Falling Prices Boost Buyer Satisfaction with Food and Household Products

ANN ARBOR, Mich., (October 25, 2016) – Customer satisfaction with nondurable goods that include many household products is rising, according to new data from the American Customer Satisfaction Index (ACSI). The ACSI Nondurable Products Report 2016 includes food, soft drinks, personal care and cleaning products, breweries, apparel, and athletic shoes.

The increase for nondurable products occurs as grocery prices have dropped for the ninth straight month. Customer satisfaction with grocery food surges 9.2 percent to an ACSI score of 83 – its highest level since 2012, and the longest streak of food deflation in fifty years. In fact, the cost of eating at home has gone down as much as eating out has increased over the past year.

“Higher customer satisfaction for packaged food reflects the decreasing cost consumers see in eating at home,” says Claes Fornell, ACSI founder and Chairman.

Dole maintains its lead with an ACSI score of 86. General Mills moves up to second place at 84, alongside Mars, Hershey and Nestlé. Smaller companies, however, gain the most, rising to a combined score of 83, tied with PepsiCo’s Quaker Oats division and Kraft Heinz. Tyson (82) and Kellogg (81) are below the industry average. ConAgra is the only company not to improve, now tied with Campbell Soup in last place (both 80).

Customer satisfaction for soft drinks is up to 84, returning to a level typical for this industry as offerings expand to include “better-for-you” beverages such as organic teas, cold-pressed juices, protein and performance drinks, and coconut water. Despite posting a slight gain, Coca-Cola falls from first to last place as the rest of the industry improves more. A year ago, Dr Pepper Snapple Group shared the lead with Coca-Cola, but now it tops the category alone with an ACSI score of 86. In second place, smaller beverage manufacturers follow closely at 85. PepsiCo comes in at the industry average (84), overtaking Coca-Cola (81).

In 2015, MillerCoors took the lead in customer satisfaction. This year, Anheuser-Busch InBev wins the top spot with an ACSI score of 84. The company recently completed its multibillion-dollar acquisition of SABMiller, creating the world’s largest beer company. As part of the merger, SABMiller gives up ownership of the Miller brands by selling its 58 percent stake in MillerCoors, which scores an 81 on ACSI. Meanwhile, the combined score for all other smaller brewers, including craft breweries, takes second place at 82.
Personal care and cleaning products edge up to an ACSI score of 83. Dial takes first place at 85, followed by Clorox and Unilever at 84. Colgate-Palmolive, Procter & Gamble, and the combined score of all other smaller manufacturers tie at 83, with Johnson & Johnson just below at 82.

Apparel customer satisfaction increases to 79 as the large manufacturers improve. Apparel prices have gone up by only 0.3 percent over the past year compared to a 0.5 percent average growth rate over the past five years. Hanesbrands leads the category alongside Levi Strauss at 81. Nine West and VF tie at 80, and the aggregate of smaller companies matches the average at 79.

A small boost in customer satisfaction for Nike (80) and a leap for Adidas (83) reverse their ACSI rankings as Adidas takes the lead. The combined score of smaller athletic shoe manufacturers is just below Nike at 79.


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**About ACSI**

The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from interviews with roughly 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 300 companies in 43 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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