

Happier customers in retail

CUSTOMER satisfaction in Singapore's retail sector hit a record high for the first quarter of this year.

The latest Consumer Satisfaction Index for the sector climbed 3.0 points to 72.2 out of 100, with departmental stores, furniture stores, petrol service stations and supermarkets logging improvements.

The other sub-sectors are motor vehicles, fashion apparel, jewellery stores, and clocks and watches. They did not show significant change.

Showing the greatest improvement was Swedish furniture giant Ikea, which surged 8.1 points to hit 75.5.

Ikea had significantly higher scores for all three drivers of satisfaction used by the Institute of Service Excellence (ISES) to tabulate the score – consumers' expectations of a company, whether they are getting good value for their money and the quality of the service or product.

Ikea's regional customer relations manager Wendy Poh said: "As a brand, we aim to remain accessible, relevant and be a friend to our customers through our products, honest communication and engagement in the stores."

The study also found that customers' perception of quality in departmental stores was influenced more by attributes such as the level of trust they have in the store, and their familiarity with store procedures, than how competitive the prices were.

And in supermarkets, it is not just the variety and prices of products that drove up satisfaction. The survey found that this was because customers perceived the quality of service to be substantially higher.

"Traditionally, supermarkets believe that people only show up for the products, the variety, the prices... and cram the aisles with (products)," said ISES academic director Marcus Lee. "But the analysis show that perception of quality is not driven by variety but by in-store experience."

ISES director Caroline Lim said that businesses should focus on the "total and holistic customer experience" to differentiate themselves from the competition.

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