

Monday, 12 February 2018

## Costco & Kmart battle for 2017 customer satisfaction award

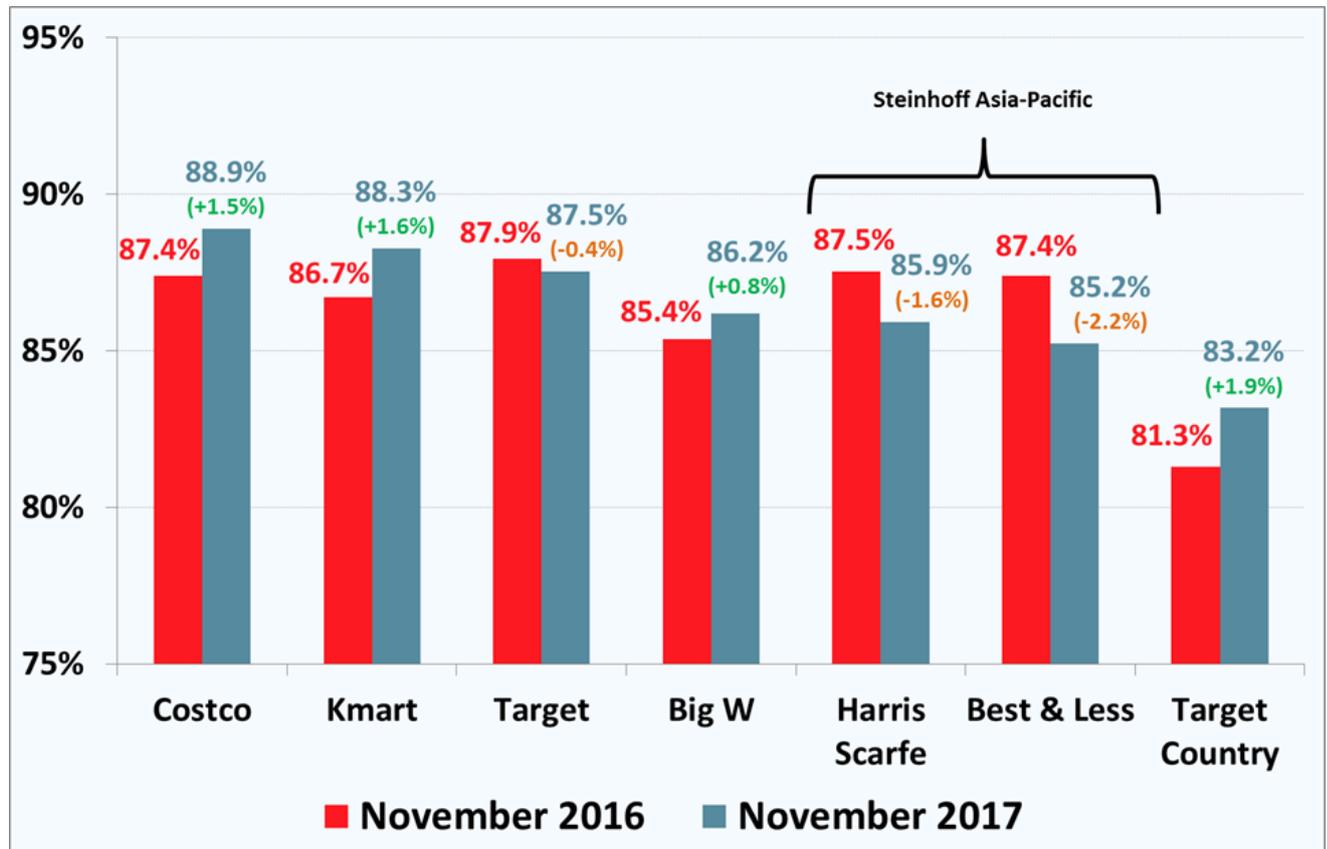
**Costco and Kmart are locked in a tight battle for the 2017 Annual Roy Morgan Discount Department Store Customer Satisfaction Award. Both stores improved their customer satisfaction over the past year. However, Costco's monthly victory in November 2017, with a customer satisfaction rating of 88.9%, narrowly beat out leading rival Kmart on 88.3%.**

Costco (5 victories) and Kmart (4 victories) have notched up several monthly victories in 2017 and both retailers are in the running for their first Annual prize with only one month's results to go. Another monthly win would see Costco win the Customer Satisfaction Award for 2017. On the other hand if Kmart wins in December, the annual result will be based on percentage scores and there will be little between the two.

Defending Discount Department Store of the year Target has lost ground over the past year and been unable to build on an early monthly victory in March 2017. Target's customer satisfaction rating of 87.5% in November is down 0.4% points on a year ago.

Also losing ground in the year to November 2017 are Steinhoff Asia-Pacific's two discount department stores – Harris Scarfe on a customer satisfaction rating of 85.9%, down 1.6% points on a year ago, and Best & Less on 85.2%, down 2.2% points.

### Discount Department Store Customer Satisfaction – November 2017



**Source:** Roy Morgan Single Source (Australia). 12 months ended November 2016, n= 14,348; 12 months ended November 2017, n= 15,145. **Base:** Australians 14+ who purchased from a discount department store in last four weeks.

FOR IMMEDIATE RELEASE

**Michele Levine, CEO, Roy Morgan says that Kmart and Costco have clearly been the two stand-out Discount Department stores in 2017 and either retailer would be a worthy winner of the Annual Award to be presented next week:**

*“Determining Australia’s leading discount department store for 2017 has come down to the final month of 2017 with Costco on a customer satisfaction rating of 88.9% narrowly defeating key rival Kmart on 88.3% to take out the November monthly award.*

*“Costco’s victory in November breaks a run of four straight monthly victories for Kmart and gives the American retailer a marginal edge over Kmart with five monthly victories to four with only the December results due to be released at next week’s Annual Roy Morgan Customer Satisfaction Awards in Melbourne.*

*“Neither retailer has previously won the Annual Roy Morgan Discount Department Store Customer Satisfaction of the Year award with previous winners including 2016 winner Target and Steinhoff Asia-Pacific outlets Harris Scarfe and Best & Less.*

*“Although both Harris Scarfe and Best & Less have lost ground over the past year both retain impressive customer satisfaction ratings above 85% and appear unaffected by the troubles impacting parent company Steinhoff International .*

*“Steinhoff International’s recent troubles followed a share price crash of over 80% in recent months and were [covered extensively in a release here focusing on furniture and electrical stores](#) – Steinhoff owns leading furniture retailers Fantastic Furniture and Freedom.*

*“The strong performance of Steinhoff’s Australian ‘assets’ in recent months, including discount department store retailers Harris Scarfe and Best & Less, means there remains significant value for parent company Steinhoff International to unlock through a sale of these retail chains should the South African parent company need to raise further capital to settle upcoming debts as many analysts have speculated.”*

These are the latest findings from Roy Morgan’s ‘Discount Department Store Satisfaction Report’ which is based on over 9,000 interviews per annum with people who have shopped at a discount department store in the last four weeks.

**For comments or more information about Roy Morgan’s Customer Satisfaction data, please contact:**

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**About Roy Morgan**

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years’ experience in collecting objective, independent information on consumers.

**Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2