

ACSI



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ACSI Household Appliance and Electronics Report 2013

Industry Results for:

Household Appliances

Personal Computers

Televisions & Video Players

American
Customer
Satisfaction
Index™

Pent-Up Demand and Upgrades to Latest Technology Keep Durables Selling Despite Weaker Customer Satisfaction

Personal Computers, Laptops & Tablets

The decline in popularity of desktop personal computers continues as consumers increasingly go mobile, looking to tablets and smartphones for computing needs ranging from Internet access to games and work productivity applications. For the year, tablet sales are expected to be up by as much as 70%, while sales of PCs (desktops and laptops) are projected to fall by 10%. Global PC shipments dropped 11% in the second quarter, the fifth straight quarter of contraction.

Customer satisfaction with computing devices—including desktops, laptops, and tablets—also weakens, declining 1.3% to an ACSI benchmark of 79 (on a scale of 0 to 100). Consistent with the shift in consumer preferences, tablets (81) enjoy a small but significant lead over both desktops and laptops (tied at 79). Customer expectations of computer products are high, and the industry is under pressure to keep up with ever-growing demand for devices that are faster, more powerful, and offer innovative and improved features.

Personal Computers ACSI Scores			
Company	2012	2013	% Change
Personal Computers	80	79	-1.3%
Apple	86	87	1%
Hewlett-Packard	79	80	1%
Dell	81	79	-2%
Toshiba	77	78	1%
Acer	79	77	-3%
All Others	80	76	-5%

About ACSI

The American Customer Satisfaction Index (ACSI) is an independent national benchmark of customer satisfaction with the quality of products and services available to household consumers in the United States.

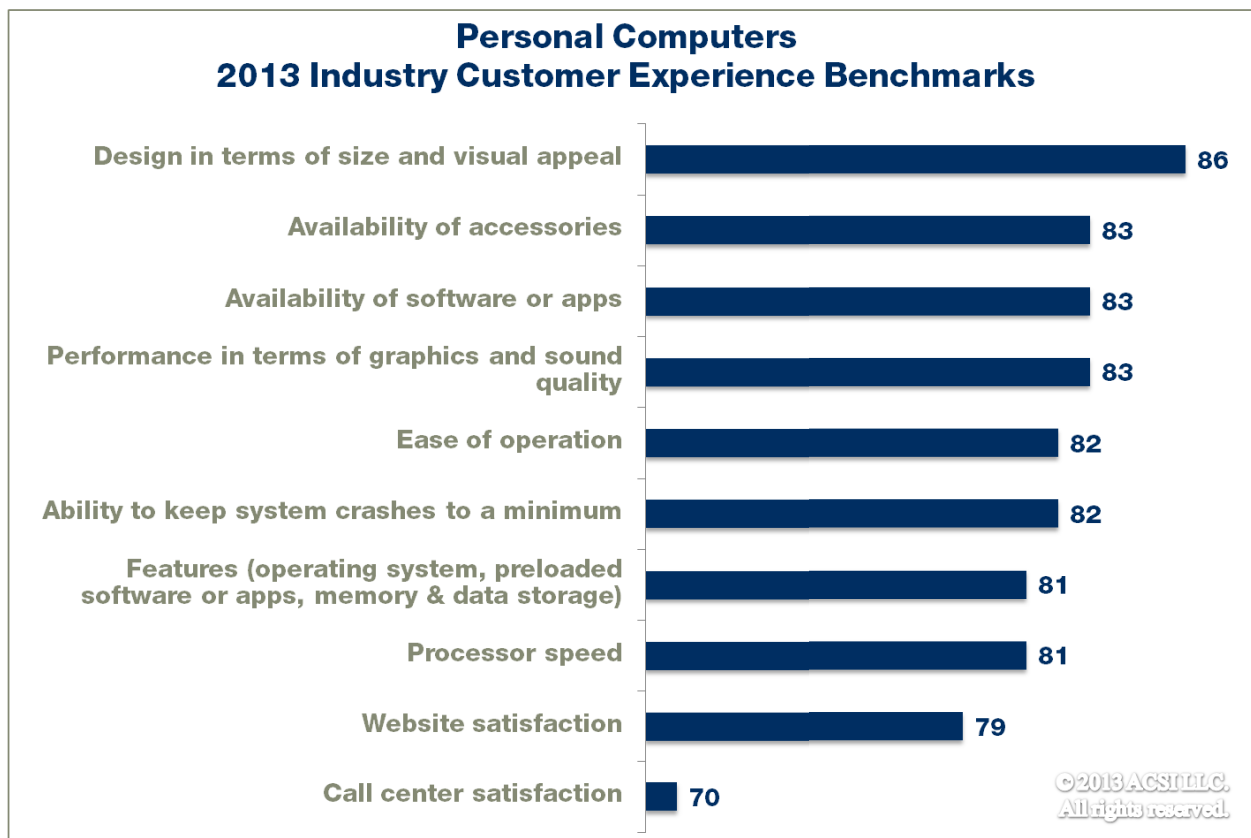
Each year, 70,000 customers are surveyed about the products and services they use the most. The data serve as inputs to an econometric model that benchmarks customer satisfaction with more than 230 companies, 43 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal government agencies.

