



## FOR MORE INFORMATION

Chaat Butsunturn, 415-391-7900 x114

[cbutsunturn@kearnswest.com](mailto:cbutsunturn@kearnswest.com)

OR Amanda Piasecki, 202-535-7800 x114

[apiasecki@kearnswest.com](mailto:apiasecki@kearnswest.com)

## Customer Satisfaction with Personal Computers, Appliances and Electronics Hits a Wall

*Apple's Winning Streak Unstoppable; Whirlpool Tops Appliance Makers*

**ANN ARBOR, Mich.,** (September 20, 2011)—Customer satisfaction across three durable goods industries stalls in 2011, with the majority of companies staying almost exactly where they were in 2010, according to a report released today by the American Customer Satisfaction Index (ACSI). The report covers customer satisfaction with personal computers, major appliances, and electronics (televisions and BD/DVD players).

### Apple Sets a High Bar

One year after climbing 4% to a record-high score of 78 on ACSI's 0 to 100-point scale, customer satisfaction with personal computers flattens out. The industry itself is in a state of rapid change, with technology advances accelerating amid shifts in consumer preference. As the demand for traditional desktop PCs weakens, the tablet computer market is skyrocketing—led by Apple's iPad. Apple's record of customer satisfaction preeminence in the personal computer industry continues unabated in 2011, as the company adds another point to its already exceptional score. At 87 (+1%), Apple outdistances its nearest competitor by 9 points.

"In the eight years that Apple has led the PC industry in customer satisfaction, its stock price has increased by 2,300%," remarks Claes Fornell, founder of the ACSI and author of *The Satisfied Customer: Winners and Losers in the Battle for Buyer Preference*.

"Apple's winning combination of innovation and product diversification—including spinning off technologies into entirely new directions—has kept the company consistently at the leading edge."

Among Windows-based PC makers, not much has changed over the past year. The two Hewlett-Packard brands—Compaq and HP—see only incremental gains (+1%) in 2011. At 78, HP outperforms last-place Compaq at 75, and customer satisfaction for both brands is higher now than at any time since the HP-Compaq merger in 2002. But HP's market share is increasingly threatened by tablet computers, and the company may soon abandon the PC market altogether. Dell, Acer and the aggregate of all other brands (such as Toshiba, Lenovo and Sony) are sandwiched in between the two HP product lines, with no progress this year as evidenced by unchanged ACSI scores of 77.

## **Whirlpool Leads Rival Appliance Makers**

For more than a decade, the major appliance industry (washers, dryers, dishwashers, refrigerators, freezers, ranges and ovens) has earned solid customer satisfaction marks—scoring in the range of 80 to 82 in all but three of the years since 1994. A marginal retreat for 2011 brings the industry's score down to 81 (-1.2%).

For the past two years, pricing pressure has kept big-ticket consumer goods at near constant prices, but sales have been mostly flat since 2010 and weaker than pre-recession levels. In 2011, all three major players in the industry encounter some slippage in customer satisfaction, but the change for Whirlpool is minimal (-1%) and the company solidifies its lead over both General Electric and Electrolux. While Whirlpool's current score of 82 is not its best over time, the company has been much more consistent over the past three years than GE. GE's customer satisfaction has been more volatile, with a 3% drop to 79. Over the past year, GE's sales have been sluggish and its stock is down 20% year-to-date. Swedish manufacturer Electrolux also trails Whirlpool and drops 1% to 78—the lowest ACSI score for the company since its 2006 inclusion in ACSI.

Going against the industry tide, small manufacturers improve in the eyes of their customers. The aggregation of “all other” companies producing major appliances gains 3% to an industry-leading score of 83. This group, which includes the brand Kenmore, is at its highest level ever in the history of ACSI measurement.

## **High Scores for Electronics Continue**

Customer satisfaction with televisions and Blu-ray Disc (BD) and DVD players is unchanged at 85—the highest score among 47 industries covered by the ACSI. The industry is a longtime leader in customer satisfaction and this is the second straight year that electronics has led the Index.

Consumer perceptions of high quality, with price cuts on flat-panel TVs and BD players, contribute to strong and stable customer satisfaction for the industry. “Customers are upgrading to TVs that provide better picture quality, more features, and save space, while the BD format is becoming more widely available and affordable. Clearly, customers are pleased with what this industry has to offer them,” says Fornell.

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## **About ACSI**

The American Customer Satisfaction Index is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. Data from interviews with approximately 70,000 customers annually are used as inputs into an econometric model to measure satisfaction with more than 225 companies in 47 industries and 10 economic sectors, along with over 200 services, programs, and websites of approximately 130 federal government agencies. Results are released on a monthly basis with all measures reported using a 0 to 100 scale. 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 gross domestic product growth.

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

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