



# EXECUTIVE SUMMARY 2009

## CUSTOMER SATISFACTION INDEX OF SINGAPORE



INSTITUTE OF  
SERVICE EXCELLENCE  
SINGAPORE MANAGEMENT UNIVERSITY



## BACKGROUND

Since 2007, customer satisfaction from the consumption of products and services in 8 key economic sectors of Singapore were measured and scores released annually through the Customer Satisfaction Index of Singapore (CSISG). Currently the CSISG is undergoing a transition from an annual to quarterly release of results. CSISG results of 6 economic sectors were released in October 2009. The release of results for the 2 remaining sectors: Healthcare, and Finance & Insurance, and an update to the national score concludes the measurement for 2009. Starting from 2010, CSISG company, sub-sector, and sector scores will be updated quarterly, on a rolling basis, with new data for two or more economic sectors replacing data collected the prior year. National scores for each year will be updated in January the following year.

CSISG scores are generated based on the econometric modelling of survey data collected from users after actual consumption of products and services. Sub-sector scores are derived based on the size of companies' market shares in a sub-sector. Sector scores are then derived based on the sub-sectors' contributions to each sector. Finally, the national score is weighted according to each sector's contribution to GDP. CSISG scores customer satisfaction on a scale of 0 to 100 with higher scores representing better performance.

## THE CONCEPT UNDERLYING THE INSTRUMENT

The research behind customer satisfaction has developed around two different types of evaluations: transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction is the customer's evaluation based on a specific service encounter or product episode. In contrast, cumulative satisfaction is the customer's evaluation based on his or her overall experience to date with a product or service provider. Transaction-specific satisfaction is important and helpful for improving or resolving targeted service issues. However, an important advantage of cumulative satisfaction over transaction-specific satisfaction is its ability to predict customer loyalty and financial performance. This is because customers make repurchase evaluations and decisions based on their purchase and consumption experience to date, and not just based on a particular transaction or episode. CSISG measures cumulative satisfaction, and is therefore better able to help companies link the strength of their customer relationships to financial outcomes, effectively predicting future performance.

## FIELDWORK PROCESS

For the Retail, Food & Beverage, and Info-Communications sectors, survey data was collected between April and May 2009. Survey data for the Education, Transportation & Logistics, and Tourism, Hotels, & Accommodation Services sectors were collected between July and August 2009. Finally, survey data for the Healthcare and Finance & Insurance sectors were collected between October and December 2009.

In this face-to-face survey, respondents from 15,128 households completed 28,587 questionnaires. Almost all respondents answered two questionnaires, with each questionnaire asking about a business entity in one of 36 sub-sectors across 8 economic sectors. Customers from a total of 92 business entities (companies) were surveyed.

The same survey was also conducted with 4,301 departing tourists with each tourist filling out one

questionnaire about a single business entity in one of 19 sub-sectors.

For CSISG 2009, a total of 32,888 questionnaires were completed. The questionnaires were designed to measure aspects of the respondents' cumulative as well as most recent experiences with the business entity.

## THE IMPORTANCE OF KEEPING YOUR PROMISE

CSISG 2009 data confirms that the consequences of not meeting expectations are severe, with customer loyalty dropping at an alarming rate each time expectations are not met. The data also shows that even though exceeding expectations results in higher customer loyalty, the incremental benefit gained is much smaller compared to the incremental loss of not meeting customer expectations.

To put it in another way, consider the benefits of delighting one customer versus the costs of disappointing another customer. Our data shows that the latter greatly exceeds the former. This means that delighting one customer at the expense of failing to meet up to the expectations of another customer will result in a net loss in loyalty.

The priority for companies should therefore be to ensure that they have kept their promises to all their customers before attempting to delight any customers. Keeping the promise first entails communicating the promise, followed by delivering on the promise. How well companies communicate their value proposition will impact the formation of customers' expectations, which in turn will influence customer perceptions of how well their expectations have been met.

## RESULTS HIGHLIGHTS

Compared to 2008 results, two sectors improved significantly. They are Healthcare and Finance & Insurance. Here, *significant improvement* is defined as scoring above the previous year at a 90% level of confidence. Sub-sectors that scored significantly higher compared to 2008 include Commercial Banks, Private Hospitals, General Practitioners, Universities, and Cafes, Coffee Houses & Snack Bars. Similarly, companies in 2009 that experienced significant year-on-year improvement include the Hongkong and Shanghai Banking Corporation, McDonald's Restaurants, Mount Alvernia Hospital, NTUC Income Insurance Co-operative (Life Insurance), Singapore Management University, Thomson Medical Centre, and United Overseas Bank.

## CONTACT US

Please contact us for more details of our corporate subscription and custom research.

