Which are SA's best and worst brands?

Which brands have performed best, improved, declined or remained stable when it comes to overall quality, customer expectations and perceived value? Just how does your favourite brand really fare in South Africa's complex and highly competitive market? Brands across industries are comparable on the level of customer satisfaction and the South African Customer Satisfaction Index (SAcsi) has established the best and worst brands.

Image credit: SandtonCity.com

The top-five brands for 2015 include mostly brands from the restaurant industry. Wimpy (83.6) is the top SAcsi scoring brand for 2015 with Nando’s (83.0) and Chicken Licken (83.0) a close second. KFC (82.9) and Apple (82.7) round off the top five.

Wimpy (restaurants), Chicken Licken (fast food), Mugg & Bean (restaurants) and MTN (wireless internet) have shown the biggest improvement in the last year, thus making them the most improved customer satisfaction levels in South Africa.

The brands that showed the biggest drop in customer satisfaction levels are Pick & Pay (supermarkets), Caltex (petrol stations), Checkers (supermarkets) and Momentum Health (medical insurance).

Most improved industries

The most improved industries since 2013 are restaurants (increased by 6.7 index points), wireless internet (+4.7 index points) and mobile handsets (+3.9 index points). The industries reporting the sharpest decline are supermarkets (declined by 4 index points), life insurance (-2.8 index points) and fuel stations (-2.4 index points). Industries that are reporting stable customer satisfaction scores are retail banks, cellular service providers and fixed-line internet providers.

While satisfaction has not risen or fallen dramatically in the banking industry, one bank has outperformed its competitors in a number of aspects of the measure. The most recent SAcsi data for South Africa's banking industry is due to be released during April 2016.

South African customers of household goods and services were slightly more satisfied in 2015 than in previous years across a number of industries, according to the South African Customer Satisfaction Survey (SAcsi). The 2015 national customer satisfaction index consolidates the results of research covering 21 industries and 118 brands measured during 2015 via a total sample of 51,000 respondents. The respective industries have been released separately over the course of the past year.

South Africa has scored a customer satisfaction score of 76 out of 100 - a statistically significant recovery from the initial decline between 2013 and 2014.

The score contrasts sharply with the American Customer Satisfaction Index, which has declined consistently since 2013.

Economy under pressure

Adrè Schreuder, CEO of Consulta and founder of SAcsi, said that the trend shows that while the South African economy is under pressure, some of our local companies are responding to tough circumstances by providing either greater value for money or better quality products and services.

"GDP is a quantitative indicator of the state of the economy. The SAcsi is South Africa's only cross-industry benchmark measure of customer satisfaction. As such, it is an indicator of the quality of goods and services being consumed by SA households via its scientific insights across the spectrum of the customer experience," he said.

High customer satisfaction scores act as a buffer in tough economic times when, typically, consumers shop around for more, according to Prof Schreuder. "Brands that stay close to their customers hedge their bets against lower buying intents and earn greater loyalty from customers during a downturn," he said. "The best advice for South African companies in these tough economic times is to stay close to your customers and provide exceptional value for money, which is the new battleground for differentiation."

The SAcsi utilises a multi-equation econometric model that measures customer satisfaction as the quality of economic output, as well as its key drivers and critical outcomes, including customer loyalty. The SAcsi results are released each month and these staggered reports are consolidated each year to be measured and published as an indicator of the quality of goods and services on offer in South Africa. Companies are included based on their market share.

"The publicly released customer satisfaction benchmarks, or SAcsi scores, represent a fraction of the data available to SAcsi clients. Companies that engage SAcsi services gain a competitive advantage with early access to scores across industry peers, as well as 'best in class' companies in other industries. What's more, clients attain the full story behind the scores via detailed, confidential results on the causes and consequences of satisfaction," explained Prof Schreuder.

The national customer satisfaction score is calculated using the American Customer Satisfaction Index (ACSI) methodology.

Directly linked to stock market performance

Prof Schreuder said that customer satisfaction is directly linked to stock market performance in the US and that SAcsi performance can serve as a predictor of individual business performance. "Not only will companies with higher customer satisfaction produce higher returns, they will also do so with less volatility, risk exposure and, better cash flows. Having satisfied customers just makes managing your business easier," he said.

The SAcsi is seen as a valuable tool for businesses and for consumers. "The fact that companies are choosing to subscribe to SAcsi to receive statistically sound information speaks volumes about the credibility of the index. This is not research that is commissioned for marketing purposes, it is used as the basis for strategic management decisions," said Prof Schreuder.

The fact that the SAcsi results are published also translates into good news for consumers. "Companies want to ensure that their customers are satisfied and that their performance improves over time. Now that customer satisfaction is being published, they will be under pressure to improve.