satisfaction improved in tandem for the F&B and tourism sectors.

"What happened? Our data wasn't able to capture all that was happening within the industry. But we suspect that there have been changes either in terms of infrastructure upgrades or better planning and operations," says Ms Lim.

"Among the hotels, there are also new establishments, different formats of hotels, different formats of hospitality. This helps raise standards for the industry," she adds.

In fact, the largest strides were made in the hotels sub-sector.

Shangri-La Hotel, Marina Bay Sands, Swissotel the Stamford, Mandarin Orchard and the Grand Hyatt all recorded their highest customer satisfaction scores this year, with many breaching the 80-point threshold for the first time.

Shangri-La Hotel recorded the strongest improvement of 14.5 per cent to score 84.4. The hotel reopened its Garden Wing in the middle of last year after an extensive \$68 million renovation – a possible

reason for the jump, Ms Lim thinks. "Manpower and staff training also took place to reinforce and set their hotel philosophy."

Although the lack of willing and able hands in the services sector persists, and has been exacerbated by the government squeezing quotas and hiking levies for hiring foreigners, this latest set of CSISG results may alleviate worries that the manpower shortage has resulted in slipping service standards.

"Every time people talk about manpower, it's about how it's so difficult to hire, how there's no time to train, how they cannot find people who are interested in the job. So we were pleasantly surprised to see that satisfaction can be delivered in spite of the tight labour market, that you don't necessarily have to have a lot of manpower resources to satisfy the customer," says Ms Lim.

Rather, she thinks it's about how technology can be effectively deployed. For instance, technology can be used to identify patterns in customer feedback, freeing up some resources so that it is still a service staff who provides that human touch when connecting with a customer.

"You use technology to automate what can be automated, so that it frees up manpower to do the more involving things for customers," says Marcus Lee, ISES academic director.

Which is what the industry is attempting, too. The RE&S Group, whose stable of restaurants includes Kuriya Dining, Ichiban Boshi and Kuishin Bo, says that it is meeting the "mounting manpower challenges" with efforts to improve internal processes and to provide ample training to employees.

"We will continue to uphold our service and product standards despite the manpower crunch that the F&B industry is facing now," says RE&S corporate vice-president Lim Shyang Zheng.

ISES's Ms Lim acknowledges that there can be volatility in such scoring for the tourism sector, since the nature of the consumers – visitors from all over the world – can vary greatly.

"They bring different backgrounds, expectations and needs. And from that perspective, they can introduce volatility into the CSISG scores," she says.

The gap between locals' and tourists' scores may also reflect the very different needs they present. For instance, a Singaporean on a "staycation" at one of the hotels would have different expectations and needs from a foreigner on vacation in Singapore.

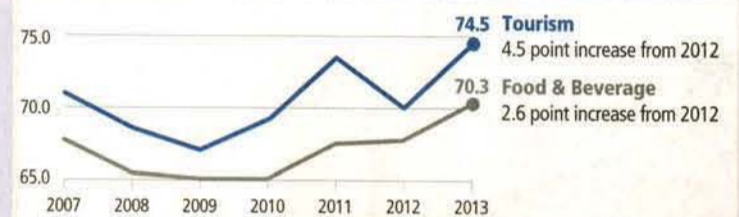
As for the F&B sector, the fact that barriers to entry are not high can itself introduce fluctuations in satisfaction levels too.

"It's easy to start a restaurant, open a cafe. If the standards are not there, it could impact satisfaction with the industry. But over time, as customers become more sophisticated, they demand more of F&B operators and that actually helps to boost standards, so we should see less of that fluctuation."

In fact, the F&B sector's customer satisfaction levels, as measured by the CSISG, have been on the rise over the last three years. What is critical now is for locals' satisfaction to catch up with tourists'.

Happier customers

Customer satisfaction scores for the F&B and tourism sectors hit new highs



70.3 Food & Beverage

- 71.7 Restaurants*
 - 73.1 Tung Lok
 - 71.3 Crystal Jade
 - 70.9 RE&S
 - 67.9 Sakae Holdings
 - 71.8 Other restaurants
- 71.1 Cafes & snack bars
 - 73.4 Starbucks*
 - 71.6 The Coffee Bean & Tea Leaf
 - 70.9 Other cafes & snack bars
- 70.6 Bars & pubs
- 67.9 Fast food restaurants
 - 68.9 Burger King
 - 67.6 McDonalds
 - 66.8 KFC
 - 69.6 Other fast food restaurants

- 65.5 Food courts
 - 65.9 Food Republic
 - 65.1 Koufu
 - 63.7 Kopitiam
 - 66.0 Other food courts

74.5 Tourism

- 79.8 Attractions*
 - 81.6 Universal Studios
 - 78.7 Singapore Zoo
 - 78.1 Sentosa Development
 - 76.2 Jurong Bird Park
 - 76.1 Night Safari
 - 79.3 Other attractions
- 77.5 Hotels*
 - 84.4 Shangri-La Hotel*
 - 84.1 MBS*
 - 83.4 The Ritz Carlton*
 - 81.5 Swissotel the Stamford*
 - 80.7 Mandarin Orchard*
 - 80.5 Grand Hyatt*
 - 78.4 RWS Hotels
 - 74.8 Other hotels

68.7 Travel & tour services

Companies indicated with an asterisk() are companies that have performed significantly above their sub-sector average. The sparklines indicate the satisfaction score of their respective sectors, sub-sectors and companies over the past few years.

statistically significant increase in customer satisfaction from 2012 to 2013
 statistically significant decrease in customer satisfaction from 2012 to 2013
 no significant year-on-year change in customer satisfaction score

Source: CSISG, ISES

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– Caroline Lim, director of the Institute of Service Excellence at the Singapore Management University



A quarterly series brought to you by the Institute of Service Excellence at Singapore Management University (ISES). Featuring findings from the Customer Satisfaction Index of Singapore, it also reveals insights on leadership and strategy from industry leaders, particularly in leveraging customer satisfaction as a competitive advantage.

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