



American Customer Satisfaction Index

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 500,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 400 companies in 47 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 several 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.



March 2, 2021

AMERICAN CUSTOMER SATISFACTION INDEX RETAIL AND CONSUMER SHIPPING REPORT 2020-2021

Industry Results for:

Department and Discount Stores

Specialty Retail Stores

Health and Personal Care Stores

Supermarkets

Internet Retail

Gas Stations

Consumer Shipping

U.S. Postal Service

Online Shopping Hit Hardest by Pervasive Decline in Customer Satisfaction for the Retail Sector

The year 2020 sent waves of disruption across the Retail Trade sector. From mandatory closures that halted in-person shopping to stock shortages caused by panic buying, retailers did not experience business as usual. Deliveries from online retailers were delayed and customers were frustrated when high-demand items sold out.

By all accounts, 2020 was a banner year for store closures. Even prior to the COVID-19 pandemic, major retailers like Macy's, Gap, and GameStop were well on their way to trimming their footprints. The year also brought bankruptcy filings for industry fixtures such as JCPenney, J.Crew, and Ascena. In January 2021, Belk joined the list of store operators moving to restructure under Chapter 11.

Meanwhile, some big retailers like Walmart, Target, and Costco benefited during the early part of the pandemic by being deemed essential, along with drug stores and grocery chains. But keeping the doors open made some businesses vulnerable to customer ire, especially as stocks depleted and shelves emptied.

At a time when much of the Retail sector anticipates being in turnaround mode for 2021, customer satisfaction is not heading in the right direction. The Retail sector overall retreats 2.3% to a score of 75.5 on the American Customer Satisfaction Index's (ACSI®) 100-point scale. This is the lowest ACSI score posted for the sector since 2015.

This report covers six retail industries—department and discount stores, specialty retail stores, health and personal care stores, supermarkets, internet retail, and gas stations—as well as consumer shipping and the U.S. Postal Service. Results are based on surveys conducted over a 12-month period from January to December 2020. The report provides over 100 customer satisfaction scores for the largest companies in the Retail sector, as well as first-time measures for 14 specialty retailers making their debut in the Index.

Among the six retail categories, not one escapes the trend of declining customer satisfaction in 2020. Overall, 86% of the retailers measured year over year suffer downturns in customer satisfaction. Clearly, the dramatic upheavals brought on by the pandemic add to the challenges traditional retailers already face, but internet retailers are not immune to losing favor with their customers.

One year ago, internet retail was the only industry to show some improvement in customer satisfaction. For 2020, online retail loses the most ground, tumbling 3.7% to an ACSI score of 78. As such, the industry remains ahead of the other retail categories, but by much smaller margins. Specialty retail stores slide 1.3% to 77, while supermarkets dive 2.6% to 76. The department and discount store industry wanes 1.3% to tie with health and personal care stores (-1.3%) at 75.

Gas stations occupy the low end of the sector, falling 2.7% to 71—their worst score in a decade. While satisfaction with gas stations typically moves in tandem with fuel prices, ACSI data show that customers are less happy with the quality of the service station experience compared to a year ago. While many Americans are spending less time on the road during the pandemic, those that need to gas up their vehicles may be less pleased with the appearance and cleanliness of gas stations.

Department and Discount Stores

After two years of customer satisfaction stability, the department and discount store industry ebbs 1.3% to an ACSI score of 75. While customer satisfaction improvement is hard to come by among department and discount stores, this is the only retail category where two companies eke out small gains. Nevertheless, 13 out of 19 major store chains experience downturns in customer satisfaction year over year.

Even before the COVID-19 pandemic hit the United States in earnest in March 2020, the world of brick and mortar had been long giving way to e-commerce. Predating stay-at-home orders and social distancing that kept customers away from physical stores, consumer preference for online shopping had already put a dent in foot traffic—especially at malls that house many traditional department stores. As in prior years, department and discount stores fall behind both internet retailers (78) and brick-and-mortar specialty retail stores (77)—categories that also compete for the value shopper as well as vie for consumer dollars in spaces like fashion, home furnishings, electronics, and appliances.

In the ACSI, scores of 80 or above are deemed excellent. The top of the industry shows that some brick-and-mortar competitors know how to please their customers, even amid the challenges of the pandemic. Costco holds first place for customer satisfaction for a fifth straight year, despite a 2% drop to 81. Costco remains the value leader in the category, and customers appreciate the cleanliness and layout of its stores—a factor that has gained new importance since COVID-19. Costco continues to outpace both Walmart's Sam's Club (-2% to 79) and BJ's Wholesale Club (-3% to 77), although all three warehouse clubs score well above the industry average for shopper satisfaction.

In second place, Nordstrom (which includes Nordstrom Rack) manages to gain a point in 2020—up 1% to an ACSI score of 80. Nordstrom is one of the few retailers to show improvement across several aspects of the customer experience, including staff courtesy and helpfulness where it now rates best in class. Nordstrom continues to push an omnichannel approach, including the expansion of its online pickup services to hundreds of Nordstrom and Nordstrom Rack outlets. According to ACSI data, however, the off-price Nordstrom Rack brand—which the company considers its biggest source of new customers—shows ample room for improvement. Indeed, customer satisfaction for the company overall would be much higher if not for Nordstrom Rack's far lower ACSI score.

In third place, Dillard's inches up 1% to 79. Besides Nordstrom, Dillard's is the only retailer in the entire sector to post an ACSI gain—albeit a slight one. Customers consider Dillard's an industry leader when it comes to both variety and availability of merchandise. Next in line, Kohl's and TJX (Marshalls and TJ Maxx) both slip 1% to scores of 78, while Macy's follows closely behind at 77 (-1%). Kohl's strength remains its ability to provide discounted merchandise. The company stands head and shoulders above all other stores for its frequency of sales and promotions, according to customers.

A logjam of retailers post scores of 76, including the group of smaller stores (-4%). Along with Target, two of the industry's oldest department store banners, Belk and JCPenney, fade 3% to scores of 76. JCPenney filed for bankruptcy in May 2020 and then emerged under new ownership in December with plans to close up to 200 stores. Customers are already much less happy with JCPenney's locations and store hours, factors that will only continue to worsen. Belk's plans to reinvent its store model to appeal to younger buyers while retaining its loyal customers were shelved when the pandemic hit. With customer satisfaction now reaching a low point, the company is restructuring under Chapter 11 bankruptcy.

**AMERICAN CUSTOMER SATISFACTION INDEX:
DEPARTMENT & DISCOUNT STORES**

COMPANY	2019	2020	% CHANGE
Department & Discount Stores	76	75	-1.3%
Costco	83	81	-2%
Nordstrom	79	80	1%
Dillard's	78	79	1%
Sam's Club (Walmart)	81	79	-2%
Kohl's	79	78	-1%
TJX (Marshalls, TJ Maxx)	79	78	-1%
BJ's Wholesale Club	79	77	-3%
Macy's	78	77	-1%
All Others	79	76	-4%
Belk	78	76	-3%
Burlington	76	76	0%
JCPenney	78	76	-3%
Ross Stores	76	76	0%
Target	78	76	-3%
Meijer	76	75	-1%
Dollar Tree	77	74	-4%
Big Lots	73	73	0%
Fred Meyer (Kroger)	74	72	-3%
Dollar General	73	71	-3%
Walmart	71	71	0%

0-100 Scale
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Among the low-end performers, Dollar Tree suffers the biggest decline—down 4% to its all-time low of 74. While the company has been investing in store renovations to improve the Family Dollar side of its business, ACSI data show that Family Dollar still lags the namesake Dollar Tree brand for customer satisfaction. Rival Dollar General also loses ground with customers in 2020, falling 3% to share the bottom of the category at 71.

