AN ANALYSIS OF ATTITUDES, BEHAVIORS AND PERCEPTIONS AMONG PURCHASE DECISION-MAKERS FOR UNIFORM RENTAL PROGRAMS

Submitted to:

CSC Network

Prepared by:

Market Measurement, Inc.

October 2010

 # 4005

MARKET RESEARCH • STRATEGIC PLANNING

32100 TELEGRAPH ROAD, SUITE 210
BINGHAM FARMS, MICHIGAN 48025-2463
248-646-1650
E-MAIL: mail@marketmeasurementinc.com
www.marketmeasurementinc.com

TABLE OF CONTENTS

I. Executive Summary 1

A. Objective 1

B Methodology 1

C. Summary of Study Findings 2

D. Key Study Statistics 4

E. Recommendations 8

II. Background 29

A. Chapter Summary 29

B Statistical Tables 34

III. Satisfaction With Uniform Rental Supplier 40

A. Chapter Summary 40

B Statistical Tables 48

IV. Comparative Assessment of Local Independent Launderers, vs. Nationals 67

A. Chapter Summary 67

B Statistical Tables 74

V. Demographics 87

A. Chapter Summary 87

B Statistical Tables 88

Appendix: Questionnaire 90

I. Executive Summary

A. Objective

To translate a highly accurate assessment of sentiment among decision-makers for uniform rental programs into specific recommendations to enable local/independent industrial launderers to more effectively compete with those serving the national market.

B. Methodology

This research is based upon a telephone survey conducted within a pure random sample of domestic U.S. companies in the following industries:

- Auto dealerships
- Auto repair
- Automotive dealers
- **Biotech***
- **Electrical contractors**
- Wholesale trade - durable goods
- **HVAC**
- Manufacturing: Food and kindred products
- Manufacturing: Chemicals and allied products
- Manufacturing: Fabricated metal products
- Manufacturing: Industrial machinery and equipment
- **Miscellaneous repair services**
- **Pharmaceutical companies**
- Special trade contractors.

* ***Industry categories added to the study design in 2010 shown in bold. Also note printing and publishing, as well as trucking and warehousing were deleted in 2010.***

Name lists were purchased from Dun & Bradstreet. Although the original target quotas for this initiative were 85 decision-makers who use a local/independent for uniform rental, and a similar interview quota for those using a national chain, Market Measurement executive interviewers actually completed 105 interviews with those using a national chain and 101 for those using a local/independent (i.e., 20% higher than the original project quota of 170).

C. Summary of Key Study Findings

1. Purchase motivations continue to be dominated by the combination of company benefits and benefits to the wearer.

2. In describing benefits to the company, decision-makers devote particular emphasis to professional image, uniformity of appearance, cleanliness of clothes and company identification.

3. While CINTAS continues to be the market share leader, it's level of penetration has declined significantly during the past four years. In addition, there is evidence that CINTAS has been measurably less successful/aggressive in seeking new business. This contrasts with UniFirst, which appears to be the most successful in acquiring new accounts.

4. Industrial launderers benefit from numerous direct sale items, with particular emphasis upon mats (54% - for which, admittedly, there may have been a measurable level of confusion regarding purchased, vs. rented mats), restroom supplies (31%) and, to a lesser degree, promotional apparel (18%), uniforms other than those rented (17%) and first aid supplies (13%).

5. Purchase decision-makers, who obtain direct sale products from their industrial launderer, often consider this to be an important service (31% "very important" and 59% at least "somewhat important").

6. After increasing substantially between 1998 and 2006, the level of overall satisfaction with uniform rental services has remained stable, if not declined slightly.

7. The primary untapped opportunities for better serving customer needs are likely to be "overall uniform appearance" (i.e., combination of cleaning, finishing, overall uniform condition, etc.), as well as product variety and completeness of delivery.

8. Levels of customer satisfaction are virtually undifferentiated when comparing local/independents to their national chain counterparts (i.e., as has been evident in previous research studies). This includes overall satisfaction ratings, Net Promoter Scores and evaluations of seven specific attributes of the rental uniform program.

