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**INCREASED SATISFACTION WITH MANUFACTURING NONDURABLES
DRIVES SLIGHT RISE IN AMERICAN CUSTOMER SATISFACTION INDEX**

MILWAUKEE, November 22, 1999--Small increases in customer satisfaction with the quality of athletic shoes, soft drinks, pet foods, and cigarettes raised the customer satisfaction index for manufacturing nondurables from 78.8 to 80.0 (+1.5%), resulting in an increase the American Customer Satisfaction Index (ACSI) from 72.0 to 72.1 (+0.1%). Both indices are reported on 0 to 100 scales.

The manufacturing nondurables ACSI combines results from eight industries: soft drinks, food processing, personal care and cleaning products, casual apparel, athletic shoes, tobacco, beer and pet foods. Among these, only the personal care and cleaning products (-1.2%) and beer industries (-3.7%) experienced declines from 1998 customer satisfaction levels.

“Increases in the ACSI are especially encouraging for companies in the manufacturing nondurables sector, said Joe O’Leary, partner, Arthur Andersen. “If one particular brand does not meet a consumer’s expectations, it’s very easy to switch to another. When a company sees increases in its customer satisfaction, it’s a good sign that their product offerings are aligned with current consumer tastes and trends.” Other ACSI findings include:

Mars leapfrogs competitors in food processing industry, while Dole continues to slide. Mars enjoyed one of the highest satisfaction jumps (+3.7%) in the manufacturing nondurables sector, from 81 to 84, moving ahead of companies such as Kellogg (-2.4%), General Mills (-1.2%) and RJR Nabisco (-2.4%). Hershey Foods shrugged off recent supply chain shortages to lead its competitors with an overall score of 86, up 2.4 percent over last year, followed by H.J. Heinz with 85.

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Dole Food (-2.4%) continued its decline in customer satisfaction and is down more than 11 percent since 1994. This represents one of the largest declines of any company measured in the ACSI. Only commercial airlines have experienced larger declines over the same time period.

The relationship between the ACSI and financial performance of companies continues to be strong. "Dole's problems are not limited to the banana issue in Europe," says Professor Claes Fornell of the University of Michigan Business School. "The problems are reflected in the ACSI decline. Dole had a big drop in customer satisfaction in 1996 and in 1997. Starting the following year, the stock price has been cut in half."

Nike lags competitors in satisfaction. While market share leader Nike's 1999 ACSI rating of 73 remains unchanged over 1998, number two Reebok (+1.4%) and brands with smaller market shares (+3.9%) made gains in satisfaction. Nike has experienced a steady decline from its 1994 rating of 82, while smaller brands have enjoyed a sustained climb to 79. Reebok scores 75 with its customers although it has lost market share to Nike.

"The athletic shoe industry continues to post among the lowest overall satisfaction ratings in the manufacturing nondurables sector," said Jack West of the American Society for Quality. "If Nike's decline in customer satisfaction persists, it could lead to problems in the long term, as smaller competitors capture increased market share and margins by continuing to improve the quality of their goods."

RJR Reynolds leads tobacco industry to first ACSI increase in five years. For the first time since 1995, the United States tobacco/cigarettes industry enjoyed an increase in satisfaction, from 75 to 76, a gain of 1.3 percent. Customer satisfaction with RJR Reynolds rose 2.7 percent from 75 to 77, while the ACSI for competitor Philip Morris remained steady, avoiding a decrease for the first time since 1995. The tobacco industry ACSI remains well below its high of 82 set in 1995, however, and continues to score below the manufacturing nondurables sector average.

The American Customer Satisfaction Index is the only uniform, cross-industry indicator in the United States that links customer satisfaction of U.S. household customers with company performance. The index measures the satisfaction of U.S. household customers with the quality of goods and services available to them – both those produced within the U.S. and those imported from foreign firms that have a substantial market share of dollar sales.

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This key economic indicator, produced through a partnership of the University of Michigan Business School, the American Society for Quality (ASQ) and Arthur Andersen, helps companies determine and understand what drives customer satisfaction and loyalty, and their relationship to bottom-line financial results. Using information derived from ACSI data, companies can focus initiatives that will have an impact on and improve customer satisfaction.

The American Customer Satisfaction Index is updated on a rolling basis with one or two sectors of the economy measured each quarter.