Walmart, with two decades of below-average performance, stays in last place with an unchanged score of 71. For Walmart, service quality remains a serious issue. The company rates worst in class for both staff courtesy and checkout speed by wide margins.

For the department and discount store industry, the customer experience is a mixed bag in 2020, with some elements worsening while others improve.

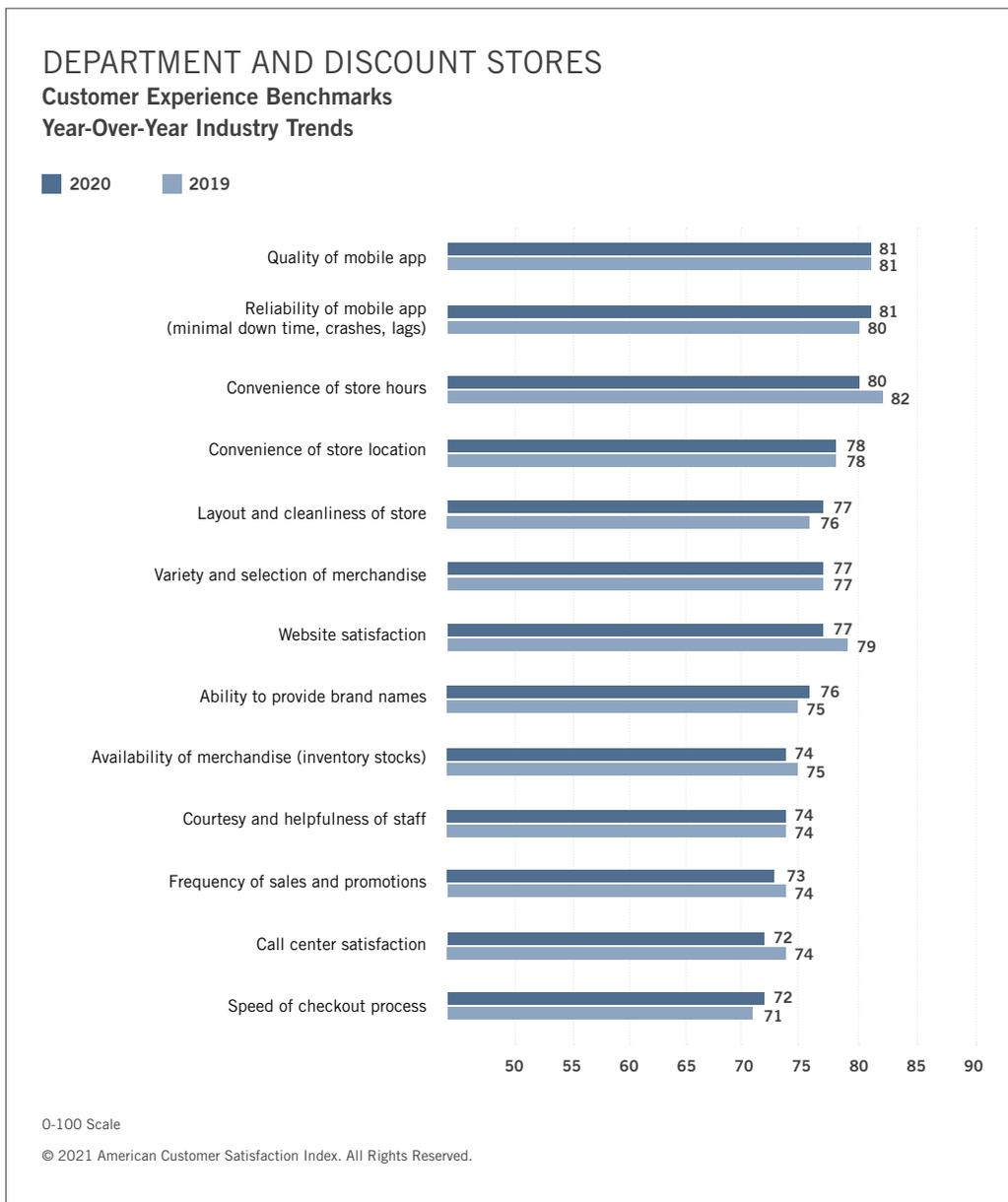
As more customers shift to online shopping during the pandemic, the industry's mobile apps continue to perform well. With scores of 81 for both quality and reliability, mobile apps are the best part of the customer experience. Website satisfaction worsens, however, falling 3% to 77.

Customers still find the industry’s store hours to be convenient, although less so with the pandemic restrictions of 2020 (-2% to 80). As in 2019, shoppers find store locations (78) less satisfying than store hours—a situation that is unlikely to improve as store closings are expected to continue in 2021.

Store layout and cleanliness continues to lag specialty stores (81), but customers see slight improvement as department and discount stores enforce new standards under COVID-19 (77). While inventory stocks are more disappointing (74), brand names are somewhat more available (76).

After a large drop one year ago, the courtesy and helpfulness of staff is dismal at 74—by far the lowest score among the retail categories. Sales and promotions remain a sore point, dipping further to 73.

Call centers struggle, falling 3% to the low score of 72. And while emptier stores may have helped speed up the checkout process, this remains the worst aspect of in-store shopping (72).



Specialty Retail Stores

Much like the department and discount store industry, customer satisfaction with specialty retail stores recedes 1.3% to an ACSI score of 77—the industry's lowest point since 2015. For 2020, the ACSI greatly expands the category with first-time measures for 14 specialty retailers. While customer satisfaction performance varies widely among these entrants, two earn scores that place them in the Retail sector's top 17 (80 and above): Hobby Lobby and Nike.

For the 23 returning stores specializing in products such as apparel, home goods, electronics, beauty, or pet supplies, only two keep satisfaction stable year over year. The remaining 21 stores post customer satisfaction declines ranging from slight downturns of 1% to large decreases of 5% for Ascena and Advance Auto Parts.

L Brands sits atop the specialty retail store industry for a seventh straight year, slipping 1% to an ACSI score of 81. The company's winning customer satisfaction is thanks to its Bath & Body Works brand, which accounts for the lion's share of L Brands interviews in the 2020 ACSI survey. The pandemic upended the company's prior plans to sell off its struggling Victoria's Secret brand, which continues to exhibit far lower customer satisfaction. L Brands plans to separate its brands and spin off or sell Victoria's Secret in 2021.

Arts and crafts store Hobby Lobby debuts in second place at 80, well ahead of rival Michaels. Customers especially appreciate Hobby Lobby's frequency of sales and promotions, where it rates best in class. The company recently announced that it would end its popular 40% discount coupon, a move that immediately caused customer backlash. It will be interesting to see how Hobby Lobby's new strategy for providing value to its customers impacts future satisfaction.

In its first appearance in the specialty store category, Nike also scores 80, striding ahead of sports apparel outlet Foot Locker (which includes Champs Sports). Sephora rounds out the top tier, stable at 80. All of these 2020 ACSI leaders occupy the high end of the industry for store cleanliness and layout—a key area during an era of social distancing.

Newcomer Pet Retail Brands comes in at 79, beating its larger pet supply rivals. The company was formed by the merger of Pet Valu and Pet Supermarket in 2016. Hard-hit by COVID-19, the company is winding down its U.S. Pet Valu operations. Pet Supermarket accounts for roughly two-thirds of the company's interviews but displays significantly lower satisfaction than Pet Valu—a factor that does not bode well for future satisfaction.

TJX's HomeGoods banner earns a first-time score of 79—a point above the company's score of 78 for its department and discount store banners (Marshalls and TJ Maxx). HomeGoods scores slightly ahead of brick-and-mortar competitor Bed Bath & Beyond (78) and internet home retailer Wayfair (77).

