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Thursday, 28 September 2017

It's Official: Foodland leads supermarket satisfaction

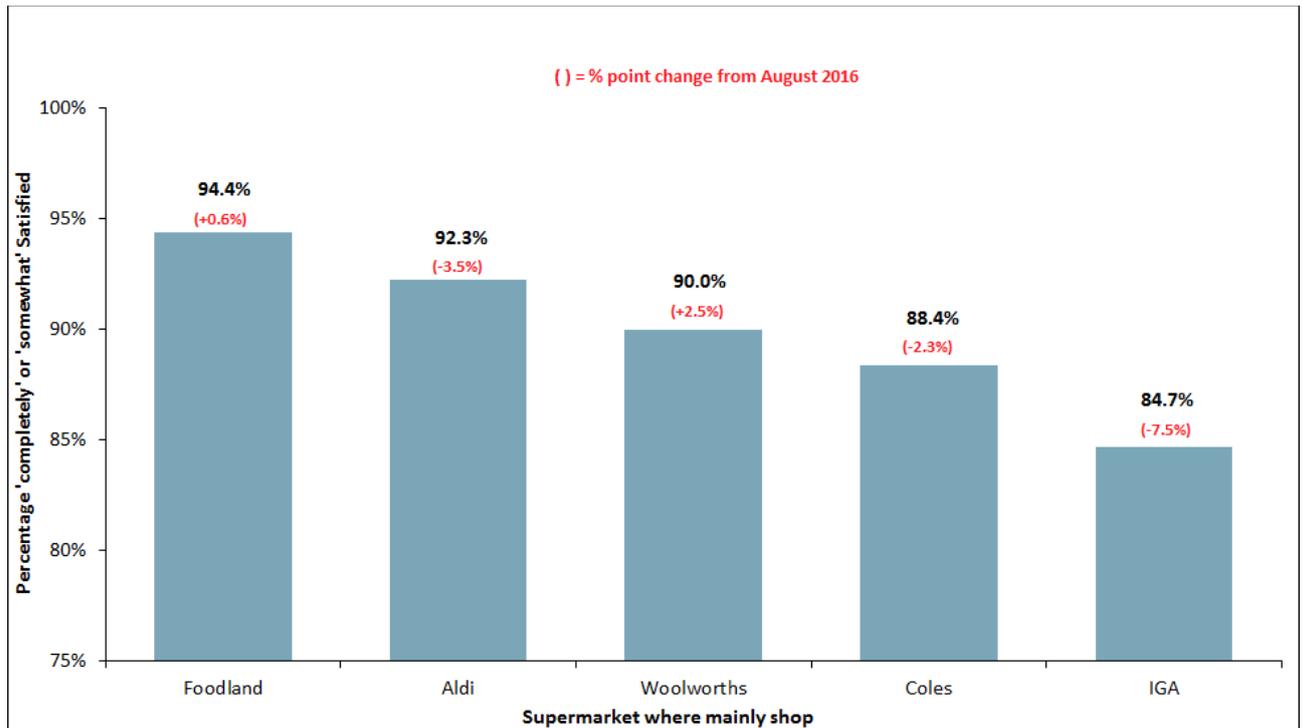
New research from Roy Morgan shows that customer satisfaction with Foodland in August 2017 was 94.4%, making it the top performer among the big five supermarkets. Not only was Foodland the top scorer but it was also one of only two supermarkets to increase satisfaction over the last year, with an increase of 0.6% points.

These are the latest findings from Roy Morgan's 'Retail Satisfaction Report-Supermarkets' which is based on over 12,000 interviews per annum with main grocery buyers.

Foodland and Aldi have higher satisfaction than the big two

Foodland with 94.4% satisfaction and Aldi on 92.3%, lead Woolworths (90.0%) and Coles (88.4%). IGA was further behind on 84.7%.

