

More dining out, but customer satisfaction dips: Survey

Satisfaction levels drop for fast-food outlets, restaurants but rise for cafes, coffee houses

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More people are dining out now than in 2021, but fast-food outlets and restaurants are falling short in terms of customer satisfaction and perceived quality of products and services such as takeaway and food delivery.

The findings were part of a Customer Satisfaction Index of Singapore survey, whose results were released on Friday.

The annual survey by the Institute of Service Excellence (ISE) at the Singapore Management University assesses consumer attitudes towards the food and beverage, and tourism sectors.

A total of 2,600 people were surveyed online in 2022 between July and September.

With the easing of pandemic restrictions, there was a significant increase in people dining out than in the same period in 2021. Overall, 59.4 per cent of customers surveyed said they had most recently dined out, compared with 34.8 per cent a year ago.

Respondents who chose to dine out for meals went up from 46.4 per cent to 74.2 per cent at restaurants; from 21.5 per cent to 44.7 per cent at fast-food restaurants; and from 35 per cent to 52 per cent at cafes and coffee houses.

But across the board, customer satisfaction – measured on a scale of 0 to 100 – dropped year on year for fast-food restaurants by 2.8 per cent to 71.9 points; and for restaurants by 1.9 per cent to 71.6 points. Cafes and coffee houses, on the other hand, saw a slight increase by 1.5 per cent to 70.6 points.

Respondents were also asked if they dined out, took home or ordered food delivery for their most recent meal.

Compared with 2021, restaurants, in particular, were given the thumbs down in terms of quality of the dine-in, takeaway and food delivery experience. Their perceived quality score took a hit, falling 3.4 per cent year on year to 74.4 points, owing largely to dissatisfaction with takeaway.

Issues raised by respondents included poorer ordering and process

experiences such as approachability of staff, than when they dined in, or ordered food via a delivery platform.

Overall, respondents were also less satisfied with food delivery platforms.

Fewer respondents ordered food through delivery platforms in 2022 than in 2021.

At cafes and coffee houses, for instance, people who ordered items through food delivery platforms, such as GrabFood, foodpanda and Deliveroo, fell significantly from 98.8 per cent to 72.2 per cent.

ISE executive director Neeta Lachmandas noted that while F&B businesses have rebounded strongly following Singapore's full reopening, they are still in a transition period where they are figuring out how best to allocate resources.

However, while takeaways have proven to be a viable revenue stream for F&B establishments, factors such as manpower challenges continue to plague the industry, noted Ms Neeta.

On the tourism front, Singapore's tourist attractions scored 74.1 points in terms of customer satisfaction, a 1.7 per cent dip year on year.

In 2022, the study measured only local visitors as surveys were conducted while tourist arrival figures were still low.

However, tourist arrival numbers are on track to close the year at the higher end of an earlier Singapore Tourism Board forecast of four million to six million visitors in 2022.

The study found a notable increase in the older visitors segment, aged 50 and above.

However, this segment had a lower perceived service quality score of 73.6 points than that of younger visitors. Factors such as entertainment and educational value of the attraction, and clarity of directions within the attractions were found to be contributing factors for this lower perception of quality.

"With travel restarting at a brisk pace, it will be essential for operators to identify the needs and desires of potentially new groups of customers, and build the buzz that will drive positive word-of-mouth and return visits," said Ms Neeta.

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