Several retailers new to the ACSI are clustered at or within a point of the industry average. Apple and Discount Tire enter the Index at midrange—matching the industry average of 77. Specializing in apparel, Famous Footwear and PVH (Calvin Klein, Tommy Hilfiger) score 78, while American Eagle Outfitters and H&M earn ratings of 76. Another mall-oriented retailer, Signet Jewelers, debuts at 76. The company's Zales banner encompasses about half of its interviews but scores somewhat lower than the Kay Jewelers brand.

AMERICAN CUSTOMER SATISFACTION INDEX:
SPECIALTY RETAIL STORES

COMPANY	2019	2020	% CHANGE
Specialty Retail Stores	78	77	-1.3%
L Brands	82	81	-1%
Hobby Lobby	NM	80	NA
Nike	NM	80	NA
Sephora	80	80	0%
All Others	79	79	0%
Bass Pro Shops	80	79	-1%
Pet Retail Brands	NM	79	NA
TJX (HomeGoods)	NM	79	NA
Ulta Beauty	80	79	-1%
Bed Bath & Beyond	80	78	-3%
Famous Footwear	NM	78	NA
PVH	NM	78	NA
Abercrombie & Fitch	79	77	-3%
Apple	NM	77	NA
Discount Tire	NM	77	NA
Foot Locker	79	77	-3%
Gap	79	77	-3%
Menards	80	77	-4%
O'Reilly Auto Parts	78	77	-1%
PetSmart	78	77	-1%
American Eagle Outfitters	NM	76	NA
Ascena	80	76	-5%
AutoZone	77	76	-1%
Best Buy	77	76	-1%
Dick's Sporting Goods	76	76	0%
H&M	NM	76	NA
Michaels	77	76	-1%
Petco	77	76	-1%
Signet Jewelers	NM	76	NA
Home Depot	78	75	-4%
J.Crew	NM	75	NA
Lowe's	78	75	-4%
Staples	77	75	-3%
Ace Hardware	NM	74	NA
Advance Auto Parts	78	74	-5%
Office Depot	76	74	-3%
Williams-Sonoma	NM	73	NA
GameStop	75	72	-4%

NM = Not Measured
NA = Not Available

0-100 Scale

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Ascena struggles with customer satisfaction during a tumultuous year that ended with new ownership for four of its brands. Overall, Ascena's ACSI score plunges 5% to 76. The company filed for bankruptcy in July, selling off the Catherines and Justice brands after it had already sold Maurices and wound down Dress Barn in 2019. The remaining brands Ann Taylor, Loft, Lane Bryant, and Lou & Grey will move ahead under the ownership of Premium Apparel, an affiliate of Sycamore Partners. The Ann Taylor banner, representing 65% of interviews in 2020, posts the lowest satisfaction score among the Ascena brands captured in the ACSI survey. Poor satisfaction—coupled with the struggling apparel market and the declining mall environment—indicates a hard task ahead for the reduced portfolio.

J.Crew, another 2020 bankruptcy, enters the Index with a below-average score of 75. After filing for Chapter 11 in May, the company emerged from bankruptcy in September 2020. According to ACSI data, J.Crew and fast-fashion purveyor H&M both struggle when it comes to customer views about product quality, ranking among the worst specialty retailers on this measure.

In the area of home improvement, customer satisfaction uniformly plunges 4% for the three major competitors. Menards (77) keeps its advantage over both Home Depot (75) and Lowe's (75). Retailer-owned cooperative, Ace Hardware, debuts behind these big-box chains with an ACSI score of 74.

Among the category's laggards, Williams-Sonoma scores 73 in its debut ACSI appearance. The company's Pottery Barn brand scores just ahead of the Williams Sonoma banner for customer satisfaction, with West Elm lagging both significantly. Price is clearly a sticking point for Williams-Sonoma customers as the company overall rates worst in class for value.

GameStop continues to rank last among all specialty retailers. The company plummets 4% to reach an all-time low of 72 in 2020. Since 2019, GameStop has been closing hundreds of stores. The company says it is on pace to close 1,000 by the end of its fiscal year in March 2021. In the internet retail category, GameStop's online business does better but stays below average at 75.

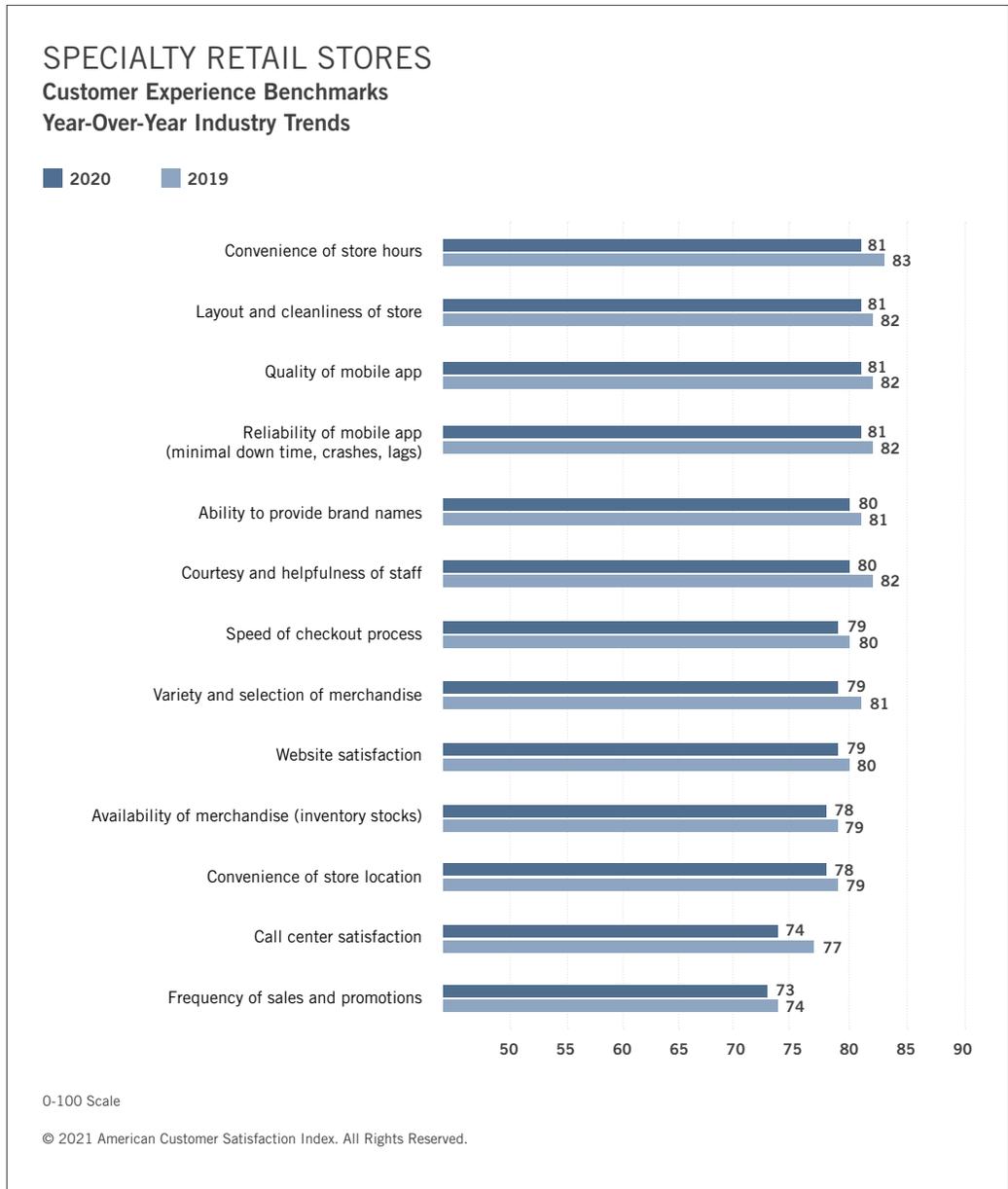
Across the customer experience for specialty retail stores, most elements have weakened compared to a year ago. Even so, specialty retailers still earn excellent scores of 80 or higher for nearly half of the measured elements. Moreover, the industry outperforms department and discount stores on most measures.

