



New Market Force Information Study Reveals America’s Favorite Home Improvement and Home Furnishings Stores

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Ace Hardware and Costco Take Top Honors

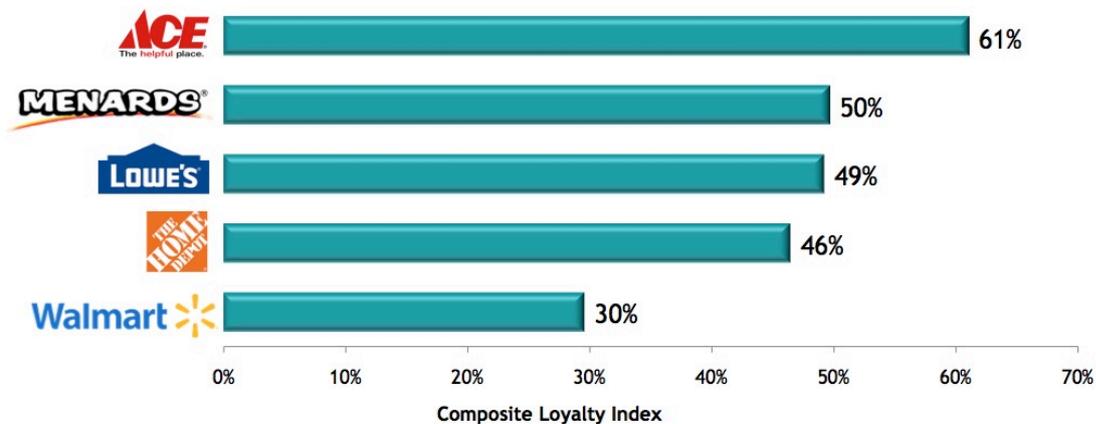
A new nationwide study by Market Force Information, a worldwide leader in customer intelligence solutions, reveals that Ace Hardware is America’s favorite home improvement store and Costco is the favorite for home furnishings.

For the rankings, Market Force Information (Market Force) polled nearly 2,000 consumers who were asked to rate their satisfaction with their last experience at a given home improvement or furnishings store and their likelihood to recommend it to others. That data was averaged to rate each brand on a Composite Loyalty Index. The Market Force study also looked at the attributes that drive these preferences, analyzing factors such as merchandise and brand selection, cleanliness and value.

Home Improvement Retailer Rankings

Ace Hardware, known for its focus on helpfulness and the customer experience, earned the top spot with a composite loyalty score of 61%. Menards came next at 50%, followed by Lowe’s, Home Depot and Walmart. [See Graph 1].

Graph 1 – Favorite Home Improvement Retailers



DIY is big business, as illustrated by 66% of males and 59% of females reporting they both buy the products for home improvement projects and complete the projects themselves. Another 20% of males and 28% of females buy the products themselves but outsource the work.

Menards Wins on Merchandise, Ace on Organization

Market Force also looked at how the top brands fare in operational and product attributes that matter most to consumers. Ace Hardware ranked first in nearly every category, with particularly strong marks for organized merchandise and speedy checkouts. Menards scored highest for merchandise selection. Lowe’s also performed well across the board. [See Graph 2]. Overall, consumers expressed the highest levels of satisfaction with their store’s cleanliness and checkout



speed. Conversely, they were least satisfied with the availability of green or eco-friendly products, making it a potential area for brands to differentiate.

Graph 2 – Home Improvement Retailers Ranked by Attributes

Value	Merchandise Selection	Brand Selection	Organized Merchandise	Cleanliness	Availability of Eco Products	Checkout Speed
Ace Hardware 48%	Menards 48%	Ace Hardware 46%	Ace Hardware 60%	Ace Hardware 68%	Ace Hardware 40%	Ace Hardware 72%
Menards 42%	Lowe's 47%	Lowe's 44%	Lowe's 49%	Lowe's 61%	Lowe's 36%	Home Depot 54%
Lowe's 39%	Ace Hardware 47%	Home Depot 40%	Home Depot 44%	Home Depot 49%	Home Depot 35%	Menards 48%
Walmart 38%	Home Depot 44%	Menards 39%	Menards 39%	Menards 48%	Menards 32%	Lowe's 48%
Home Depot 37%	Walmart 27%	Walmart 22%	Walmart 27%	Walmart 30%	Walmart 22%	Walmart 36%

“More than anything else, our home improvement and home furnishings retailer study reinforced our belief that, in order to increase satisfaction and sales, it’s no longer good enough to just be good enough,” said Cheryl Flink, chief strategy officer for Market Force Information. “With fierce competition and plenty of choices available, retailers should be striving to delight every customer on attributes related to service, value, atmosphere and merchandise. Retailers that figure out how to deliver on those fronts will reap the rewards and win the hearts of shoppers.”