**Institute of Service Excellence**  
**Singapore Management University**

81 Victoria Street  
Administration Building  
Singapore 188065

Tel: +65 6828 0111

Fax: +65 6828 0690

ise@smu.edu.sg

[www.smu.edu.sg/centres/ises](http://www.smu.edu.sg/centres/ises)



## 2009 NATIONAL SCORE 68.0

### Healthcare 68.9

#### Private Hospitals 72.4

- 73.3 Thomson Medical Centre
- 73.0 Raffles
- 72.3 Mount Alvernia
- 72.1 Parkway Holdings

#### General Practitioners 70.8

#### All Others 69.0

#### Restructured Hospitals 67.1

- 69.4 Singapore General\*
- 67.2 Tan Tock Seng
- 66.8 Alexandra
- 66.2 KK Women & Children's
- 66.0 National University
- 64.9 Changi General

#### Polyclinics 65.9

- 65.9 SingHealth
- 65.8 NHG

### Transportation & Logistics 68.7

#### Airlines 72.6

- 75.7 Singapore Airlines\*
- 71.4 Cathay Pacific
- 71.3 Emirates
- 70.4 SilkAir
- 70.1 Qantas
- 67.0 All Others

#### Airport 71.6

- 71.6 Changi Airport +

#### Mass Rapid Transit System 67.0

- 67.3 SMRT
- 66.3 SBS Transit

#### Taxi Services 64.4

- 64.1 ComfortDelGro
- 63.9 SMRT
- 64.7 All Others

#### Courier & Postal Services 64.1

- 65.6 SingPost
- 64.5 DHL
- 63.9 FedEx
- 63.2 UPS
- 63.0 All Others

#### Public Buses 62.9

- 64.4 SMRT
- 62.2 SBS Transit

#### Water Transportation 61.5

#### Budget Airlines 59.0

### Education 68.4

#### Universities 70.7

- 74.7 SMU\*
- 69.5 NTU
- 69.0 NUS
- 65.7 UniSIM

#### Polytechnics 68.7

- 70.6 Singapore\*
- 69.2 Ngee Ann
- 68.9 Temasek
- 66.4 Nanyang
- 65.7 Republic

#### Commercial Schools 66.0

### Finance & Insurance 68.2

#### Commercial Banks 69.1

- 72.7 HSBC\*
- 71.5 UOB\*
- 70.1 Citibank
- 68.5 OCBC
- 66.0 DBS
- 68.8 All Others

#### Life Insurance 66.6

- 67.8 NTUC Income
- 67.4 Great Eastern
- 66.9 Prudential
- 65.3 American International Assurance
- 66.2 All Others

#### Motor & Other Insurance 64.8

- 64.9 American Home Assurance
- 64.8 AXA
- 64.6 NTUC Income
- 64.8 All Others

### Tourism, Hotels & Accommodation Services 67.1

#### Hotels 68.9

- 78.0 The Ritz-Carlton\*
- 77.0 Swissotel The Stamford\*
- 74.4 Shangri-La\*
- 74.4 Grand Hyatt\*
- 73.5 Meritus Mandarin\*
- 65.8 All Others

#### Attractions 67.9

- 68.2 Wildlife Reserves
- 68.1 Underwater World
- 67.5 Sentosa
- 67.9 All Others

#### Travel Agencies, Tour Operators, & Ticketing Agencies 64.8

### Info-Communications 66.4

#### Mobile Telecom 66.6

- 68.0 StarHub
- 66.3 SingTel
- 64.8 M1

#### Internet Service Providers 65.2

- 66.1 StarHub Broadband
- 65.1 SingNet
- 60.3 Pacnet Internet

### Retail 65.8

#### Jewellery 69.0

#### Petrol Service Stations 67.8

- 68.7 SPC
- 68.4 Shell
- 68.3 Caltex
- 67.0 ExxonMobil

#### Clocks & Watches 66.6

#### Fashion Apparels 66.1

#### Motor Vehicles 65.7

- 66.5 Kah Motor
- 66.5 Borneo Motors
- 66.1 Tan Chong Motor
- 65.9 Cycle & Carriage
- 65.5 All Others

#### Departmental Stores 65.5

- 66.4 Takashimaya
- 66.2 DFS
- 65.5 C K Tang
- 65.3 Robinson & Co
- 65.0 Isetan
- 64.5 Metro
- 62.9 OG
- 64.4 All Others

#### Supermarkets 64.1

- 64.7 NTUC Fairprice
- 64.4 Cold Storage
- 63.8 Sheng Siong
- 63.6 Mustafa
- 63.7 All Others

#### Furniture 63.9

### Food & Beverage 65.0

#### Restaurants 65.8

- 66.7 Crystal Jade
- 66.6 RE & S
- 66.4 Apex-Pal
- 66.1 Tung Lok
- 65.7 All Others

#### Bars and Pubs 65.0

#### Cafes, Coffee Houses, & Snack Bars 64.4

- 67.0 Starbucks\*
- 65.1 Coffee Bean & Tea Leaf
- 63.6 Delifrance
- 64.3 All Others

#### Fast Food Restaurants 64.2

- 65.8 McDonald's
- 63.6 Burger King
- 62.9 Pizza Hut, KFC
- 62.3 All Others

This chart summarises the results of the CSiSG 2009 satisfaction scores at the national, sector, sub-sector and company levels. The national score of 68.0 represents a weighted average of the 8 sector scores (in gold), which themselves are weighted averages of their respective sub-sector scores (in blue). Satisfaction scores for sub-sectors with individual company scores are weighted averages of these individual company scores.

\* Companies indicated with an asterisk(\*) are companies that have performed significantly above their sub-sector average.

+ The score for Changi Airport is significantly above its sector average.