9. In contrast, local/independents are characterized by numerous "perceptual advantages" over the national chains, including significantly higher ratings for:

   - Better/more personalized service (Unaided)
   - Supporting the local economy (Unaided)
   - Greater accessibility (Unaided)
   - Quality of service personnel (Aided)
   - Service quality (Aided)
   - Timeliness of response to problems. (Aided)

10. Despite these "image advantages" over the national chains, there has been some deterioration in the overall level of preference for local/independents, which is most likely a function of the significant competitive advantage characterizing national chains when considering "lower prices," as well as deterioration in what had been a solid preference for local/independents when considering "having fair billing policies" and "product quality."

11. This research reveals a relatively high level of interest among decision-makers who might consider switching launderers for a three-year and, in particular, a one-year contract.

D. Key Study Statistics

TOPICS		STUDY FINDINGS	
		2010	2006
1.	Motivations for renting uniforms		
	Benefits to the wearers	30%	39%
	Benefits to the company	8%	12%
	Both	62%	50%
2.	Primary benefits to the company		
	Professional image	52%	50%
	Cleanliness of clothes	28%	31%
	Uniformity of appearance	45%	31%
	Company identification	15%	-
3.	Report that "do purchase" each of the following from current uniform rental supplier		
	Mats	54%	NA**
	Restroom supplies	31%	NA
	Promotional apparel	18%	NA
	Uniforms, other than those rented	17%	NA
	First aid supplies	13%	NA
4.	["Do purchase" at least one of the items outlined above] Importance of rental uniform supplier offering these purchased products		
	Very	31%	NA
	Somewhat	28%	NA
	Only slightly	21%	NA
	Not at all important	20%	NA
5.	Uniform rental suppliers		
	CINTAS	36%	45%
	G&K	9%	12%
	Aramark	14%	10%
	UniFirst	14%	10%
	AmeriPride	6%	4%
	Local/Independents (total)	19%	19%
6.	Overall sentiment toward uniform rental program		
	Very favorable	66%	70%
	Somewhat favorable	31%	26%
	Somewhat unfavorable	1%	4%
	Very unfavorable	2%	-

**** Yellow/Light grey = significant differences, vs. orange/dark grey***
***** NA = Not asked in 2006***

TOPICS		STUDY FINDINGS	
		2010	2006
7.	Likelihood of recommending uniform rental supplier to others (i.e., 10 = extremely likely and 1 = extremely unlikely)		
	Rating of 9 or 10	55%	62%
	Rating of 7 or 8	30%	18%
	Rating of 1 - 6	15%	19%
	Net Promoter [Promoters minus detractors]	40%	43%
8.	Primary opportunities to better customer needs		
	None/Satisfied with service	54%	60%
	Reduce cost	15%	10%
	Keep uniforms cleaner	3%	7%
	Replace uniforms faster	3%	5%
	Better quality control	4%	3%
	Better customer service	7%	3%
	Completeness of delivery	3%	3%
9.	Rate uniform rental service “excellent”		
	Quality of delivery personnel	59%	51%
	Timely deliveries	53%	48%
	Telephone access	52%	44%
	Timely response to problems	43%	40%
	Fair billing policies	39%	39%
	Completeness of delivery	34%	33%
	Overall uniform appearance	32%	NA
10.	Rate uniform rental service “excellent” or “very good”		
	Quality of delivery personnel	81%	78%
	Timely deliveries	75%	76%
	Telephone access	75%	73%
	Fair billing policies	61%	69%
	Timely response to problems	70%	67%
	Completeness of delivery	60%	63%
	Overall uniform appearance	60%	NA
11.	Rate uniform rental service “excellent” or “very good” or “good”		
	Quality of delivery personnel	97%	97%
	Timely deliveries	96%	97%
	Telephone access	96%	94%
	Fair billing policies	92%	89%
	Timely response to problems	90%	88%
	Completeness of delivery	88%	88%
	Overall uniform appearance	93%	NA