Slight downturns bring specialty retailers in line with department and discount stores for mobile app performance. With scores of 81 for both quality and reliability, mobile apps are among the top-rated elements for both store categories. As with department and discount stores, shoppers still appreciate the convenience of specialty store hours, albeit with some erosion likely due to pandemic closures and restrictions (-2% to 81).

While store layout and cleanliness (81) dips slightly, specialty stores do a much better job than department and discount stores (77) in this area. Despite some lessening, staff courtesy and the ability to provide brand names remain a strength for the industry (80). Checkout speed (79) is by far the best among all brick-and-mortar retail categories.

Merchandise variety and selection is less satisfactory (-2% to 79) but still beats department and discount stores (77). Likewise, customers feel that specialty stores do a much better job of maintaining inventory stocks (78) than department and discount stores (74).

At the low end, call centers take a significant turn for the worse (-4% to 74). Nevertheless, the least satisfying aspect of the specialty retail shopping experience remains the frequency of sales and promotions (73).



Health and Personal Care Stores

For a third year, customer satisfaction with the health and personal care (drug) store industry weakens. Drug stores overall decline 1.3% to an ACSI score of 75 that is lower than the industry’s historic average (77). The negative ACSI trend occurs at a time when transitions already underway for the industry are compounded by disruption from the pandemic. Among the measured chains, only CVS bucks the industrywide downturn by holding satisfaction stable.

During COVID-19, more customers are opting for prescription home delivery, while fewer are spending money on over-the-counter remedies for cold and flu season. The threat from online pharmacies looms even larger with the recent launch of Amazon Pharmacy, which offers price transparency as well as discounts and free two-day shipping for Prime members. With the onset of the pandemic, both CVS and Walgreens expanded their prescription delivery and pickup business, while Walmart introduced prescription curbside pickup and no-contact delivery at thousands of its stores.

The group of smaller drug stores remains at the top of the industry, albeit with a lower score for 2020 (-4% to 79). Among the larger players in the category, last year’s leader Kroger drops out of first place by falling 3% to 76. The other big grocer in the industry, Albertsons Companies, stays well behind Kroger at 72 (-4%). According to customers, Kroger excels for its discounting, outpacing the rest of the industry by a wide margin for frequency of sales and promotions.

CVS takes over the lead among the major chains, steady for a third year at 77. CVS customers feel that the company’s app has improved year over year, rating it best in class for both quality and reliability. CVS continues to outperform its retail pharmacy rivals, widening its lead over Walgreens and Rite Aid in 2020.

**AMERICAN CUSTOMER SATISFACTION INDEX:
HEALTH & PERSONAL CARE STORES**

COMPANY	2019	2020	% CHANGE
Health & Personal Care Stores	76	75	-1.3%
All Others	82	79	-4%
CVS	77	77	0%
Kroger	78	76	-3%
Walgreens	75	74	-1%
Walmart	74	73	-1%
Albertsons Companies	75	72	-4%
Rite Aid	75	72	-4%

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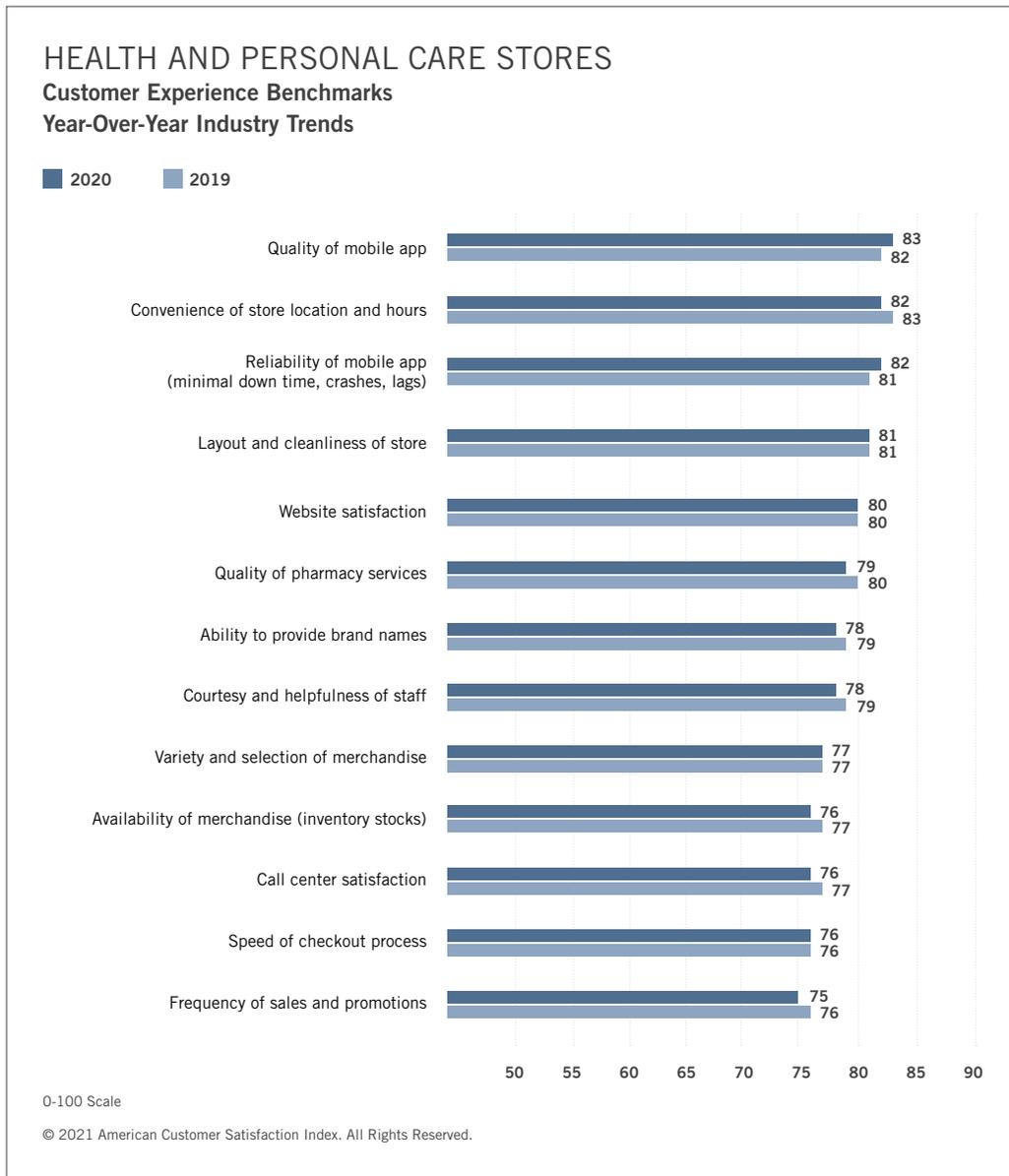
Walgreens stays below the industry average, inching back 1% to 74. According to customers, Walgreens excels when it comes to store layout and cleanliness, as well as the convenience of its locations. Walmart slips 1% to 73 and continues to score worst in class across most of the customer experience.

Just a point below Walmart, Rite Aid shares the bottom of the industry with Albertsons Companies. Since 2016, customer satisfaction with Rite Aid has been slowly trending downward. This four-year period includes the sell-off of roughly 2,000 Rite Aid stores to Walgreens after their merger finally flopped, followed by a failed merger with Albertsons. In 2020, Rite Aid's satisfaction deterioration accelerates with a 4% decline to 72. The company's customer service has been hit hard, with large drops in both staff courtesy and checkout speed.

