ABSTRACT

The study of HDB Licensed Renovation Contractors Scheme (LRCS) was chosen because it is a requirement for flat owners to engage a contractor licensed by HDB under the LRCS to carry out renovation works within HDB flats. HDB has, since the introduction of the LRCS, stated that the objective of the LRCS is not to improve the quality of renovation contractors. Instead, it is to regulate the activities of the renovation contractors within HDB estates to ensure that they do not create any nuisance or damage HDB property while carrying out renovation works. Measures to protect HDB properties were introduced where necessary over the years as a result.

However, with increasing earning power and rising customers' expectations for higher standards of service and better product quality, there is a need to examine the renovation industry and identify areas where the element of “quality” can be incorporated.

The study set out to test whether there is a correlation between the “active” (and “other”) contractors and the attributes identified for the study. In this study, “active” contractors refer to the group of contractors who collectively captured 30% of the HDB market in terms of the number of permits issued by HDB between 1997 and 2000. This classification sought to segregate contractors with prominent market dominance from the rest. According to extensive literature reviews on customer
satisfaction and marketing research, which commonly made reference to the important effect of word-of-mouth, market dominance suggests that contractors have performed up to customers' satisfaction and expectation. According to past studies, the effect of word-of-mouth would adversely affect a contractor's business if he had under-performed.

The study found that amongst the “active” contractors, the incidence of clean CASE complaints has been statistically significant. There are, however, other factors influencing the performance and business prospects of the renovation contractors which should not be neglected. It is important for HDB and the relevant regulating bodies to constantly monitor their performance, and provide training and set directions to steer the home renovation industry to keep pace with the demands of the new economy.

**Keywords:**

- Renovation
- Quality
- Customer

- Word-of-mouth
- Benchmarking
- Marascuilo Procedures