Recommendations Lift Conversions

Can a helpful sales associate impact conversion rates? Market Force asked shoppers if they were helped by a sales associate during their most recent visit to a home improvement store, whether or not the associate recommended a product and if they purchased that product. Across all the retail brands studied, 55% said they were assisted by a sales associate and, of those, 54% received a recommendation, resulting in 87% of shoppers making a purchase. Additionally, the results showed Ace Hardware is living up to its brand promise of being the place with “the helpful hardware folks,” as its associates were most likely to assist customers. Those Ace Hardware customers also had the highest conversation rate at 90%.

Loyalty Cards, Credit Cards and Mobile Apps for Home Improvement

Compared with other industries, very few consumers are using mobile apps to research home improvement products and access promotions. Of the chains studied, Lowe’s had the highest mobile app usage rate, yet it was still a nominal 8%. The retailers fared better with store credit cards – 34% use a Walmart credit card, 28% with Home Depot and 27% with Lowe’s. Ace Hardware had the most popular loyalty program by a large margin and was trailed by Lowe’s and Menards. [See Graph 3].

Graph 3 – Use of Loyalty Cards, Store Credit Cards and Mobile Apps

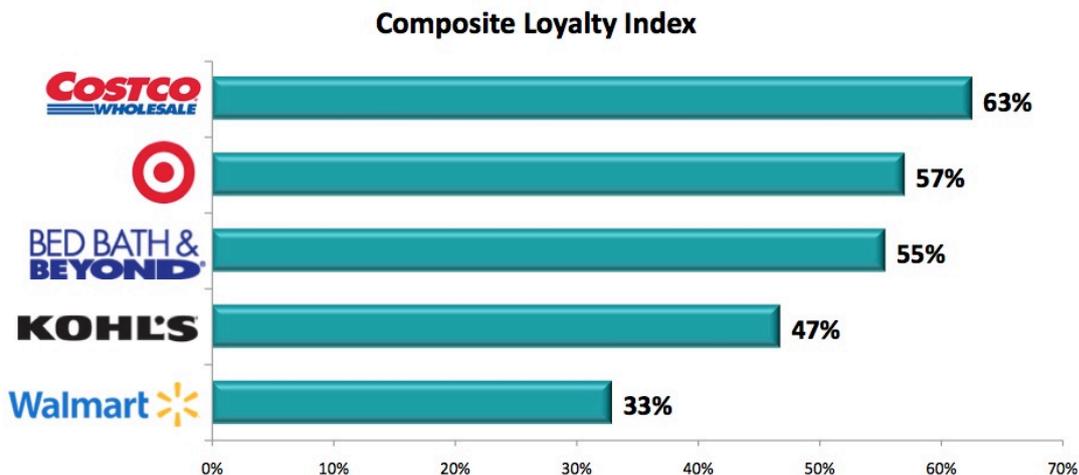


Retail Brand	Loyalty Program <i>(ex. earn points or rewards for \$ spent)</i>	Credit Card <i>(ex. open a line of credit to earn extra discounts, points, etc.)</i>	Mobile <i>(ex. download the brand's mobile app to research products, receive coupons, etc.)</i>
ACE Hardware	68%	11%	1%
Lowe's	24%	27%	8%
Menards	10%	17%	4%
Home Depot	7%	28%	7%
Walmart	3%	34%	7%

Home Furnishings Retailer Rankings

The Market Force study revealed consumers rated Costco as delivering the best home furnishings experience, primarily because of its high ranking on value. Costco earned the top spot with a composite loyalty score of 63%. Target ranked second with 57%, followed by Bed, Bath & Beyond, Kohl's and Walmart. [See Graph 4].

Graph 4 – Favorite Home Furnishings Retailers



In order to better understand which home furnishings retailers are delivering on consumers' expectations, Market Force asked study participants to rank their most recently visited home improvement retailer on various attributes. Target led in five of the eight categories, while Bed Bath & Beyond came out on top for two. [See Graph 5]. Overall, consumers expressed the highest satisfaction with their store's cleanliness and high value. Again, the lowest satisfaction was related to the availability of green or eco-friendly products.

