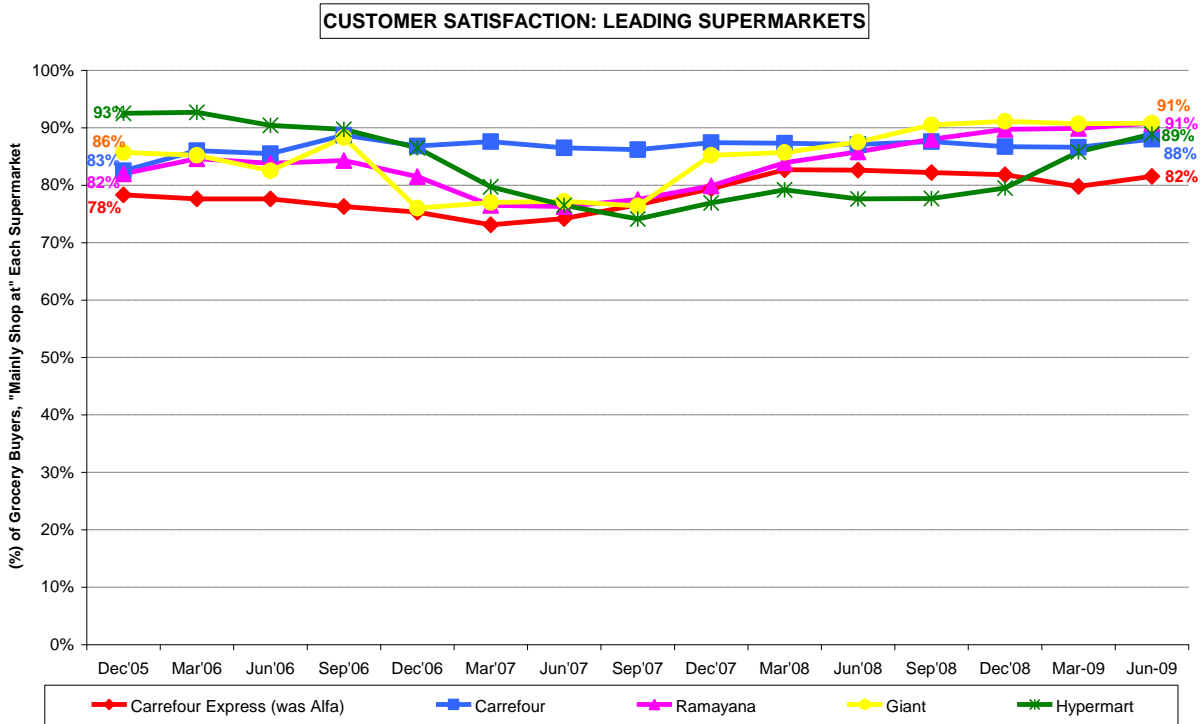


Supermarkets Beating Banks on Customer Satisfaction.

The country’s leading supermarkets have more satisfied customers than the country’s leading banks. While most of the big banks are heading south, most supermarkets are continuing to improve their scores.

To put things in perspective, only one in five adults have a banking relationship while one in six have visited a supermarket in the last four weeks. Only 28 per cent of those supermarket shoppers also have a bank account. Conversely, only 18 per cent of women who are the family’s “Main Grocery Buyer” have a bank account. Anybody’s guess as to how many bankers or supermarket managers know this curious fact would be as good as mine. Because they don’t know, they don’t make the obvious connection that could convert each other’s customers, facilitate cross-selling or help form strategic alliances.

Both supermarket shoppers and bank customers remain the fortunate minority in Indonesia, even today. In the main, cash is king. So are *warungs*, *tokos* and *pasars*, though visitation is down. While the pain of the high food prices have abated in comparison to 2008, necessity forced changes in shopping habits that appear to continue. While 42 per cent of the population 14 years and older are grocery buyers, 30 per cent are “main grocery buyers”, 96 per cent of whom are women. They are still keeping a tight grip on the domestic budget, discouraging expensive choices. Only another 12 per cent “sometimes” buy groceries and 58 per cent “never”. The key question for marketers and their advertising agencies is: who are they aiming their communications towards?



In contrast, the “modern trade” outlets like convenience stores and minimarts have held their traffic, despite the previous year’s high food and fuel prices, right through the global financial crisis. They have achieved this collectively with growing numbers of outlets, at the cost of the “traditional trade”. A constant 19 per cent of all grocery buyers have been visiting these smaller stores, for the last five years. Supermarkets saw some ups and downs in visitation during that period, down to 23 per cent of grocery buyers today from the high of 31 per cent in March of 2007. The good news is that visitation to these big stores has steadied during the last two quarters.

Within that relatively small universe of shoppers is where a large volume of revenues is generated. This is big business. Supermarkets and hypermarkets may have taken a beating but Indonesia’s economy will continue to grow, faster than most of its neighbours. That growth in GDP will filter down to a growing middle class, though probably not as fast as some may want. Customer satisfaction will play an even greater role in winning and keeping customers at these big outlets. Some are poised better than others to take advantage of that growth. Among the major players, Carrefour is the steadiest performer. 88 per cent of those who “regularly shop” at their flagship chain are satisfied, either “very” or “fairly”. Following closely is Carrefour Express, previously Alfa, at 82 per cent. That is a commendable performance, by any standard. While the number of customers continue to grow at Carrefour, the declining trend at Carrefour Express has yet to be arrested by the new management team.

The Ramayana story is a fascinating paradox. While traffic has declined significantly over recent years, probably due to store shrinkage, the satisfaction levels of their remaining customers has grown dramatically in recent times. With 76 per cent of customers satisfied with the store in June of 2007, today that number is an amazing 91 per cent. And growing. But if we narrow the focus the focus to “main grocery buyers” only, they are out-performed by Griya at 96 per cent. Either Griya managers are performing miracles, or the big city shoppers are more demanding than their small city cousins. No guesswork required, the latter is in fact true. Of the two hypermarket brands with a number of outlets around the country, Giant and Hypermart are running neck and neck, with around 88 per cent of “main grocery buyers” satisfied with their stores. But of the two, Giant is holding on to their shoppers while some fluctuations in traffic levels are visible at Hypermart.

Satisfaction levels are high in Indonesia probably because the more humble of housewives are delighted with the new experience. Air-conditioning, clean floors, products you can touch and feel on the shelves. Add to that the fact that one in three Indonesians were “born to shop”, with that number growing to half of all grocery buyers. Amazing but true, 73 per cent of all grocery buyers “enjoy grocery shopping”. Too easy to please, perhaps?

The Supermarket Customer Satisfaction study is conducted in tandem with Roy Morgan Single Source. It is Indonesia’s biggest syndicated survey with over 25,000 respondents 14 years and older interviewed each year. Almost 90 per cent of the population is covered, from the cities, towns and villages around the country. The data is updated every 90 days.

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