

Two-Minute Warning: Customers Expect Home Improvement Retailers to Engage Quickly, J.D. Power Finds

Menards Ranks Highest in Customer Satisfaction with Home Improvement Retailers

COSTA MESA, Calif.: 13 June 2018 — Menards ranks highest in customer satisfaction among home improvement retailers for the first time, according to the J.D. Power 2018 Home Improvement Retailer Satisfaction Study,SM released today. Consumer spending on home improvement is on the rise, with an expected increase of 5.3% in 2018, to approximately \$387 billion.¹

The study measures customer satisfaction with home improvement retailers by examining five factors (in alphabetical order): merchandise; price; sales and promotions; staff and service; and store facility. Satisfaction is measured on a 1,000-point scale.

Following are some key findings of the 2018 study:

- **The “two-minute warning”:** From the time a customer enters a store, that person expects to receive assistance from a store employee within two minutes, otherwise, satisfaction begins to decline. Overall satisfaction declines significantly when a customer waits more than two minutes to have his/her question answered, compared with waiting less than two minutes (821 vs. 882, respectively).
- **Satisfaction drives loyalty:** Among delighted customers (overall satisfaction scores of 901 and above), 80% say they “definitely will” repurchase from the retailer, compared with the study average of 48%. Additionally, 83% of delighted home improvement retailer customers say they “definitely will” recommend the retailer to others, compared with the study average of 49%.
- **Delightful experience influences recommendations:** Among delighted customers, the average number of positive recommendations is 4.0, compared with the study average of 2.6.

Home Improvement Retailer Satisfaction Rankings

Menards (836) ranks highest in customer satisfaction among home improvement retailers and performs particularly well in the merchandise; price; and sales and promotions factors. This marks the first time Menards ranks highest. **Ace Hardware** (832) ranks second, performing highest in staff and service. **Lowe’s** (828) ranks third, performing highest in merchandise and store facility.

¹ Source: Home Improvement Research Institute <http://www.hiri.org/news/252765/HIRIHS-Economics-up-4.4-in-2015-Expecting-4.4-sales-growth-in-2016-and-beyond.htm>

The 2018 Home Improvement Retailer Satisfaction Study is based on responses from 2,972 customers who purchased home improvement-related products from a home improvement retailer within the previous 12 months. The study was fielded in March 2018.

For more information about the J.D. Power Home Improvement Retailer Satisfaction Study, visit <http://www.jdpower.com/resource/us-home-improvement-retailer-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2017083>.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

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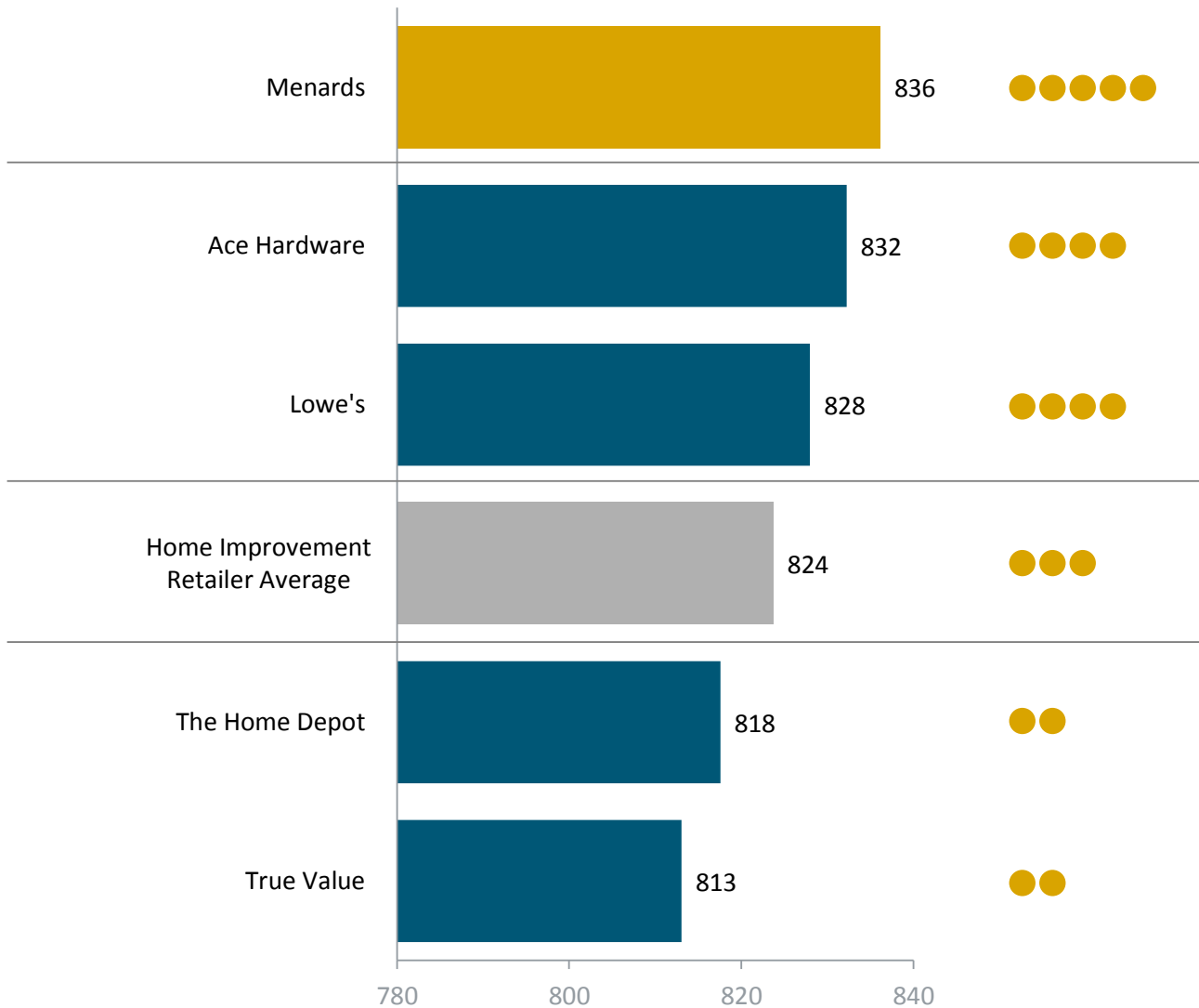
Note: One chart follows.

J.D. Power 2018 Home Improvement Retailer Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2018 Home Improvement Retailer Satisfaction StudySM

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