The ACSI's time-tested, scientific model provides key insights across the entire customer experience. ACSI results are strongly related to a number of essential indicators of micro and macroeconomic performance. At the micro level, companies with high levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

Apple maintains the strong lead it has held for a decade, inching up 1% to an ACSI score of 87. Still, Apple’s position might be a bit more precarious in 2013. While iPhone sales are rising, shipments of Mac PCs declined and iPad sales are slowing, pointing to possible saturation in the tablet market. Nevertheless, even as Samsung and other manufacturers of Android-based devices make inroads, Apple continues to dominate in the U.S. market, with iPads accounting for about 80% of all tablet usage.

The Windows-based manufacturers deliver similar levels of customer satisfaction and are all well behind Apple. Unlike Apple, the vast majority of the computing products by Hewlett-Packard, Dell, and others are in the less gratifying desktop or laptop category. HP runs a distant second to Apple, gaining 1% to an ACSI benchmark of 80, followed by Dell, which drops 2% to 79.

Toshiba at 78 (+1%) and Acer at 77 (-3%) are just below the industry average. Microsoft’s revamped Windows 8 operating system, included in all new Windows-based PCs since its release last year, does not seem to have provided a bounce in sales or in customer satisfaction for these manufacturers. The aggregate of Windows and Android-based brands that have smaller U.S. market shares—such as Samsung, Lenovo, and Asus—is last, down 5% to an ACSI benchmark of 76.



Users of desktop, laptop, and tablet computers generally give high marks to their device’s features, with PC design in terms of size and visual appeal rated highest at 86. The industrywide benchmarks for accessories, software or apps, and graphics and sound quality are all close to the top at 83. Users find that computing devices are reasonably easy to operate (82) and seldom crash (82). Processor speed (81) and features such as the operating system or memory and data storage (81) are rated a tad lower.

Customers who visit computer makers’ websites in search of information on products, driver or software downloads, or technical support give the industry a score of 79, just above the national average of 78.0 for all websites. Only 15% of all computer purchasers indicate that they contacted a call center in the past year, and these customers are not very pleased with the products or their call center experience (70).

Household Appliances

Customer satisfaction with major household appliances such as washers, dryers, dishwashers, refrigerators, freezers, ranges, and ovens remains stable over time. Since 2001, the industry’s ACSI score has shown little variation, staying in the range of 80 to 82. For 2013, customer satisfaction dips by 1.2% to 80.

The challenge for the appliance business is that the drop in customer satisfaction comes at a time when pent-up demand is driving sales of these and other big-ticket items. In the short term, all appliance makers are likely to benefit from the upturn, but once demand slackens, increases in customer satisfaction will probably be necessary to spur further revenue growth.

Household Appliances ACSI Scores			
Company	2012	2013	% Change
Household Appliances	81	80	-1.2%
Whirlpool	83	82	-1%
General Electric	80	80	0%
All Others	79	80	1%
Electrolux	82	78	-5%

Whirlpool tops the industry again this year—both in customer satisfaction and in market share, which is actually a rare feat. In most other industries, it is difficult for companies to combine high market share and high customer satisfaction. Among automobiles, for example, smaller luxury cars such as Mercedes and Lexus have the highest customer satisfaction. The same is true in retail where Nordstrom leads in customer satisfaction but not in market share.

Despite a small dip, Whirlpool at 82 edges out GE (unchanged at 80) and the aggregate of smaller appliance manufacturers (80) such as LG, Samsung, and Bosch. The only company to experience a significant downturn is Electrolux, which plunges 5% from a near tie with Whirlpool a year ago to the industry basement at 78. According to customers, pricing of Electrolux products does not seem to be a problem, but there has been some deterioration in quality, particularly with respect to reliability.

Televisions & Video Players

Customer satisfaction with the myriad brands of televisions and Blu-ray & DVD players available to U.S. consumers drops slightly, down 1.2% to an ACSI benchmark of 85. As consumers migrate to flat screens, there has been a boost in sales over the past several years, but now more than two-thirds of all households have at least one flat screen.

Industry sales fell by 6% in 2012 and are projected to drop another 3% in 2013. Despite this year’s dip in customer satisfaction, the combination of high-quality products with more affordable prices makes the television and video player category the most satisfying among all industries covered by the ACSI.

Televisions & Video Players ACSI Scores			
Industry	2012	2013	% Change
Televisions & Video Players	86	85	-1.2%

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About this Report

The ACSI Household Appliance and Electronics Report 2013 is based on interviews with 2,727 customers, chosen at random and contacted via telephone and email between April 6 and May 22, 2013. Customers are asked to evaluate their experiences with recently purchased products manufactured by the largest companies in terms of market share, plus an aggregate category consisting of “all other” — and thus smaller — manufacturers.

The survey data are used as inputs to ACSI’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The ACSI model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. ACSI clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

Coming in October 2013

Next month, the ACSI will release its annual results for nondurable products in six industries: apparel, athletic shoes, food, beer, soft drinks, and personal care & cleaning products. The ACSI will publish customer satisfaction benchmarks for the largest manufacturers in these categories.



Appendix: ACSI Industry Scores

