



## News Release

### **Info-Comm Sector's Customer Satisfaction Declined by 4% in 2021 *In contrast, the Retail industry saw a modest 1.9% improvement***

**Singapore, 30 June 2021 (Wednesday)** – The Institute of Service Excellence (ISE) at the Singapore Management University (SMU) (卓越服务研究院) released the 2021 Customer Satisfaction Index of Singapore (CSISG) survey results for the Info-Communications and Retail sectors today.

#### **Info-Communications Sector**

The study showed satisfaction with the Info-communications sector declined by a significant 4.0% year-on-year to 68.5 points (on a 0 to 100 scale). This fall came on the back of a smaller decline of 1.0% in the previous year. These results were based on a survey conducted between January and April 2021 when many people were still staying at and working from home due to pandemic restrictions.

The Info-Communications sector comprised of five constituent sub-sectors: Mobile Telecom, Broadband, Pay TV, Wireless@SG, and Video Streaming Services, the latter being a new addition in 2021. The Mobile Telecom (69.2 points), Broadband (66.9 points), and PayTV (65.3 points) sub-sectors all registered substantial year-on-year declines in their customer satisfaction scores, falling 3.5%, 4.5%, and 7.4%, respectively. The Wireless@SG service (69.8 points) was not comparable with previous years due to a lack of tourist respondents, while the Video Streaming Services (73.4 points) sub-sector is making its debut on the Index.

The Mobile Telecom sub-sector also saw additions to its make-up, with customers from Mobile Virtual Network Operators (MVNOs), such as Circles.Life and MyRepublic, added to the survey. However, these new additions did not change the general decline in the sub-sector's CSISG performance. Excluding MVNOs, all key CSISG dimensions, including customer expectations, perceived quality, value, and loyalty, continued to register significantly poorer year-on-year scores.

Analysis of the various attributes for the three established Mobile Network Operators (MNOs), namely Singtel, StarHub, and M1, suggest product and responsiveness-related factors may be a key contributor for subscribers' unhappiness. Key product attributes such as network coverage, reliability, data speeds, and range of subscription plans, as well as responsiveness attributes such as efficiency and promptness of service, all saw marked year-on-year declines in satisfaction. Similar declines in product and responsiveness related attributes were also observed in the Broadband and PayTV sub-sectors.

Delving deeper to look at customer touchpoint usage for the telcos, it was observed that more customers were calling the telcos' contact centres for technical support-related issues. In the case of the Broadband service providers, this rose from 59.5% in 2020 to 71.6% in 2021.

"This was unsurprising as the Covid-19 pandemic has required people to become more reliant on telecommunication technologies for both work and play. This increased dependency would have likely

caused greater urgency among customers to require any issues and concerns be promptly addressed by their telcos,” said Mr Chen Yongchang (陈勇畅), ISE Head of Research and Consulting.

Unfortunately, the latest data showed touchpoints struggling to keep up. At the Info-communications sector level, satisfaction with all measured touchpoints, i.e., contact centre, stores or service centres, website, and app, rated lower year-on-year. In particular, Contact Centre satisfaction for mobile telco and broadband customers declined significantly compared to 2020.

Comparing the MNOs with the MVNOs, the former was better able to meet customers’ expectations. MNOs also had higher levels of customer loyalty, while customers of MVNOs have substantially lower price tolerances. Price tolerance is defined as the maximum amount the business can raise fees before the customer leaves.

“MVNOs’ significantly more price sensitive customer base was likely perpetuated by the fierce price and data war they competed on to gain market share over the last few years. Nonetheless, we have observed that, similar to the MNOs, MVNO customers share similar drivers of loyalty, such as empathy and assurance. Rather than offer lower prices or more data than the next competitor, telcos, virtual or otherwise, can leverage these common attributes to build more sustainable relationships with their customers,” commented Mr Chen.

The new addition to the Info-communications sector was the Video Streaming Services sub-sector. Compared to the PayTV sub-sector, customer satisfaction, expectations and perceived quality were all markedly higher for the new sub-sector.

