

Friday, 7 December 2018

Foodland edges out Aldi for customer satisfaction

New research from Roy Morgan shows that customer satisfaction with Foodland in the six months to October was 91% giving the South Australian based supermarket a third straight monthly win ahead of Aldi on 89%.

Coles, recently de-merged from Wesfarmers, is on 85% is just ahead of great rival Woolworths on 84% with IGA taking fifth position on 80%. The overall supermarket customer satisfaction across the industry was 85% representing an overall decline of 6% in customer satisfaction compared to this time a year ago.

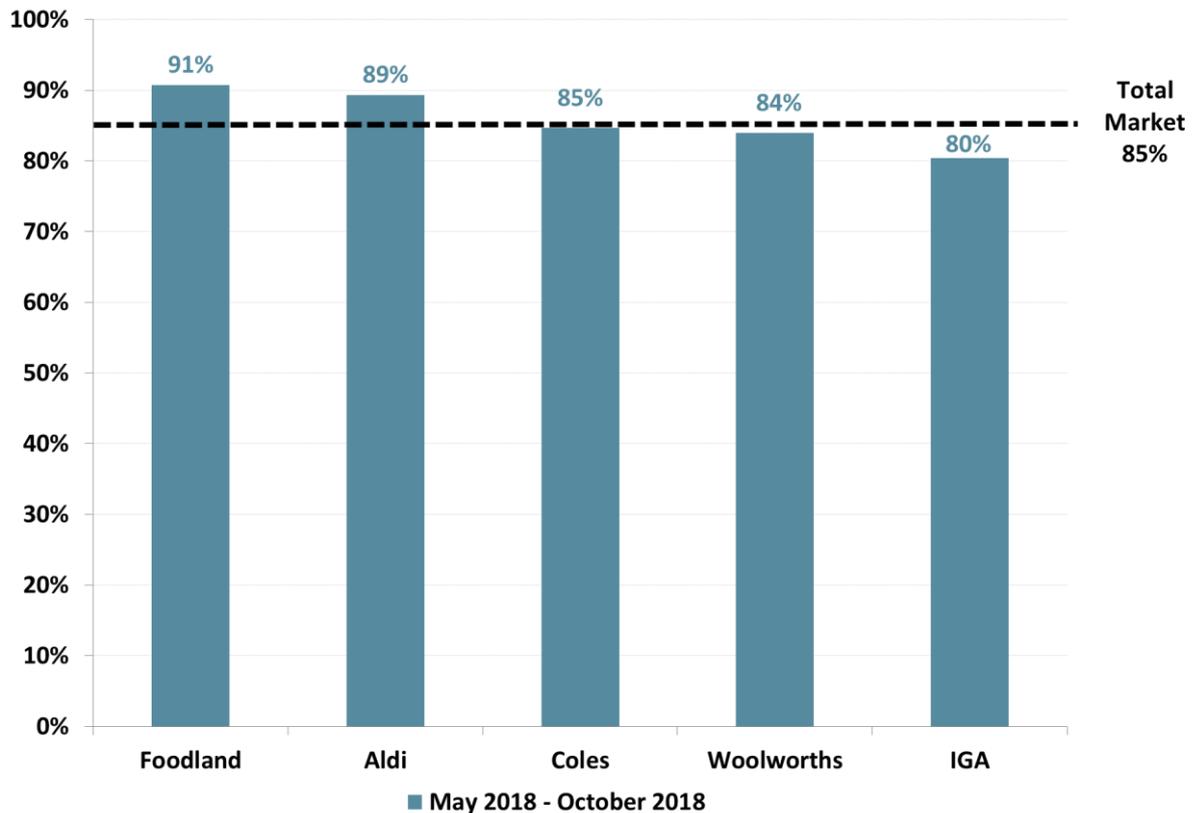
These are the latest results from Roy Morgan's 'Retail Satisfaction Report-Supermarkets' which is based on in-depth personal interviews conducted face-to-face with over 50,000 Australians per annum in their own home, including over 11,000 main supermarket shoppers.

Foodland shares product category leadership with Woolworths and Aldi

Across the nine product categories measured as part of the [Supermarket Satisfaction Report](#) leadership is split between monthly winner Foodland, Australia's largest supermarket chain Woolworths and discount retailer Aldi. Foodland has the highest level of satisfaction for 'bread', 'dairy' and 'delicatessen' while Aldi is the satisfaction leader for 'fresh fruit', 'fresh vegetables', 'meat' and 'general merchandise'.

Woolworths leads satisfaction for two product categories including 'packaged groceries' and 'seafood'. The high satisfaction results for Woolworths seafood products is not a surprise when one considers Woolworths has grown its dominance in the seafood market over the past year and now holds over 20% of the fresh seafood market by dollars spent – [covered in detail here](#).

Satisfaction with main supermarkets



Source: Roy Morgan Single Source (Australia). Australians 14 6 months to October 2018, n = 25,304. **Base:** Australians 14+ main grocery buyer. 6 months to Oct 2018, n = 6,644.

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'Big 2' Coles and Woolworths split nine product categories down the middle

Of the two major supermarkets, Woolworths has higher customer satisfaction than Coles for 'seafood' and 'packaged groceries' as mentioned above as well as edging out Coles for satisfaction for 'delicatessen' and 'general merchandise'.

However, Coles more than holds its own with a higher customer satisfaction rating than Woolworths for 'bread', 'dairy', 'fresh fruits' and 'meat'.

For the final product category of 'fresh vegetables' the two can't be split for customer satisfaction indicating the closeness between Australia's two leading supermarket chains for overall customer satisfaction.

Michele Levine, Chief Executive Officer, Roy Morgan, says:

"South Australian based Foodland has continued its good run in satisfying Australian consumers winning a third straight monthly satisfaction award in October and firming as a favourite to win a third straight annual award at Roy Morgan's Customer Satisfaction Awards night early next year.

"Foodland's customer satisfaction rating of 91% in October was just enough to overcome fellow 2018 monthly award winner Aldi on 89%. The 'Big 2' Australian supermarkets Coles and Woolworths were close behind in battle for third with Coles on 85% and Woolworths on 84%.

"Wesfarmers' decision to de-merge the Coles Group this year means Coles is an independently run business again for the first time since its acquisition by the West Australian conglomerate in 2007.

"The newly independent Coles is facing an increasingly competitive marketplace with discount retailer Aldi making significant gains in recent years and fellow German supermarket retailer Kaufland also set to enter the Australian market in force.

"The traditional battle with local rival Woolworths continues and with the increasingly competitive marketplace it is critical to keep track of what customers think in terms of relative satisfaction and perceptions of the major brands.

"Not only is overall satisfaction an important measure of how a retailer is performing but understanding the performance of supermarkets across a range of product areas such as 'fresh fruits', 'meat', 'bread', 'general merchandise' and others provides a deeper understanding of how different supermarkets 'stack up' against each other.

"The data used here is only a small part of what is available from the Roy Morgan 'Retail Satisfaction Report-Supermarkets'. To understand this market further and to get a truly holistic view, we also have data covering customer loyalty, detailed image of major supermarkets, drivers of supermarket selection, expanded list of grocery shopping retailers and amount spent for all major food groups at each type of retailer.

"To really understand how Australians use and think about supermarkets, ask Roy Morgan".

To learn more about Roy Morgan's supermarket satisfaction data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 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
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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