**** NA = Not asked in 2006***

TOPICS		STUDY FINDINGS	
		2010	2006
12.	Likelihood of contract renewal		
	Absolutely would	37%	44%
	Probably would	56%	46%
	Probably would not	5%	7%
	Absolutely would not	2%	3%
13.	Receptivity to switching uniform rental suppliers if offered a three-year contract		
	Very	12%	NA
	Somewhat	21%	NA
	Only slightly	13%	NA
	Not at all likely	54%	NA
14.	Receptivity to switching uniform rental suppliers if offered a one-year contract		
	Very	29%	NA
	Somewhat	22%	NA
	Only slightly	11%	NA
	Not at all likely	38%	NA
15.	Perceived geographic service area for uniform rental supplier		
	Currently use local/independent:		
	National	54%	13%
	Local market	30%	50%
	Multiple states	5%	16%
	Don't know	11%	21%
	Currently use national supplier:		
	National	77%	53%
	Local market	10%	7%
	Multiple states	4%	15%
	Don't know	10%	26%
16.	Perceived advantages of using a locally-owned rental launderer (Unaided)		
	Better/More personalized service	41%	45%
	Easier access	20%	30%
	Supporting the local economy	39%	24%
	More responsive	13%	17%

**** Yellow/Light grey = significant differences, vs. orange/dark grey***

***** NA = Not asked in 2006***

TOPICS		STUDY FINDINGS	
		2010	2006
17.	Perceived advantages of using a larger, regional or national rental launderer (Unaided)		
	Lower cost	67%	67%
	More selection/Variety	29%	21%
	Better service	19%	10%
	More reliability	14%	5%
18.	Perceive "local firm would best serve needs," vs. national rental uniform supplier		
	Timeliness of response to problems	82%	82%
	Quality of service personnel	67%	80%
	Service quality	69%	77%
	Having billing policies you consider to be fair	51%	67%
	Product quality	45%	55%
19.	If switching uniform rental supplier, prefer		
	Local/Independent	53%	60%
	National	47%	40%
20.	Tenure of rental uniform use		
	Under 5 years	35%	32%
	5-9 years	29%	37%
	10 or more years	36%	31%
21.	Most popular job titles		
	Service Manager	26%	20%
	Operations Manager	7%	3%
	President/CEO	11%	12%
	Parts/Service Director	9%	5%
22.	Study participant knows the name of regular delivery person		
	Yes	77%	63%
	No	23%	37%

**** Yellow/Light grey = significant differences, vs. orange/dark grey***

E. Recommendations

1. Customer Service

a. Relatively high overall satisfaction scores for the industry should be viewed by member firms as an indication of the challenges associated with "acquiring" customers from competitors, while also reinforcing the crucial importance of maintaining high levels of customer satisfaction within existing accounts: In 1998, barely one-half (56%) of all uniform rental customers were "very favorable" in describing their overall relationship with their supplier. In 2006, this increased dramatically to 70% and remained at a relatively high level (66% in 2010) despite the fact that challenging economic conditions often translate into lower customer satisfaction scores. Although likely to be a key point-of-emphasis within virtually any member firm, these study findings reinforce the substantial level of importance that should be associated with meeting, or exceeding, customer service expectations among existing purchase decision-makers since competitors are performing at a high level. In addition, marketing strategies should reflect the fact that, compared to historical trends, it may be increasingly difficult to attract customers away from existing suppliers, though the alternative of attacking no-programmers has always been highly challenging.

Reinforcing the substantial improvements in customer satisfaction ratings are the aided evaluation of criteria known to have a substantial impact upon overall customer satisfaction levels. Specifically, since 1998, there have been statistically-significant increases in the proportions of "excellent" ratings for:

- Quality of delivery personnel (43% - 1998 and 59% - 2010)
- Timeliness of delivery (41% / 53%)
- Accessibility by telephone (38% / 52%)
- Fair billing policies (30% / 39%)
- Completeness of delivery (25% / 34%).