Graph 5 – Home Furnishings Retailers Ranked by Attributes

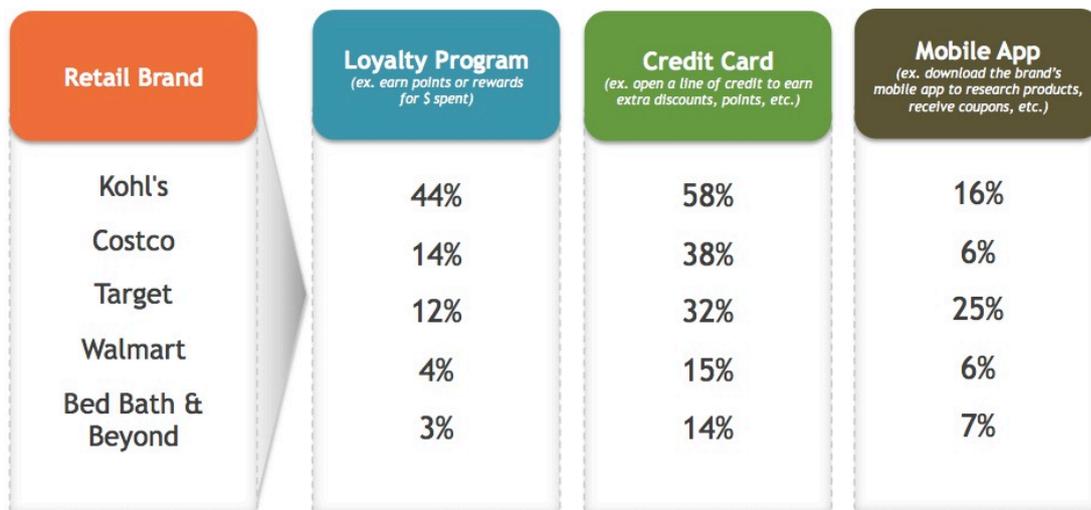


Value	Merchandise Selection	Brand Selection	Organized Merchandise	Cleanliness	Availability of Eco Products	Checkout Speed
Costco 57%	Bed Bath & Beyond 57%	Bed Bath & Beyond 47%	Target 54%	Target 63%	Target 39%	Target 48%
Target 48%	Target 48%	Target 42%	Bed Bath & Beyond 52%	Bed Bath & Beyond 59%	Costco 39%	Bed Bath & Beyond 47%
Kohl's 47%	Costco 43%	Kohl's 37%	Kohl's 49%	Costco 59%	Bed Bath & Beyond 38%	Kohl's 43%
Bed Bath & Beyond 44%	Kohl's 37%	Costco 35%	Costco 46%	Kohl's 54%	Kohl's 27%	Costco 43%
Walmart 40%	Walmart 32%	Walmart 28%	Walmart 31%	Walmart 30%	Walmart 25%	Walmart 28%

Loyalty Cards, Credit Cards and Mobile Apps for Home Furnishings

Mobile app usage was significantly higher for home furnishings than home improvement, with Target a clear leader with one in four reporting they use its app. Meanwhile, Kohl's had the most popular loyalty program, and 58% had opened a store credit card with them. [See Graph 6].

Graph 6 – Use of Loyalty Cards, Store Credit Cards and Mobile Apps



Survey Demographics

The survey was conducted online in February 2015 across the United States. The pool of 1,992 consumers (for the home improvement portion of the study) and 1,764 consumers (for the home furnishings portion) represented a cross-section of the four U.S. census regions and reflected a broad spectrum of income levels, with 62% reporting household incomes of more than \$50,000 a year. Respondents' ages ranged from 18 to over 65. Approximately 71% were men and 29% were women.

About Market Force Information

Market Force is the leading global customer intelligence solutions company for multi-location businesses, including major retailers, restaurants, grocery and convenience stores, financial institutions, entertainment studios and consumer packaged goods companies. Market Force has pioneered the industry with a suite of customer intelligence solutions that enable multi-location business to manage operational excellence and customer loyalty. Proprietary decision-support tools comprise a platform of data collection techniques including mystery shopping, customer surveys and contact center; analytics algorithms for predicting growth in loyalty and financial metrics; and a



technology platform for integrating multiple data streams. Market Force solutions enable brands to identify the actions required at the store level to increase customer loyalty and improve financial performance. For more information, visit <http://www.marketforce.com>.

Link: <http://www.marketforce.com/press-releases/item/home-improvement-and-home-furnishings-stores-market-force-study/>