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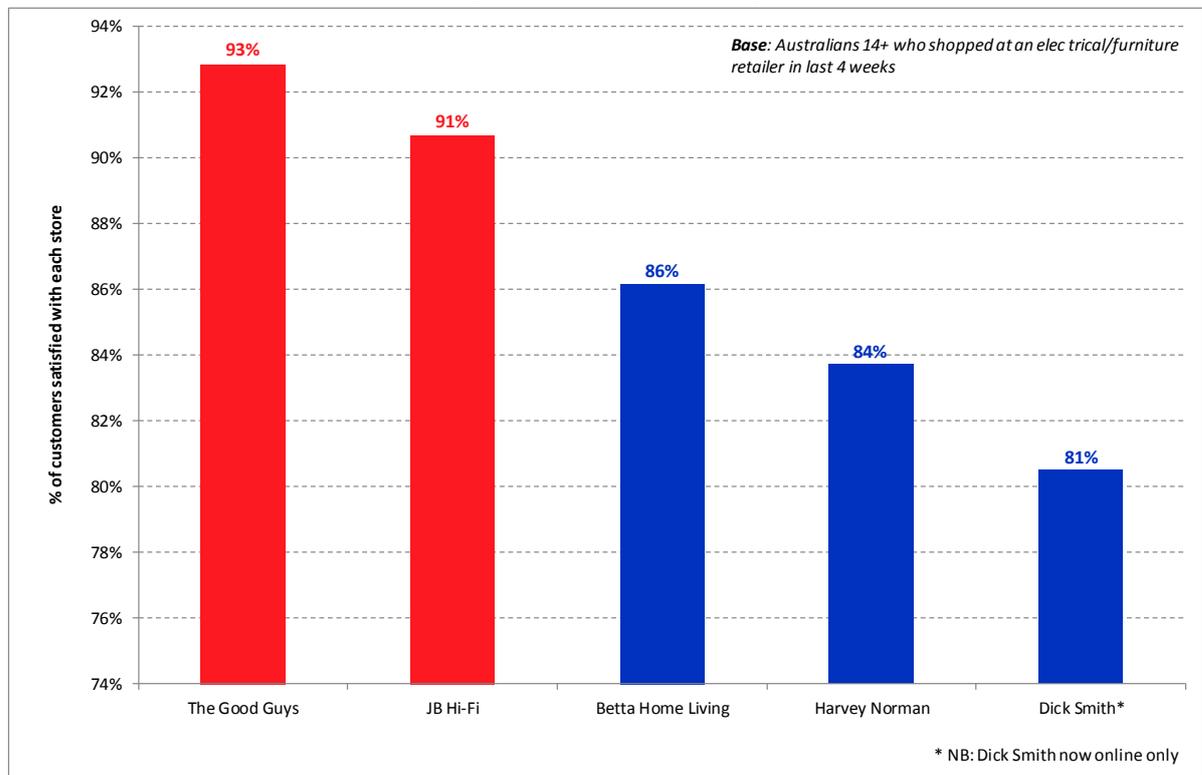
JB Hi-Fi and The Good Guys: satisfaction guaranteed?

With news that home-entertainment giant JB Hi-Fi has bought home-appliances giant The Good Guys, the Australian consumer electronics market looks set for a shake-up. Roy Morgan Research considers what the takeover could mean for this competitive sector – and particularly for the other main player, Harvey Norman.

In the 12 months to June 2016, over 3 million Australians made at least one purchase from JB Hi-Fi in an average four weeks, making it the clear leader in terms of customer volume. Over a million made at least one purchase from The Good Guys, while the other main player in the consumer electronics retail sector, Harvey Norman, attracted nearly 1.3 million customers in the same time period. Even allowing for customer crossover, the new JB Hi-Fi-Good Guys colossus will dominate the market in this respect, much like Bunnings does in the hardware market.

But the implications of this union are not simply in the quantity of customers, but also in the quality of the service provided to them. Not only has The Good Guys triumphed in the Furniture/Electrical Store category of the Roy Morgan Customer Satisfaction Awards every month this year so far with scores consistently over 90%, but JB Hi-Fi has been close behind it in second place (also with scores hovering around 90% and above).

Customer satisfaction: The Good Guys and JB Hi-Fi set the pace in consumer electronics



Source: Roy Morgan Single Source (Australia), July 2015-June 2016, n=14,956

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While Harvey Norman also has a good track record for customer satisfaction, their current level of 84% puts them slightly on the back foot in fourth place – especially if JB Hi-Fi and The Good Guys’ industry-leading dedication to their customers results in a whole that is even greater than the sum of its parts.

Who’s shopping where?

Of Australians who shop at JB Hi-Fi, The Good Guys and Harvey Norman in an average four weeks, JB Hi-Fi’s customers are from the highest-earning households, with a mean household income of \$115,000 – well above the total household average of \$99,000. In second spot are Harvey Norman shoppers (from households with a mean income of \$107,000), followed by The Good Guys’ customers (\$98,000).

Harvey Norman’s customers are the oldest of the three retailers, with a mean age of 50 years, slightly ahead of people who shop at The Good Guys, who average 49 years. In comparison, JB Hi-Fi’s customers are practically in the blush of youth, with an average age of 40!

How JB Hi-Fi, Good Guys and Harvey Norman customers differ

	Shopped at JB Hi-Fi in last 4 weeks	Shopped at The Good Guys in last 4 weeks	Shopped at Harvey Norman in last 4 weeks
Number of customers per average 4 weeks	3 million	1 million	1.3 million
Mean age of customers	40 years	49 years	50 years
Mean household income of customers	\$115,000 p.a	\$98,000	\$107,000

Source: Roy Morgan Single Source (Australia), July 2015-June 2016, n=14,956

Michele Levine, CEO, Roy Morgan Research, says:

“With customers as happy as The Good Guys’ and JB Hi-Fi’s customers, the announcement of this merger is bound to make many people even happier, including shareholders.

“While both will remain separate brands and companies in the retail world, the merger may influence their happy customers to shop at both stores. Of course, only time will tell whether JB Hi-Fi’s younger, higher-earning customers will now be inspired to visit The Good Guys when purchasing household appliances, boosting the latter’s profitability with their above-average buying power.

“Furthermore, the similarity in age of The Good Guys and Harvey Norman customers could pose a challenge for the latter, with JB Hi-Fi’s takeover of The Good Guys almost

certain to bring with it revitalised business and marketing strategies designed to make consumers take notice.”

For comments or more information about Roy Morgan Research’s retail data, please contact:

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Related research findings

View our range of [Furniture/Electrical Store customer profiles](#), including [The Good Guys customers](#) and [JB Hi-Fi customers](#).

Compiled with data from Roy Morgan’s Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 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
7,500	±1.1	±1.0	±0.7	±0.5
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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