Table 3-1
Table 3-7

b. It is Market Measurement's perception/experience that many industrial launderers, when meeting with customer decision-makers, will ask for a satisfaction rating for the service. This research suggests that the Net Promoter Score question may be a viable/useful substitute for a more direct assessment of customer satisfaction: The problem, from our perspective, with directly asking customers for a satisfaction rating is that some may be less than candid during a face-to-face meeting. In contrast, purchase decision-makers could be comparatively more candid if asked about the likelihood of recommending the supplier to friends, colleagues, etc. The ability of the Net Promoter Score question to serve as an accurate substitute for a direct evaluation of satisfaction can be found in the dramatic difference in the Net Promoter Score for those who, at the beginning of the interview, indicated that they are "very favorable" toward their industrial launderer (i.e., Net Promoter Score = 72%), vs. those only "somewhat favorable" (Net Promoter Score = -16%). In essence, there is an eighty-eight percentage point difference in the Net Promoter Scores between these two customer categories. We believe that this is compelling evidence of the value of substituting the Net Promoter Score question for a direct evaluation of customer satisfaction, particularly during in-person meetings with customers.

Table 3-4

c. Despite the multitude of services provided to uniform rental customers, planning activities should reflect the comparatively [surprisingly?] high level of importance customers associate with on-time delivery and, as a result, this should receive particular attention in promotion activities and when considering the many challenges to providing on-time delivery (e.g., route consolidation, increased traffic congestion in many areas, expanded route size, etc.): Among those providing a high Net Promoter Score, the list of primary motivations for being receptive to recommending a uniform rental supplier was dominated, to some degree, by mentions of on-time delivery (27%) and the closely-related criteria of "reliability" (16%) and "driver is efficient" (4%). Some hypotheses include:

- Many services, such as cleaning, repair, replacement, etc., are simply "assumed" to be provided in an effective manner by industrial launderers.

- Many purchase decision-makers are, as is true in the business world in general, highly sensitive to staff members being late to meetings, suppliers not meeting deadlines, etc. Consequently, though a potentially small element of the total service provided, these individuals are [apparently] often most impressed with the fact that uniforms are, typically, picked-up and dropped off in a very timely manner. Compare these ratings to the relatively infrequent mentions of good value for the price (3%), product quality (7%), rapid response to problems (4%) and garment cleaning (1%).

- In further reinforcing the importance of delivery issues, when considering overall decision-maker satisfaction, Market Measurement notes that "quality of delivery personnel" was the highest rated of five aided evaluation criteria (e.g., 59% - "excellent" rating, compared to only 3% "fair" or "poor").

- Ultimately, these study findings indicate that communicating to current, and potential, customers the high level of attention devoted to on-time delivery is a crucial promotion theme. In addition, solid performance with regard to on-time delivery is likely to directly translate into higher levels of customer satisfaction and Net Promoter Scores.

Table 3-5, Table 3-7, Table 3-8

d. In terms of "realities" associated with customer service, members should assume that the performance of the national chains is relatively undifferentiated from that of local/independents: When considering overall satisfaction ratings, Net Promoter Scores and evaluations of a variety of specific customer satisfaction criteria, decision-maker ratings were highly similar when considering those currently using a local/independent, vs. those using one of the national chains. Nevertheless, Market Measurement always contends that, "the world is driven more by perception than reality" and, as will be evident in subsequent recommendations, local/independent launderers are well-positioned to capitalize upon favorable image attributes, vs. national competitors.

The only notable exception is that, by an admittedly narrow margin, local/independents receive higher actual performance ratings when considering "timeliness of problem response."

Table 3-2, Table 3-4, Table 3-6, Table 3-9

e. In terms of better serving current customer needs, this research suggests that the primary emphasis of member firms should be upon "overall appearance of the uniforms:" When considering the crucial unaided commentary regarding opportunities for customer needs to be better served (i.e., arguably the, most important information collected in this study, since these are top-of-mind concerns among current customers), other than criticisms of cost, customers are most likely to focus upon production topics, such as replacing worn uniforms, uniforms should be inspected before delivery, keep uniforms cleaner, replace uniforms faster, repair uniforms, etc. More importantly, those who are only "somewhat favorable" in their overall assessment of the service are more than four times as likely to submit unaided criticisms of production topics (29%), vs. those who are "very favorable" (7%). Market Measurement submits that this sentiment is also highly consistent with the steadily increasing importance of image and identity as a purchase motivation.