As with department and discount stores, the customer experience with health and personal care stores is a mixed bag in 2020. Good news for the industry is that mobile apps improve as customers come to rely more on digital processes. With excellent scores of 83 for quality and 82 for reliability, drug store mobile apps beat the other brick-and-mortar categories. Website satisfaction is high and stable at 80, but call centers slip back a point to 76.

Customers still rank the industry high for convenience of store locations and hours, though this element slips for a second year (82). Store layout is stable at 81, while pharmacy quality and staff courtesy dip down to 79 and 78, respectively. For the supermarket industry at large, pharmacy quality is far lower (71).

Assessments of merchandise variety are unchanged (77), but merchandise availability slips for a second year (76). Customer opinions about the frequency of sales and promotions ebb for a second year as well (75). While checkout speed lacks improvement (76), it is now slightly ahead of supermarkets (75).



Supermarkets

Among the brick-and-mortar retail categories, supermarkets are hit hardest amid the upheavals of the pandemic. After four years of near-stable customer satisfaction, the industry’s ACSI score dives 2.6% to 76. As with other retail categories, the decline is widespread, with 17 of 20 major grocers posting lower scores year over year.

Prior to the pandemic, many traditional grocers were already moving into the online grocery space, facing stiff competition from Amazon and Walmart. Post-COVID-19, online shopping, pickup, and delivery all gained popularity. U.S. sales of grocery delivery and pickup grew from \$1.2 billion in August 2019 to \$5.9 billion in November 2020. Moving into 2021, Kroger continues to build automated customer fulfillment centers for filling online grocery orders in partnership with Ocado. Meanwhile, Ahold Delhaize recently completed its acquisition of the majority share in New York City-based online grocer FreshDirect.

Still, many shoppers continue to patronize physical stores, even during the pandemic. With the onset of COVID-19, consumer shopping patterns morphed almost overnight. In some cases, grocers encountered declines in store visits, but average transaction sizes grew. Panic buying caused shortages of household items like hand sanitizer and toilet paper. In grocery carts, nonperishable staples took over as consumers stocked pantries. As shelves emptied, shoppers took notice. ACSI data show that customer opinions about merchandise availability take the biggest hit in 2020. Overall, shoppers find less to be happy about across the entire range of supermarket customer experience elements.

Nevertheless, the supermarket industry remains home to some of the highest-scoring companies in the Retail sector. Most of the grocers that led in customer satisfaction in 2019 are weathering the challenges of 2020 better than many lower-scoring chains. The top of the supermarket industry—and indeed the top of the entire Retail sector—belongs to Trader Joe's with a high and stable ACSI score of 84. The areas where Trader Joe's does particularly well show no signs of strain. The company continues to knock it out of the park for staff courtesy and helpfulness, and its checkout speed stays best in class.

Four companies tie for second place with scores of 82 that also place them ahead of all other retailers in the sector. Costco, H-E-B, Publix, and Wegmans display stronger levels of customer satisfaction and less satisfaction erosion than most chains in 2020. Among these stores, Publix ticks off the most wins across the customer experience, including store cleanliness and layout.

The remaining top-tier performer from 2019, Aldi, runs into some headwinds, dropping 4% to tie with a stable Sam's Club (Walmart) at 80. Like Trader Joe's, hard-discounter Aldi offers a limited assortment of mostly private-label products, and the two chains remain the industry's value leaders. Their lack of name brands isn't an issue for these chains' customers who are among the most loyal, along with Publix and H-E-B shoppers.

Like Aldi, seven other companies endure significant declines in customer satisfaction. The grocery business of BJ's Wholesale Club tumbles 5% to 78, losing its 4% gain (and more) from 2019. BJ's also declines in the department and discount store category. The company reported a strong fiscal 2020 second quarter, with elevated rates in membership growth. For BJ's, one challenge will be improving customer satisfaction to retain those new members.

Kroger and ShopRite retreat by 4% and 5%, respectively, to match the industry average of 76. For both grocers, customer satisfaction has not been this low since 2015.

At the low end of the industry, a trio of big decliners now languish further behind the industry average than they did in 2019. Southeastern Grocers slides 4% to 73, while Giant Eagle plummets 5% to 72. Southeastern Grocers is in the process of divesting its Bi-Lo brand to focus on its remaining banners, including Winn-Dixie.

Albertsons Companies also shows a steep ACSI drop, losing 5% to hit rock bottom at 71. Together, the Safeway and Albertsons banners account for roughly 60% of the company's interviews in the 2020 ACSI survey. The bad news for Albertsons Companies is that some of its other measured brands score even lower than 71 for shopper satisfaction. Overall, the company exhibits the steepest year-over-year decline in customer perceptions of value.

Meanwhile, Walmart continues its run at the bottom of the supermarket industry (-3% to 71). Over time, Walmart has occupied last place every year save one—when it beat Albertsons by just a point. Consistent with its performance in other brick-and-mortar retail categories, Walmart’s service quality rates worst in class in the supermarket industry.

**AMERICAN CUSTOMER SATISFACTION INDEX:
SUPERMARKETS**

COMPANY	2019	2020	% CHANGE
Supermarkets	78	76	-2.6%
Trader Joe’s	84	84	0%
Costco	83	82	-1%
H-E-B	84	82	-2%
Publix	83	82	-1%
Wegmans	84	82	-2%
Aldi	83	80	-4%
Sam’s Club (Walmart)	80	80	0%
BJ’s Wholesale Club	82	78	-5%
Hy-Vee	78	78	0%
Target	79	77	-3%
Whole Foods (Amazon)	79	77	-3%
Kroger	79	76	-4%
Meijer	78	76	-3%
ShopRite	80	76	-5%
Ahold Delhaize	77	75	-3%
All Others	79	75	-5%
Save-A-Lot	75	74	-1%
Southeastern Grocers	76	73	-4%
Giant Eagle	76	72	-5%
Albertsons Companies	75	71	-5%
Walmart	73	71	-3%

