



FOR MORE INFORMATION

Chaat Butsunturn, 415-391-7900 x1214
cbutsunturn@kearnswest.com
OR Amanda Piasecki, 202-535-7800 x1114
apiasecki@kearnswest.com

Can Demand Keep up for Appliances and New-Tech Electronics as Buyers Become Less Satisfied?

Apple and Whirlpool Remain Strong; Electrolux Tumbles

ANN ARBOR, Mich. (September 17, 2013) – Customer satisfaction drops for household appliances and electronics, but pent-up demand—along with a consumer penchant for the newest technology—has kept sales strong, according to a report released today by the American Customer Satisfaction Index (ACSI).

The ACSI's Household Appliance and Electronics Report 2013 measures customer satisfaction with three durable product categories: household appliances; personal computers (including desktops, laptops and tablets); and televisions & video players. For all three, customer satisfaction retreats 1.2% to 1.3% compared with last year.

Windows-8 Devices Can't Catch Apple

Customer satisfaction with computing devices—including desktops, laptops and tablets—falls 1.3% to an ACSI benchmark of 79 (scale of 0 to 100). The industry continues to experience a shift in demand away from desktops and laptops to tablets and mobile devices. Tablets (ACSI score of 81) enjoy a small—but significant—lead over both laptops and desktops (tied at 79).

“ACSI research shows that consumers have high expectations and companies are under a good deal of pressure to keep up with demand for faster, more powerful devices that offer new and improved features,” says Claes Fornell, ACSI founder and Chairman.

“Companies that can innovate while maintaining high levels of customer satisfaction are the ones that will win.”

Apple continues to have a wide lead in ACSI. Up 1% to 87, it outpaces the entire field of Windows-based manufacturers by 8% to 12%. Hewlett-Packard runs a distant second with an ACSI benchmark of 80 (+1%), followed by Dell at 79 (-2%). Toshiba (+1%) and Acer (-3%) are below the industry average at 78 and 77, respectively. The aggregate of smaller manufacturers (such as Samsung, Lenovo and Asus) lags well behind after dropping 5% to 76.

“Microsoft's revamped Windows 8 operating system does not seem to have provided a bounce in sales or in customer satisfaction for these manufacturers,” says ACSI Director

David VanAmburg. “Moreover, the vast majority of devices offered by HP, Dell and other smaller PC makers are desktops or laptops—a category that consumers find less gratifying than tablets.”

Whirlpool Stays Strong; Electrolux Tumbles

Customer satisfaction with major household appliances such as washers, dryers, dishwashers, refrigerators, freezers, ranges and ovens does not change much from year-to-year. The scores have ranged between 80 and 82 for more than a decade. This year, the industry’s customer satisfaction dips 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,” says Fornell. “In the short term, all appliance makers are likely to benefit from the upturn, but once demand slackens, an improvement in customer satisfaction would be helpful for further revenue growth.”

Market-share leader Whirlpool continues to top the industry with an ACSI benchmark of 82, despite a slight 1% dip. Whirlpool edges out GE and the aggregate of smaller manufacturers such as LG, Samsung and Bosch—tied at 80. Electrolux is the only company with a substantial deterioration in customer satisfaction, falling 5% to the industry’s bottom rung at 78, after being within a point of Whirlpool a year ago.

Televisions & Video Players Set the Bar

Like other durable product categories, customer satisfaction with televisions and Blu-ray & DVD players retreats in 2013, down 1.2% to an ACSI benchmark of 85. Nevertheless, out of the 43 industries tracked by the ACSI, the combination of great quality, innovative products and affordable price makes TVs and video players without equal in customer satisfaction. No industry has a higher ACSI score. Sales have been strong since the end of the recession until last year, with consumers migrating to flat screens. Smart TVs are likely to be the next destination for consumers looking to combine the benefits of a multitude of home electronics.

The full report is available for free download at www.theACSI.org. Follow the ACSI on Twitter at @theACSI and Like us on Facebook.

No advertising or other promotional use can be made of the data and information in this release without the express prior written consent of ACSI LLC.

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 230 companies in 43 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal government agencies.

ACSI results are released on a monthly basis, with all measures reported on 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. And, at the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

The Index was founded at the University of Michigan's Ross School of Business and is produced by ACSI LLC. The ACSI can be found on the Web at www.theacsi.org.

###