Market Measurement also notes that, when considering the five aided evaluation criteria (i.e., topics that, traditionally, have been the most closely associated with customer dissatisfaction), the lowest-rated topic for the proportion of "excellent" ratings was "overall appearance of uniforms." In terms of applying this information, Market Measurement submits that there may be a tendency to evaluate rental uniforms from a somewhat fragmented, vs. "holistic" perspective. In essence, a critical evaluation of a particular uniform may indicate that:

- The garment is clean
- There are few, if any, unremovable stains
- All repairs have been made to the garment in terms of no missing buttons, tears that have not been repaired, etc.
- The garment is relatively free of wrinkles.

Despite meeting all of these “incremental objectives” in terms of servicing the garment, might there also be an untapped opportunity for someone to stand back and consider the overall appearance of the garment and determine that, while there are no significant individual deficiencies, it would be easy to understand why a purchase decision-maker would not view the garment as an acceptable representation of their company?

Stated another way, though the garment may “technically” meet all promised evaluation criteria to the customer, are we delivering a uniform that will have a positive, or at worst neutral, impact upon those viewing it? Obviously, addressing this issue shifts the conversation into the [almost always] challenging topic of garment replacement policies, costs, etc. Regardless, Market Measurement submits that, from our extensive experience in the industry, the importance of the overall appearance of the rental uniform should be viewed as a crucial evaluation criterion among purchase decision-makers and may very well be of increasing importance.

Finally, Market Measurement submits that other attributes of “overall appearance of the garment” can include the variety/quality of the garments offered to customers. Specifically, among those only “somewhat favorable” regarding the service, almost one-in-six (16%) vocalized unaided criticism of the variety of uniforms and quality of uniforms.

Table 3-6
Table 3-7

f. When considering the always-challenging task of rapidly developing satisfaction and loyalty among new customers (i.e., especially when considering the multi-faceted characteristics of the uniform rental program), Market Measurement recommends particular attention be devoted to establishing an effective communication/response mechanism to rapidly address customer problems/concerns: Among the ratings for five aided evaluation criteria, known to have a significant impact upon overall customer satisfaction, only one was characterized by a statistically-significant variance among new customers (i.e., under four year's tenure), vs. those with 10 or more year's experience with their current supplier. Specifically, among new customers, only 30% provided a rating of "excellent" for "timeliness of response to problems." This compares to more than one-half (53%) of those in the longer tenured group. For all other aided evaluation criteria, there were no statistically-significant differences.

When considering the fact that new customers, regardless of the product or service, are typically the most vulnerable to dissatisfaction and being lost to competitors, Market Measurement submits that the establishment of a new customer relationship should include particular attention to creating a well-conceived process for responding to customer needs and concerns. As a very simplistic example, this could include the combination of providing the customer with a "hotline number" whenever they have a problem or concern (i.e., probably nothing more than the Customer Service line being used by all customers) and, of even greater importance, having a follow-up mechanism to ensure that the purchase decision-maker perceives that their issue has been addressed, in both a timely and effective manner.

In reinforcing the importance of this objective, by a narrow margin, ratings for "timeliness of response to problems" were characterized by the greatest variance in "excellent" ratings between those "very favorable" toward the service (58% - excellent) and those only "somewhat favorable (14% - excellent).

Table 3-11

g. When considering only the aided evaluation criteria, Market Measurement submits that "completeness of delivery" may represent the only evaluation criterion, from a total industry perspective, that may justify additional personnel and financial resources to improve ratings: Market Measurement generally recommends that the only aided evaluation criteria likely to be characterized by a favorable return-on-investment from corrective actions be considered those for which combined "fair" or "poor" ratings are at least 12% of the total population surveyed. Using this criterion, only completeness of delivery meets this level of customer dissatisfaction.

Finally, another motivation for devoting additional emphasis to improved ratings for completeness of delivery is that this appears to be a popular criticism among those only "somewhat favorable" toward the service, overall, and also when considering new customers (i.e., 22% "fair" or "poor" ratings).

Table 3-8
Table 3-10
Table 3-12

2. Marketing and Promotion

a. Promotion activities should emphasize both benefits to the company and benefits to wearers when marketing uniform rental, particularly when considering larger organizations (i.e., based upon number of wearers): The proportion of decision-makers who indicate that they rent uniforms because of both company benefits and wearer benefits has increased steadily and substantially between 1998 (43%) and 2010 (62%). This is a particularly popular sentiment among larger organizations (76%), vs. their smaller counterparts (54%), in terms of number of wearers.