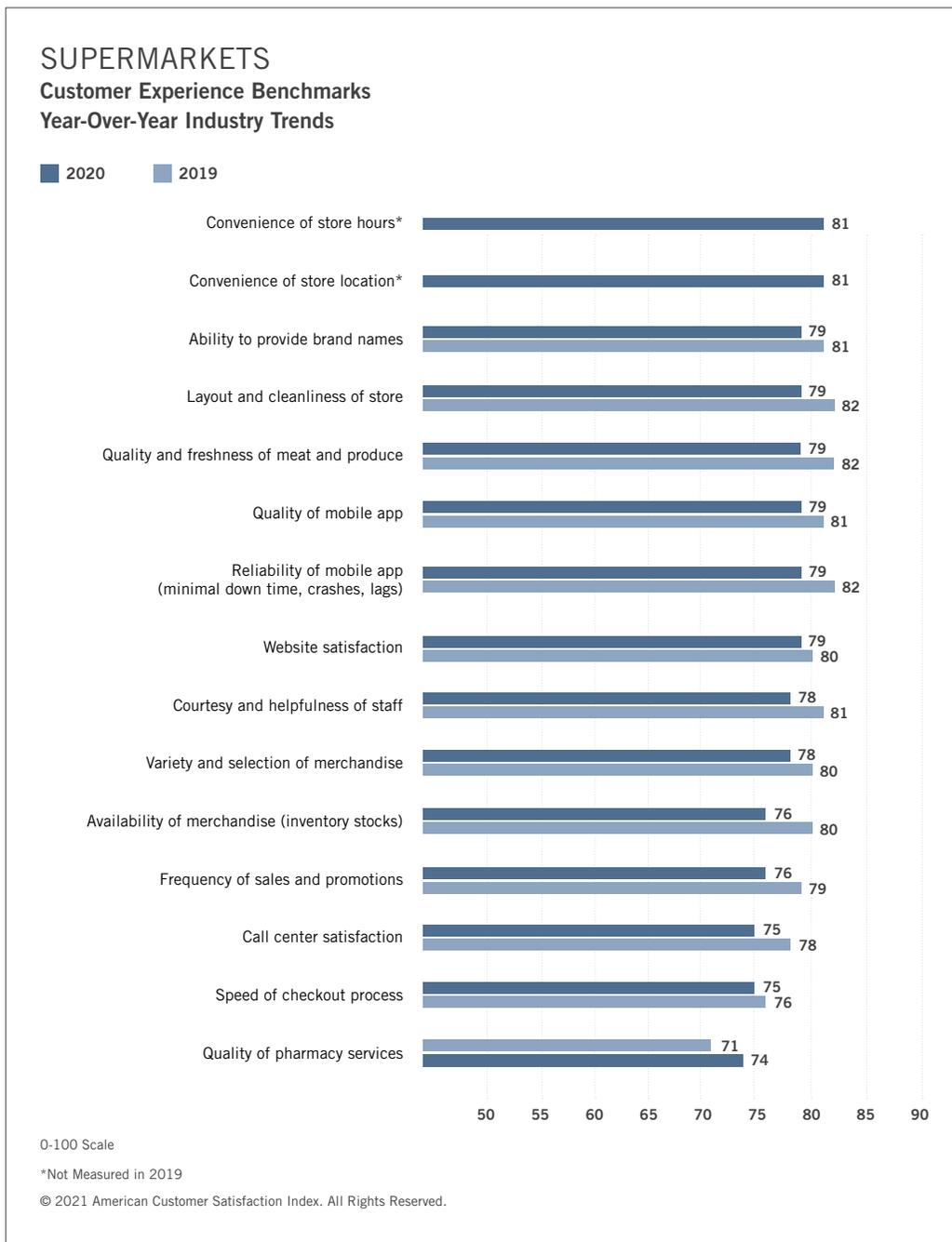
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Among the traditional retail categories, the supermarket customer experience is hurting the most. Every aspect is less pleasing than a year ago, and 8 out of 13 customer experience elements worsen by 4% or more. The industry’s top ratings are convenience of hours and locations (both 81). Most other elements slide below the excellent level of 80 and above seen in 2019.

Store layout and cleanliness suffers, as does the freshness of meat and produce (both -4% to 79). Brand names are scarcer (-2% to 79) and merchandise selection is less robust (-3% to 78). Merchandise availability, or lack thereof, is even more irksome to customers (-5% to 76). Sales and promotions fail to hit the mark as well (-4% to 76).

As more supermarket customers turn to mobile apps during the pandemic, they are more disappointed than customers in other brick-and-mortar retail categories. Mobile app quality falls 2%, while mobile app reliability descends 4% to meet at 79—the lowest scores in the sector.

Personalized customer service erodes as staff courtesy drops 4% to 78, and call center satisfaction backpedals 4% to 75. Checkout speed remains unsatisfactory (75) but the worst part of the customer experience diminishes further. Customer assessments of the quality of pharmacy services plunge to a score of 71 (-4%). This is well off the mark compared to the health and personal care store industry's score for pharmacy quality (79).



Internet Retail

Fueled by the pandemic, Americans hit the gas on online shopping in 2020. As a result, customer satisfaction crashes across the internet retail industry. More opportunities to experience online shopping are giving consumers more opportunities to be disappointed. Overall, the industry's ACSI score wanes 3.7% to 78—the biggest customer satisfaction decline among all retail categories. Moreover, the most dominant online player is hit hardest. Amazon not only abdicates the industry lead for customer satisfaction—it drops out of the top tier altogether.

The top of the internet retail industry includes two omnichannel retailers and two pure-play e-commerce companies. Nordstrom now earns the internet retail crown, slipping 1% to an ACSI score of 81. In 2020, the company further enhanced its store and online integration, giving online customers expanded merchandise selection, delivery, and store pickup options. During its Anniversary event, digital sales accounted for 60% of total sales. The momentum continued through the holiday period, with digital sales increasing 23% year over year.

In second place, Costco (-1%), Etsy (-2%), and Newegg (-1%) are deadlocked with scores of 80. Both omnichannel Costco and pure-play technology site Newegg are value leaders, along with pure-play online marketplace Etsy. In addition, Etsy joins Nordstrom in providing the best overall quality, according to customers.

Former industry leader Amazon tumbles 5% from 83 to its all-time low of 79. Boosted by the pandemic, the company's business surged to record levels in 2020, but customer service suffered. Despite its size and resources, Amazon's supply chain faltered, causing delivery delays and out-of-stock notices. Amazon is one of eight measured online retailers to lose ground across the entire breadth of the customer experience. Along with overall site performance, Amazon takes some of its biggest hits for merchandise variety and selection, inventory availability, helpfulness of customer reviews, and shipping options.

With a stable score of 78, Target is the only e-commerce retailer to buck the downward ACSI trend. Unlike most other sites, Target.com actually manages to improve a handful of customer experience elements, including the usefulness of site-generated recommendations.

The majority of the industry scores below the average of 78. Macy's and Wayfair both tumble 4% to scores of 77, tied with online marketplace eBay (-3%). Wayfair added nearly 5 million net new customers in the second quarter of 2020 as consumers focused on home projects. U.S. net revenue in the third quarter jumped 66.5%, with 60% of orders placed via mobile devices. Nevertheless, Wayfair's customer experience shows considerable signs of strain, with mobile app quality and reliability losing the most ground.

A trio of sites all slide 3% to 76: Gap, Home Depot, and Lowe's. The two home improvement rivals continue to move in lockstep for satisfaction, just as they do in the specialty retail store industry. Overstock retreats 4% to 76, as its overall site performance diminishes per customers.

Smaller internet retailers struggle to keep customers satisfied as more and more consumers turn to online shopping. Along with Amazon, smaller sites show the steepest decline in the category—plunging 5% to 75. Another big-tech name, Apple, retreats 4% to 75. Along with Amazon and Wayfair, Apple shows substantial declines across much of its customer experience.

AMERICAN CUSTOMER SATISFACTION INDEX:
INTERNET RETAIL

COMPANY	2019	2020	% CHANGE
Internet Retail	81	78	-3.7%
Nordstrom	82	81	-1%
Costco	81	80	-1%
Etsy	82	80	-2%
Newegg	81	80	-1%
Amazon	83	79	-5%
HP Store	81	79	-2%
Kohl's	81	79	-2%
Nike	81	79	-2%
Target	78	78	0%
Best Buy	78	77	-1%
Dell	78	77	-1%
eBay	79	77	-3%
Macy's	80	77	-4%
Wayfair	80	77	-4%
Gap	78	76	-3%
Home Depot	78	76	-3%
Lowe's	78	76	-3%
Overstock	79	76	-4%
Staples	77	76	-1%
All Others	79	75	-5%
Apple	78	75	-4%
GameStop	76	75	-1%
Groupon	77	74	-4%
Walgreens	75	74	-1%
Walmart	74	73	-1%
Sears	73	72	-1%

