

Woolworths tops 2016 Customer Satisfaction Index with most satisfied customers

Woolworths has the most satisfied customers, with a substantially higher score than the industry average, according to the 2016 South African Customer Satisfaction Index (Sacsi) conducted by Consulta. The index reveals customers remain highly satisfied with overall supermarket offerings, despite an industry decline for the period 2015 to 2016.



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“Woolworths has succeeded in providing high quality products, convenience and fast service while growing its footprint rapidly, including a growing presence in petrol station forecourts,” says Consulta CEO, Prof Adré Schreuder. “A shopping experience is determined by so many factors and supermarkets need to demonstrate their ability to meet their ever-changing customer needs consistently and reliably.”

A critical metric for supermarkets is the Net Promoter Score (NPS), measuring the likelihood that customers would recommend the supermarket to family and friends vs those less likely to recommend the supermarket. Woolworths attained the highest NPS with 50%, scoring 18% higher than the industry average and 24% higher than did Checkers at the opposite end of the scale.

With a substantially higher score than the industry average of 76.2, Woolworths has the most satisfied customers with a score of 82.1 on the index and is the only supermarket with a marked increase compared to its 2015 average of 80.7. Checkers, with a score of 77.2, and Pick n Pay at 76.5 both remained above average while Shoprite and Spar trailed with scores of 75.5 and 75.2 respectively.

The 2016 Sacsi for supermarkets benchmarks customer satisfaction using an internationally recognised model. The benchmark provides unbiased insights into the South African supermarket industry by blending a Customer Expectations Index, Perceived Quality Index and a Perceived Value Index to achieve an overall result out of 100. It provides a weighted statistical index score of various aspects of a customer’s experience with the brand, the degree to which the product or service has met, fallen short of or exceeded their expectations, and how well it compares to the respondents’ anticipation of their experience.

Loyalty declining

While South African customers appear to be generally happy and overall customer satisfaction is still high, scores for

customer loyalty declined across all supermarket brands analysed in 2016 compared to scores in 2015. Overall customer loyalty decreased from 76.4 in 2015 to 74.2 in 2016, yet Woolworths held steady with the most loyal customers and a score of 77.3 followed by Shoprite (74.9), Pick n Pay (74.6), Spar (73.5) and then Checkers (72.5).

“In tough economic times, the price of goods is likely to influence consumers’ loyalty even though they are satisfied customers. However, price-motivated ‘loyalty’ is not permanent, so while customers may display less brand loyalty now, supermarkets cannot afford to stop investing in positive shopping experiences.”

Customer expectation refers to the total perceived benefits a customer expects from a company's product or service. If the actual experience customers have with a supermarket exceeds the expectation, they are typically satisfied.

The 2016 industry average for customer expectation is 78.3. “This number shows us the extent to which customers demand value from their preferred brands,” says Schreuder. “This is a tough position, as the brand must work extremely hard to maintain the standards it has established.”

Convenience tops preference

A related study by Nielsen showed that when selecting a supermarket, South African consumers are highly influenced by convenience of location (71%), speed (61%), high-quality fresh produce (71%) and product availability (68%) more so than price (56%) and promotions (56%).

It appears customers believe that they receive great value from Woolworths, as is seen in its unmatched perceived quality score of 87 and perceived value score of 80.6, compared to the industry average of 80.3 on perceived quality and 76.5 on the perceived value.

Supermarkets continuously look for ways to diversify themselves with some offering premium products or fresh deli goods, while others introduce customer loyalty programmes and till point promotions aimed at their children. Some incorporate digital channels such as Woolworths and Pick n Pay’s comprehensive online shopping services.