

Singapore consumer satisfaction at record high

SMU survey shows service improvement across most industries. BY NARENDRA AGGARWAL

HERE is some good news to cheer you up in these difficult times. It will be a huge morale booster to know that consumer satisfaction in Singapore has hit a new record high with service improvement across most industries. The national score in the 2019 Customer Satisfaction Index of Singapore (CSISG) rose to an all-time high of 74.3 points, a new survey by Singapore Management University's Institute of Service Excellence (ISE) shows.

Results from the just released study show that this is a 1.2 per cent improvement over the previous year's score of 73.5 points (on a 0 to 100 scale), and marks a record high in the CSISG study's 13-year history. The increase was driven by local consumers across a number of industries. The national study covers satisfaction in eight industry sectors and six were observed to have a statistically significant uplift in their customers' satisfaction levels last year.

The CSISG is a landmark study that computes customer satisfaction scores at the nation, sector, sub-sector, and company levels with the intent to produce a rigorous, objective and comprehensive assessment of service levels in the country. Nearly

30,000 questionnaires were completed spread over four quarterly surveys for the CSISG 2019.

Leading the improvement in Singapore's national customer satisfaction level in 2019 was the food and beverage sector which recorded a 3.6 per cent spurt over the previous year. Following it was info-communications with a 2.4 per cent gain; retail saw a 1.1 per cent improvement; finance and insurance registered 1 per cent gain, healthcare a similar 1 per cent gain, and the tourism sector score rose by 0.9 per cent.

The laggards were the air transport sector, comprising airlines and the airport, and the land transport sector, made up of buses, trains, taxis, and transport booking apps, which saw more muted movements in 2019.

"While their improvements were steady, and an unmistakable increase can be observed across the years, these sectors, particularly our public transport system, are undergoing longer-term infrastructural change, which also means more gradual improvements to their CSISG performance, rather than perceptible upswings year on year. The reassuring observation is that each year, their scores are moving up," ISE executive director Neeta Lachmandas told

The Business Times.

The national score for 2019 included the customer responses from the finance and insurance and healthcare sectors which were surveyed in the last quarter of the year. Both these sectors registered noticeable improvements, the institute said. The finance and insurance sector's 1 per cent improvement in 2019 over the previous year raised its score to 74.6 points and the healthcare sector's similar 1 per cent gain in 2019 over the previous year took its score to 72.7 points.

For continuous improvement in customer satisfaction, businesses must keep on studying consumers' expectations and preferences with the aim of fulfilling them, says Ms Lachmandas.

"Every industry, and indeed many companies, will have their own set of strategies and techniques to keep customers happy and to encourage repeat business. But the competitive environment, to say nothing of the current Covid-19 situation, is a fluid and dynamic one. Businesses must keep checking consumers' expectations and preferences through continuous measurement, tweaking their offerings in areas where it matters most to their customers, and not necessarily where they may not be doing well."

ISE head of research and consulting Chen Yongchang said the new high in the national scores was driven by an increase in customer satisfaction in a number of surveyed businesses like restaurants, department

stores, e-commerce and telcos. Importantly, "the increase was driven by locals across a number of these industries who rated the quality of their experience higher as well as an improvement in the perception of the value that they received".

"These perceived improvements in quality and value can be seen through the increased promotional activities undertaken by businesses like the introduction of new mobile data and broadband plans by telcos, as well as in some of the more tactical metrics the CSISG study captures, such as improvements in restaurants' food quality and service experience plans," he added.

Brand loyalty

Asked how the Covid-19 pandemic will affect customer satisfaction in Singapore, Ms Lachmandas said that the situation will vary from sector to sector and from business to business as each company manages its demand and supply. If companies are able to maintain the quality of their services, despite the drop in demand, fewer customers may mean relatively more individualised level of service, and potentially lead to higher satisfaction.

On the other hand, some businesses may be dealing with significantly increased demand such as the supermarkets and food delivery ser-

vices. If these businesses are unable to maintain their typically expected level of service despite operational constraints like lack of manpower or disrupted supplies or inventory, then satisfaction may suffer, especially if they are unable to communicate these service disruptions in a timely manner to their customers.

Mr Chen adds that overall companies should try to maintain the level of product and services where possible. "Research has shown that, in a downturn, satisfied customers tend to stick longer with the brands that they had a good experience with. Subsequently, they will be the first to come back to the brand when the economy picks up again. In these challenging times, companies should place an even greater emphasis on both customer experience and being relevant to customer, to drive up customer satisfaction.

As for what companies should be doing to cope with the situation and keep consumer satisfaction high in the coming months, Mr Chen says that, if supply side issues like manpower is a problem, companies can consider digital or self-service options. "In our research, we see that omni-channel customers tend to have higher satisfaction and loyalty. Self-checkout kiosks have no negative impact on the buying experience."

With safe distancing measures in place and the almost complete stop to tourism activity, stimulating demand will be challenging, says Ms Lachmandas. Besides developing, and refining, new ways to serve customers and enhance the shopping experience, companies should also explore training their existing manpower. There are several training providers, SMU included, that have in place extensive online programmes that can equip, upgrade, and upskill businesses' man-

power. This investment in talent will stand any company in good stead when demand picks up again, she adds.

Looking ahead, the ISE executive director thinks that all the eight industry sectors that the CSISG study measures will be affected. "The unprecedented nature of this pandemic will likely shift, even if subtly, what we would previously consider business as usual. We expect customers to be more familiar with, and receptive of, online interactions for services. This will translate to more customers getting customer support or doing banking online. Companies, big and small, may also see greater value in developing a robust omni-channel experience for their customers. Similarly, more retailers and F&B providers will have an online store or trade in an online marketplace or platform."

Mr Chen says that, due to the situation created by the Covid-19 pandemic, more companies are pushing through digital transformation efforts. Examples abound in the retail and F&B sectors where companies are trying to move their businesses online with delivery and e-commerce options in attempts to capture new revenue streams.

"Companies used to traditional brick-and-mortar business models will need to learn to quickly redesign their businesses, services, and customer experience, along these new frontiers. They will have to contend with early adopters and e-commerce players, who were more agile in adopting these strategies. Many will quickly learn that drivers of satisfaction and loyalty can be very different online, where there are higher expectations on speed, efficiency and responsiveness. How quickly they can build up the infrastructure, processes, and even digital skills for their employees, would be critical," he adds.