0-100 Scale

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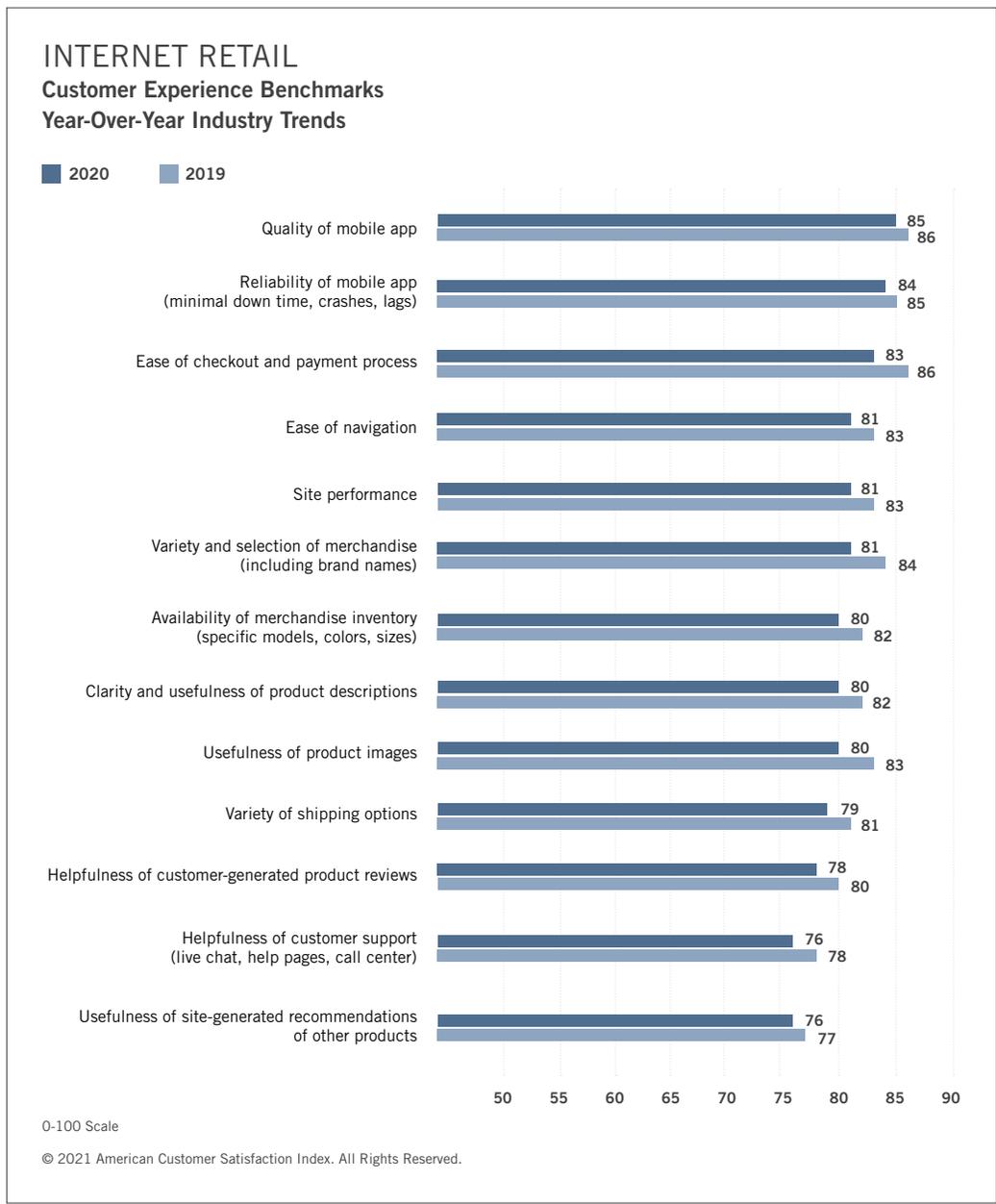
In the midst of a major restructuring, Groupon plummets 4% to 74. When the pandemic hit, mandatory closures resulted in a “material deterioration” of Groupon’s business. The company is transitioning to become a third-party marketplace and pursuing substantial workforce reductions. In the meantime, customers find it harder to navigate the site and feel customer support is lacking.

As in 2019, retailers Walmart and Sears remain the industry laggards. Walmart inches back to 73, while Sears fizzles to 72. Sears and Kmart, owned by parent company Transformco, are slowly disappearing from the brick-and-mortar landscape. Sears’ online business is now the only segment large enough to measure in the ACSI. As such, it is not doing well with customers. Sears.com rates worst in class across all but two customer experience elements, and the site has the lowest customer loyalty rating in the category.

For the internet retail industry overall, the customer experience hits a rough patch in 2020. All 13 measured elements deteriorate amid the tidal wave of pandemic e-commerce spending. Overall site performance and ease of navigation both deteriorate according to online shoppers (-2% to 81).

Mobile apps, however, continue to garner the highest scores in the Retail sector, slipping to 85 for quality and 84 for reliability. Another strong point for online retail—ease of checkout and payment—retreats 3% to 83 but still beats brick-and-mortar checkout speed (scores ranging from 72 to 79).

Surging online demand puts a dent in the industry’s merchandise selection and availability (-4% to 81) and inventory stocks (-2% to 80). Customers feel product images are less useful (-4% to 80) and product descriptions are less clear (-2% to 80). Shipping options falter (-2% to 79) and customer support weakens (-3% to 76). Site-generated recommendations still fail to impress online shoppers (76).



Consumer Shipping

The COVID-19 pandemic put unprecedented pressure on the consumer shipping industry as Americans staying at home shopped online in droves. Package volumes exploded, hitting record levels as the holiday shopping period gained momentum. According to ShipMatrix, the industry overall (including Amazon Logistics and regional firms) delivered over 3 billion parcels throughout the peak holiday shipping season.

The good news for the industry is that despite handling more packages than ever before, customer satisfaction slides only 1.3% to an ACSI score of 76 for 2021. The bad news is that this score represents an all-time industry low. After trending downward for three consecutive years, customer satisfaction with consumer shipping sits well below its historic average of 81.

Among the three delivery giants, FedEx stays in the lead despite a 3% decline to 78. Customer satisfaction with UPS fades for a third straight year, dipping 1% to 75. Both companies reach record ACSI lows for 2021. The U.S. Postal Service's (USPS) Express and Priority Mail manages to gain a point to 73, which closes its gap to the private sector companies.

**AMERICAN CUSTOMER SATISFACTION INDEX:
CONSUMER SHIPPING**

COMPANY	2020	2021	% CHANGE
Consumer Shipping	77	76	-1.3%
FedEx	80	78	-3%
UPS	76	75	-1%
U.S. Postal Service (Express & Priority Mail)	72	73	1%