All company scores from 1994 through the third quarter of 1999 are available on the following websites: <http://acsi.asq.org> and <http://www.bus.umich.edu>.

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Manufacturing/Nondurables American Customer Satisfaction Index (ACSI)¹							
Industry/Company	1994	1995	1996	1997	1998	1999	% Chg '98-'99
MANUFACTURING/ NONDURABLES	81.6	81.2	79.0	78.5	78.8	80.0	+1.5
Beverages/soft drinks	86	86	86	83	83	84	+1.2
All other companies	NM	NM	NM	NM	81	86	+6.2
Cadbury Schweppes	NM	85	86	83	88	85	-3.4
Coca Cola	85	85	87	84	82	84	+2.4
PepsiCo	86	87	86	83	83	82	-1.2
Pet Foods	NM	NM	NM	83	81	82	+1.2
Colgate Palmolive	NM	NM	NM	85	83	86	+3.6
Nestle	NM	NM	NM	83	83	84	+1.2
Ralston Purina	NM	NM	NM	82	81	82	+1.2
All other companies	NM	NM	NM	NM	81	82	+1.2
H.J. Heinz	NM	NM	NM	85	80	81	+1.3
Mars	NM	NM	NM	81	82	81	-1.2
Food Processing	84	84	83	81	81	81	0.0
Hershey Foods	86	88	88	84	84	86	+2.4
H.J. Heinz	89	87	90	86	86	85	-1.2
Mars	87	89	86	85	81	84	+3.7
Pillsbury (Diageo)	88	86	87	82	83	84	+1.2
Kraft (Philip Morris)	84	84	85	82	84	83	-1.2
Quaker Oats	82	82	82	85	83	83	0.0
Campbell Soup	83	81	84	81	80	81	+1.3
General Mills	83	81	86	81	82	81	-1.2
Kellogg	84	84	85	81	83	81	-2.4
Nestle	88	86	82	83	83	81	-2.4
RJR Nabisco	87	84	85	80	83	81	-2.4
Sara Lee	86	82	84	80	80	81	+1.3
ConAgra	83	83	82	80	80	80	0.0
Dole Food	90	90	85	79	82	80	-2.4
All other companies	83	83	81	80	80	80	0.0
Tyson Foods	83	80	79	80	79	79	0.0

¹ Arrayed in descending order of 1999 ACSI within industry. Companies with tie scores are listed in alphabetical order.

Manufacturing/Nondurables ACSI, continued							
	1994	1995	1996	1997	1998	1999	% Chg '98- '99
Personal Care & Cleaning Products	84	84	80	82	82	81	-1.2
Clorox	88	88	84	83	85	84	-1.2
Procter & Gamble	85	87	85	81	83	81	-2.4
Unilever	84	83	83	82	83	81	-2.4
Colgate Palmolive	84	86	82	83	82	80	-2.4
All other companies	83	81	77	82	79	80	+1.3
Dial	86	85	85	83	81	79	-2.5
Beverages/beer	83	81	79	81	82	79	-3.7
Miller Brewing(Philip Morris)	80	82	78	81	81	81	0.0
All other companies	NM	79	78	83	83	81	-2.4
Anheuser-Busch	84	80	79	81	81	78	-3.7
Adolph Coors	81	84	79	80	84	78	-7.1
Apparel/casual clothes	82	81	78	77	79	79	0.0
Fruit of the Loom	83	80	78	77	80	80	0.0
All other companies	79	80	78	77	79	79	0.0
Sara Lee	83	81	75	81	77	78	+1.3
VF Wrangler	83	80	80	81	79	78	-1.3
Levi Strauss	84	83	80	81	75	76	+1.3
Liz Claiborne	84	81	81	77	78	76	-2.6
Apparel/athletic shoes	79	79	77	74	74	76	+2.7
All other companies	NM	NM	NM	73	76	79	+3.9
Reebok	75	80	77	74	74	75	+1.4
Nike	82	78	77	74	73	73	0.0
Tobacco/cigarettes	81	82	77	77	75	76	+1.3
RJR Reynolds	81	81	84	79	75	77	+2.7
Philip Morris	80	81	79	77	75	75	0.0

NM=Not measured

ACSI: National Scores 1994 – 1999