Satisfaction with Main Supermarket

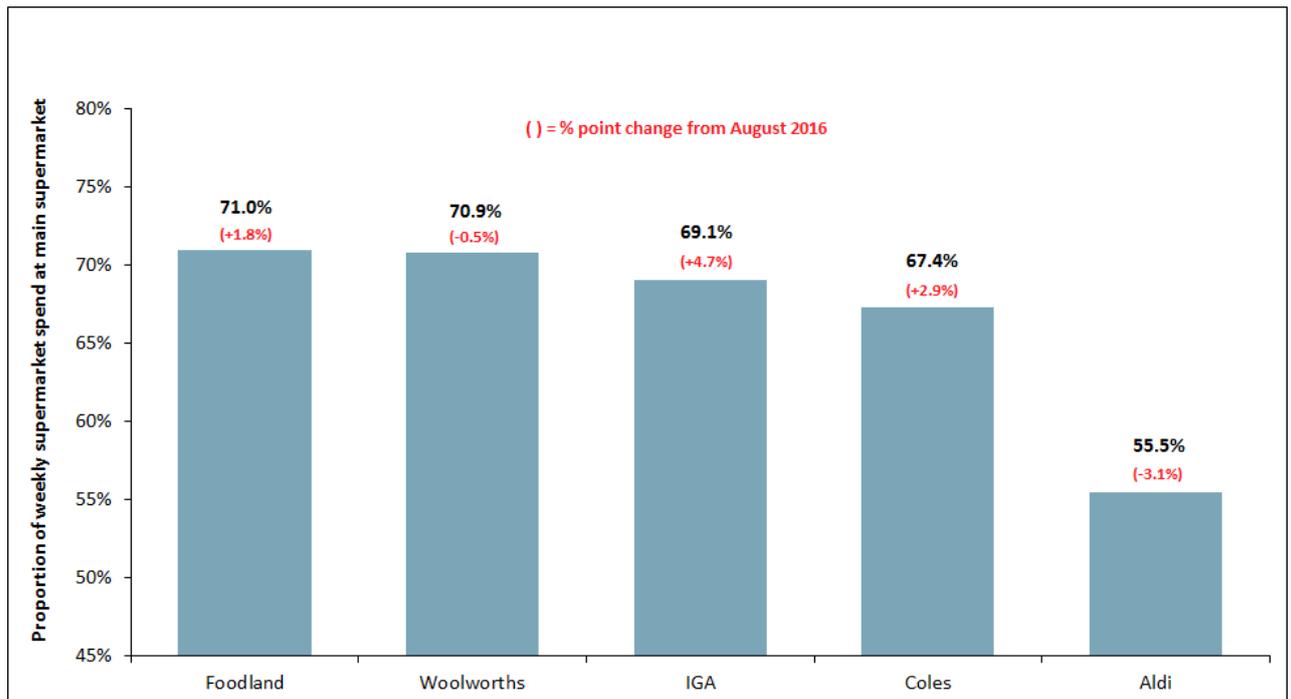


Source: Roy Morgan Single Source (Australia). 6 months ended August 2016, n= 6,076; 6 months ended August 2017, n= 6,363. **Base:** Australians 14+ main grocery buyer.

Woolworths ahead of Coles on customer loyalty

Of the two major supermarkets, Woolworths main shoppers spend 70.9% with them, compared to Coles main shoppers who spend 67.4% with Coles. Foodland shoppers are narrowly ahead with 71.0% spent at Foodland. Aldi is well behind the other four supermarkets, with only a 55.5% share of their customers spend.

Supermarket Customer Loyalty (based on proportion of spend at main supermarket)



Source: Roy Morgan Single Source (Australia). 6 months ended August 2016, n= 6,076; 6 months ended August 2017, n= 6,363. **Base:** Australians 14+ main grocery buyer.

Over the last 12 months, IGA showed the biggest improvement in the share of their customers spend (up 4.7% points), followed by Coles (up 2.9% points) and Foodland (up 1.8% points). Those showing declines were Aldi down 3.1% points and Woolworths (down 0.5% points).

Supermarket satisfaction differs by product areas

In order to understand more about what drives overall supermarket satisfaction, it is important to measure satisfaction levels within the various supermarket sections or major product areas.

Foodland is the overall satisfaction leader and scores the highest satisfaction of the big five for 'dairy', 'delicatessen', 'fresh fruits and vegetables' and 'fresh seafood'. Aldi leads in satisfaction with 'packaged groceries', while Coles and Woolworths lead jointly in satisfaction with 'bread'.

It is worth noting that IGA had the lowest overall satisfaction of the big five and wasn't the best performer in any major product area or section.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

"With increasingly tough competition among supermarkets, it is important to keep track of what customers think in terms of relative satisfaction between the major brands. This research has shown that not only is overall satisfaction important but it is necessary to understand how the different sections or departments are performing due to their potential impact on overall satisfaction and customer loyalty."

"There appears to be plenty of scope to increase supermarket sales if customer loyalty can be improved. Currently the best performers in the market are only achieving around 70% of their main customers total supermarket spend, with the lowest achieving just over half. Increasing the share of customer spend for the major supermarkets has remained a

considerable challenge for some time. This is evident by the fact that over the last five years, all of the top five supermarkets have seen a decline in the share of their customers spend, despite various attempts at loyalty programs”.

For comments or more information about Roy Morgan Research’s supermarket data, please contact:

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Related research reports

View our extensive range of [Supermarket Customer profiles](#), including the [ALDI Customers profile](#), the [Coles Customers profile](#), and the [Woolworths/Safeway Customers profile](#).

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 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
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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