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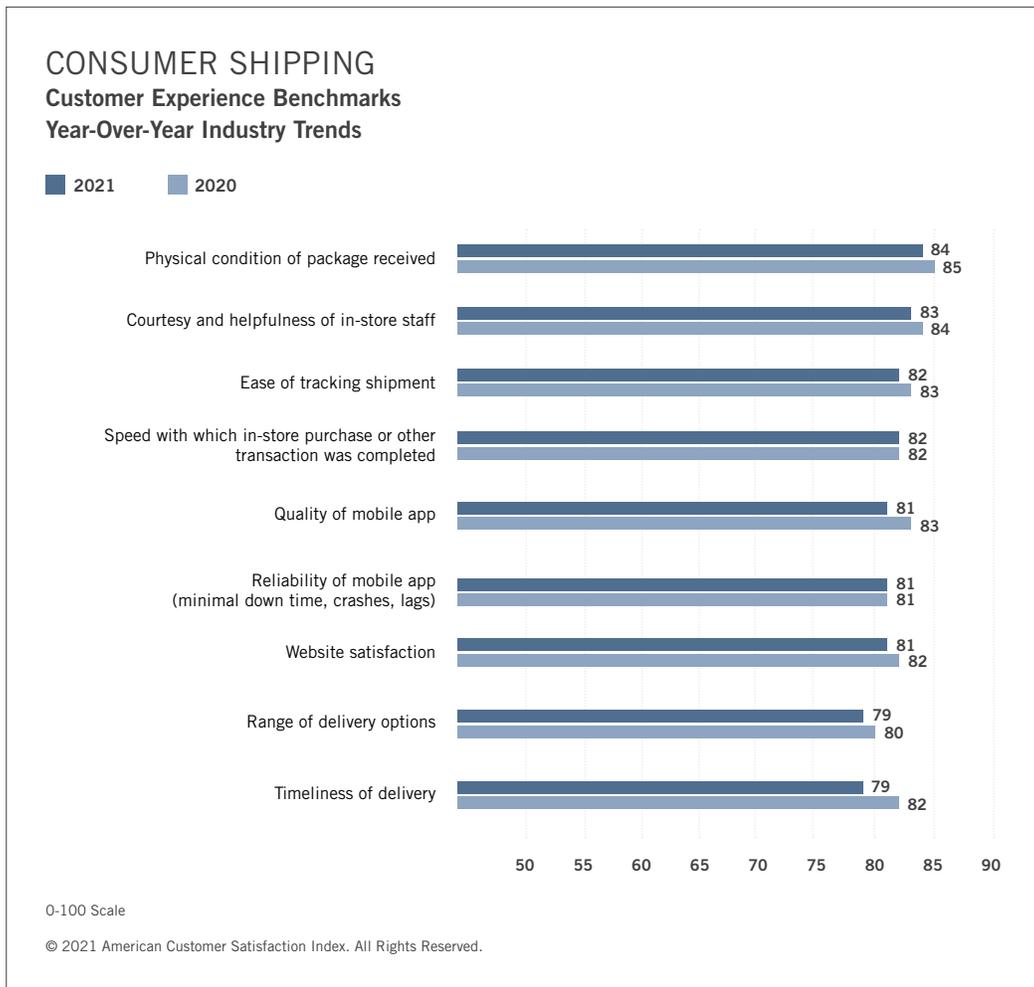
Across all carriers, customers are less pleased with the timeliness of delivery compared to the prior year. In-store customer service assessments, however, vary. According to FedEx customers, staff courtesy and transaction speed have worsened this year. In contrast, UPS customers feel that both staff courtesy and transaction speed have improved.

The U.S. Postal Service also handled unprecedented volumes through its regular mail service in 2020, including 135 million mail-in ballots. Overall, customer satisfaction with USPS monopoly mail service recedes 2.7% to 71. According to ACSI data, the USPS maintained satisfaction nearly steady at 72 from January to June 2020. For the period July to December 2020, the USPS's ACSI score is dramatically lower at 67. This latter period coincides with a series of cost-cutting measures that took effect over the summer and overlaps the peak election and holiday seasons.

For the consumer shipping industry at large, the customer experience continues to be well regarded, although somewhat less so than a year ago. From the customer’s point of view, timeliness of delivery suffers the most (-4% to 79). It is now the least-satisfying aspect of the customer experience, along with the range of delivery options (79).

The industry garners strong scores in the 80s for all other elements. Customers are pleased with the physical condition of packages they receive (84). In-store staff are courteous and helpful (83), and shipment tracking is easy (82). In-store transaction speed (82) is much quicker than checkout speed at brick-and-mortar stores (ranging from 72 to 79).

Mobile app quality backtracks 2% to 81, but this is in line with the industry’s score for mobile app reliability, as well as website satisfaction.



About This Report

The *American Customer Satisfaction Index Retail and Consumer Shipping Report 2020-2021* on department and discount stores, specialty retailers, drug stores, supermarkets, internet retail, gas stations, consumer shipping, and the U.S. Postal Service is based on interviews with 70,767 customers. Respondents were chosen at random and contacted via email between January 13 and December 27, 2020. Customers are asked to evaluate their recent experiences with the largest companies in terms of market share, plus an aggregate category consisting of “all other”—and thus smaller—companies in these industries.

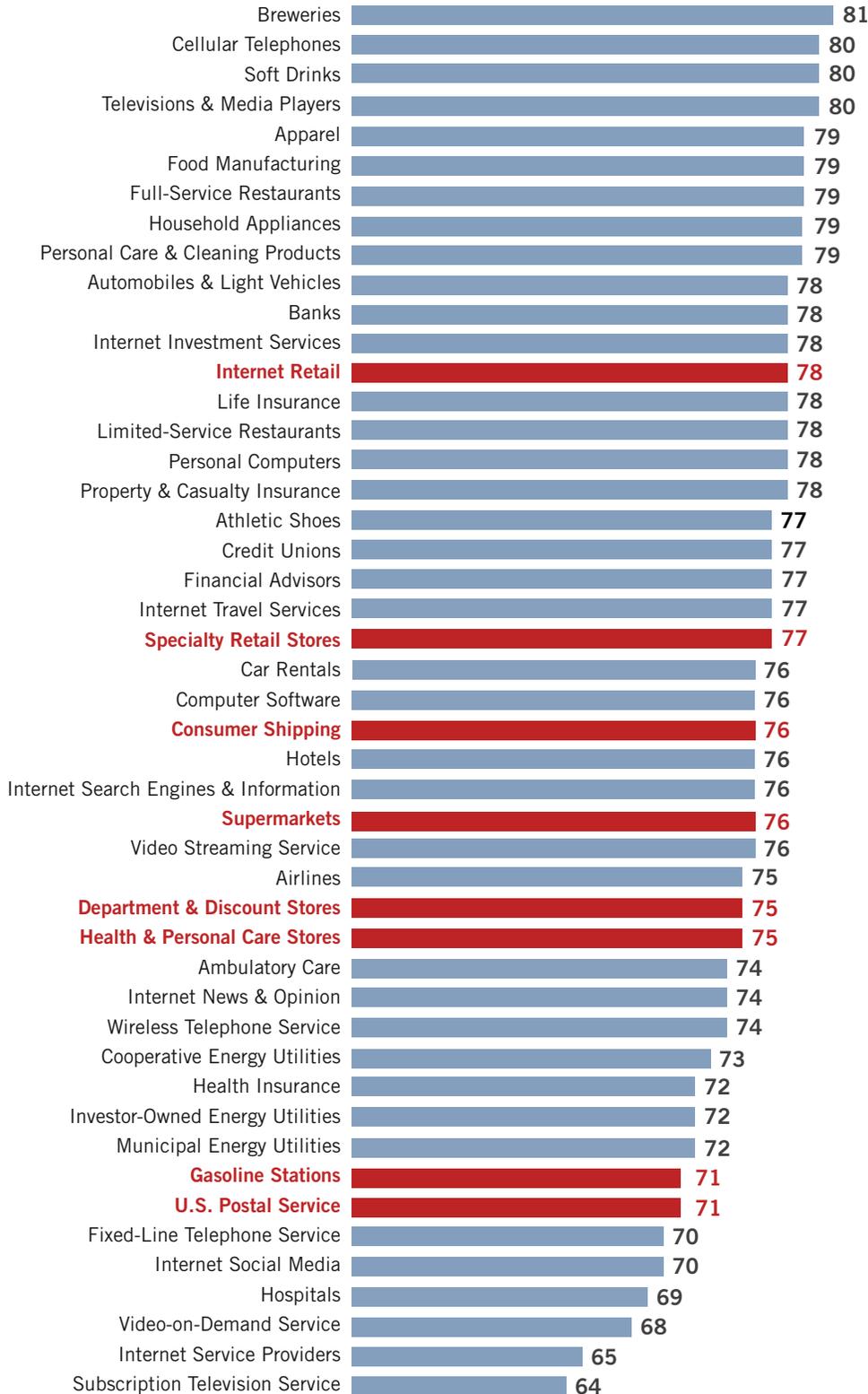
The survey data are used as inputs to the Index’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. Our clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

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