Table 2-1

b. When focusing upon "benefits to the company" marketing and promotion activities should devote particular attention to "professional image" and "uniformity of appearance," while also including some mention of "company identification/ promotion." In 1998, only 21% of all decision-makers identified "professional image" as a motivation for using rental uniforms. By 2006 and 2010, this increased to at least one-half of all decision-makers. This study has also recorded a significant increase in mentions of "uniformity of appearance" between 2006 (31%) and 2010 (45%). "Company identification" was rarely mentioned in previous studies, though 15% of all decision-makers in 2010 identified this, on an unaided basis, as an important motivation for using rental uniforms.

Table 2-2

c. To further enhance customer satisfaction and loyalty, consideration should be given to ensuring regular contact between delivery personnel and purchase decision-makers: Past CSCNetwork research has demonstrated that customer accounts where purchase decision-makers indicate that they know the name of their regular delivery person, customer satisfaction ratings are measurably higher. In this 2010 research study, Market Measurement found that the proportion of decision-makers who know the name of their regular delivery person increased from about two-thirds (63% in 2006) to more than three-quarters (77% in 2010). Might this be an indication of the growing awareness of the importance of ensuring frequent communication between purchase decision-makers and their delivery contact?

Interestingly, it is the larger accounts where decision-makers are most likely to be familiar with their regular delivery person (86%, vs. only 67% in smaller accounts). While, logically, one might assume that it is in smaller accounts where the delivery person would be most likely to have direct contact with purchase decision-makers, this research suggests that industrial launderers *may* be intentionally directing delivery personnel to have contact with decision-makers at their largest [and most valuable?] accounts. CSCNetwork member firms may want to consider pursing a similar strategy, if they are not already devoting priority to this activity.

Table 2-4

d. This research indicates that member firms should consider three-year and one-year contracts to be potentially compelling marketing strategies for encouraging decision-makers to switch rental uniform suppliers: When asked to describe their level of receptivity to a three-year contract, instead of the more common five-year contract, more than one-in-ten (12%) purchase decision-makers indicated that they would be "very likely" to consider switching suppliers with this as an incentive. In addition, this proportion increased to one-third (33%) of all study participants when including those at least "somewhat likely" to consider switching.

Of particular interest to member firms is the significantly higher level of receptivity to a three-year contract among those who, if switching suppliers, would be most likely to choose a local/independent rental firm. Specifically, 41% of those most receptive to moving their account to a local/independent are at least "somewhat likely" to consider switching for a three-year contract. This proportion is "significantly," if not dramatically, lower for those most receptive to switching to a national competitor (26%).

When considering the substantially more aggressive strategy of offering a one-year contract, the impact on the market could be dramatic. For example, more than one-in-four (29%) purchase decision-makers are "very likely" to consider switching suppliers for a one-year contract, with this proportion increasing to at least one-half (51%) when including those at least "somewhat likely" to consider switching.

While there are certainly financial risks associated with offering three-year contracts and, in particular, on-year contracts, this research reveals that this approach to the market could provide local/independents with a highly unique, and compelling, message for attracting new business.

Table 3-14
Table 3-15

e. **As will be demonstrated later in this section of the recommendations, local/independent industrial launders are characterized by a significant "missed opportunity" associated with the combination of a relatively low proportion of current customers accurately identifying their supplier as a local/independent and, of equal concern, the very high level of misidentification of the uniform rental supplier as serving the national market:** In 2010, the proportion of those currently served by a local/independent who inaccurately perceive their supplier to be a national chain (54%) increased dramatically when compared to both 2006 (13%) and 1998 (7%). In addition, less than one-in-three (30%) accurately identified their supplier as a local/independent in 2010. It will be come evident why this is important when considering the image attributes of local/independent launderers, vs. their national chain counterparts.

