

Longer-term users 'less loyal' to telcos

Survey finding suggests they feel less appreciated; new customers seen to get more

By MELISSA LIN

CUSTOMERS who have subscribed to a mobile telco for more than two years have lower levels of customer loyalty than newer subscribers, a developing trend that suggests loyal customers are feeling less appreciated.

This was among the key findings of a survey conducted by the Institute of Service Excellence (ISES) at the Singapore Management University in the first quarter of the year.

The study did not give a breakdown of the loyalty ratings by customers of the three major telcos - SingTel, StarHub and M1.

The latest quarterly figures released by the institute yesterday put the Customer Satisfaction Index for the info-communications sector at 67.7 out of 100, up 1.7 points from last year. It is also the highest for the sector since the index was created in 2007.

The ISES, which also released figures for retail yesterday, polled 6,172 local residents and 1,484

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ISES director Caroline Lim said this could be because telcos have been rolling out campaigns targeting new customers, neglecting the existing ones in the process.

A SingTel spokesman said this “appears to be a recent trend” and could be due to the perception that new customers are given more perks.

He added that existing customers do get additional benefits, such as targeted and exclusive offers, additional discounts on bundled services, and rewards under a loyalty programme.

An M1 spokesman said the telco had not observed such a trend, and will work with the team to investigate the findings further.

StarHub's senior vice-president of customer service, Ms Diana Lee, said the telco is expanding its loyalty programme by partnering merchants to come up with exclusive privileges for its customers as a way of building long-term relationships with them.

Overall, the study showed that customers were more satisfied with Internet and mobile services. SingTel fared the best, topping both sub-sectors. The only dip was by M1, which fell 3.7 points to rank last in the mobile telecommunications sub-sector. M1 had previously led the index for three consecutive years.

“As the survey was conducted in the first quarter of 2013, we did anticipate a decline in the customer satisfaction ratings, in light of the network incident in January,” said an M1 spokesman. “This affected the perception of some of our customers towards our network's service quality.”

The telco suffered a major disruption in January, when a switch damaged by water from a fire sprinkler brought down 3G services in parts of south-west Singapore for as long as 64 hours.

The spokesman added that M1 has since placed added measures to prevent the occurrence of a similar incident.

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tourists between January and April to get the latest results.

Its academic director Marcus Lee said that the telcos should investigate why their older customers are becoming less loyal over the years. He added that existing research “suggests it is more productive for companies to retain and keep