However, there was a notable observation from PayTV subscribers: Of those that had also subscribed to a video streaming service, their overall satisfaction with the PayTV service (7.56 points on a 1 to 10 scale) was significantly better than subscribers that did not (at 7.15 points).

“For both PayTV and streaming, it comes as no surprise consumers’ continued use of the services was driven by variety of content. However, given that PayTV customers with a streaming service appear to be happier, current partnerships and tie-ups with such providers by telcos appear to be steps in the right direction,” remarked Mr Chen.

## **Retail Sector**

The Retail sector recorded a 1.9% year-on-year improvement to score 72.4 points in customer satisfaction. This upswing came via incremental upticks in the performance of the Department Stores (72.7 points), Fashion Apparels (73.3 points), and Supermarkets (72.0 points) sub-sectors. However, the fourth constituent Retail sub-sector, e-Commerce, registered a clear decrease in CSISG performance, falling 2.4% to score 71.1 points.

This year’s study of the traditionally brick and mortar businesses included customers that had exclusively patronised the retailers through their digital channels, be it their online web store or app. In previous years, respondents must have had at least visited the physical store.

This change was made as more consumers gravitated to online shopping. In fact, while CSISG scores for customers who at least visited the physical store remained statistically unchanged from the previous year, it was observed that digital and omni-channel shopping appeared to provide customers with better experiences than a physical store-only experience.

“Although the number of online-only customers formed a small proportion of the total respondent pool, it was observed they provided a sizeable uplift across many of the CSISG dimensions the study tracks,” said Ms Neeta Lachmandas (妮塔.拉切曼达斯), ISE Executive Director (执行总监).

For example, the CSISG score for Physical-only department store customers was 71.4 points, whereas omni-channel customers and digital-only customers scored 73.5 and 82.6 points, respectively. Similar observations were made for the Fashion Apparel and Supermarkets sub-sectors.

Notably, these brick and mortar industries’ digitally-savvy customers had generally higher levels of satisfaction, perceived quality, and loyalty, compared to e-commerce retailers.

“Going forward, we think synergising in-store experiences with the pervasive accessibility of digital shopping will be the holy grail for retailers, online or off. Businesses that manage this omni-channel blend most effectively will be able to count on happier and more loyal customers,” surmised Ms Lachmandas.

Another interesting observation came from the Supermarkets sub-sector. Among all retail respondents that indicated having shopped physically at a store, supermarkets customers were the only segment to register a significant increase in perceived quality year-on-year. In fact, improvements were also seen across many of the Supermarkets’ measured attributes, such as helpfulness of staff, product knowledge of staff, and payment process.

“With people spending more time at home, grocery shopping has become more essential than ever during the pandemic. We see this with customers increasing their spending at supermarkets. Yet, despite the higher customer volume and some initial stockout issues, supermarkets ultimately appear to have been able to not only keep up with the increased operational challenges, but improve their services as well,” Mr Chen highlighted.

The CSISG 2021 Q1 study was conducted between January and April 2021. A total of 5,050 consumers were surveyed, covering 90 distinct business entities from the Info-communications and Retail sectors. The Index has 47 entities with published scores.

Please refer to Annex A for a background on the CSISG and Annex B for the detailed scores.

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### **About the Customer Satisfaction Index of Singapore**

The Customer Satisfaction Index of Singapore (CSISG) is a landmark study that computes customer satisfaction scores at the national, sector, sub-sector, and company levels with the intent of producing a rigorous, objective and comprehensive assessment of Singapore's service levels. Given that the CSISG is the only national customer satisfaction measurement tool with cross sector capabilities, ISE is able to provide organisations with exclusive benchmarking insights about customer satisfaction as well as use predictive analytics and regression models to pinpoint drivers that would deliver the most impact.

### **About the Institute of Service Excellence (ISE) at Singapore Management University**

The Institute of Service Excellence was jointly set up by Singapore Management University and Singapore Workforce Development Agency in July 2007 to elevate service levels and promote a culture of service excellence in Singapore. Working in close collaboration with government agencies and business leaders, ISE champions service excellence through an integrated approach that encompasses benchmarking and analysis, research and thought leadership, as well as industry engagement.

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