Fortunately, the level of misidentification of the national chains is dramatically lower (i.e., in 2010, 77% - accurate identification of the supplier as a national chain, vs. only 10% who perceive their supplier to be a local/independent). Ultimately, Market Measurement recommends that local/independents assume a highly aggressive stance in terms of communicating to current, and potential, customers that they are a local/ independent provider (i.e., and, in many cases, the only local/independent serving a particular geographic area).

Table 4-1
Table 4-2

f. In elaborating on the previous recommendation, member firms should aggressively "educate the market" regarding the fact that they are a local/ independent businesses, while also accurately identifying the national chains and promoting to purchase decision-makers the benefits of using a local/independent rental uniform provider, including better/more personalized service, supporting the local economy and greater accessibility: When asked to describe the potential benefits of using a supplier that only serves the local market, purchase decision-makers were highly vocal, frequently mentioning better/more personalized service (41%), supporting the local economy (39%) and greater accessibility (20%). Also mentioned was "being more responsive" (13%). The proportions of mentions of supporting the local economy and offering greater accessibility are significantly higher than the frequency of these topics being mentioned in 1998 (i.e., only 7% and 14%, respectively).

In contrast, when asked to describe the benefits of using a larger, regional or national rental uniform supplier, emphasis was devoted to "lower costs," though these suppliers were also noted as offering more selection/variety (29%), better service (19%) and more reliability (14%). The increasing level of importance of low prices as an image attribute associated with the national chains can be found in the dramatic increase in mentions of this topic between 2010 (67%) and 1998 (38%).

Ultimately, these findings suggest the following:

- Local/independent launderers must devote personnel and financial resources to educating both current, and potential, customers regarding the local/independent status of their business, when considering the highly attractive image attributes associated with this designation.

- While there appears to be comparatively less need to identify the national chains, this should still be viewed as a secondary priority (i.e., a measurable proportion of purchase decision-makers remain unclear about "who are the nationals?").

- Local/independent launderers should capitalize upon the highly favorable image attributes commonly associated with a local/independent business, including better/more personalized service, supporting the local economy and greater accessibility.

- In battling the nationals, there can be little doubt that these competitors aggressively use low prices as one of, if not the key promotion themes. Although not always characterized by a measurable difference in price, this research certainly suggests that an important promotion theme for local/independent launderers is that "If you are paying a lower price, you might get exactly what you are paying for!". In essence, there is compelling evidence that local/independents should be able to successfully position themselves as offering a "value advantage," even if at a slightly higher cost.

- Local/independent launderers should avoid the temptation to promote themselves as "big" because this only adds to the deterioration in the net image advantages they have over national chains. From Market Measurement's perspective, the ideal scenario is for the local/independents to promote themselves as "local/independent/family owned", while also emphasizing the resources available through CSCNetwork (e.g., tremendous purchasing power).

Table 4-3, Table 4-4,
Table 4-5, Table 4-7

g. **In addition to capitalizing upon the image advantages local/independents have over their national chain competitors, Market Measurement recommends that promotion activities include comparative assessments suggesting that a local/independent will also offer significant advantages in terms of quality of service personnel, service quality and, in particular, timeliness of response to problems:** When considering five aided evaluation criteria, in terms of which type of supplier would best serve customer needs, local/independent firms enjoy a significant "perceptual advantage" over the national chains for quality of service personnel (i.e., 67% perceive a local/independent would best serve their needs, vs. 33% for nationals), service quality (69% / 31%) and an overwhelming image preference when considering timeliness of response to problems (82% / 18%).

Table 4-8, Table 4-9, Table 4-10

h. **Local/independent launderers should critically evaluate the degree to which lower costs available through national chains is a perception or reality:** Market Measurement submits that national chains often benefit from the perception that larger size = lower prices, primarily through economies-of-scale and the purchasing power of a large/national organization. Conversely, we believe that local/independent launderers can make a compelling argument that, since their buying power through CSCNetwork is comparable to being the second largest industrial launderer in the country, they can be as competitive as any of the national chains when considering price.

Ultimately, it may be useful for the personnel of local/independents to gather feedback from current and potential customers to determine whether "low price" is a reality with the national chains or more of a perception. Regardless of the outcome, it will be important for member firms to promote their affiliation with CSCNetwork and the benefits to the customer associated with this affiliation.

Table 4-6

i. **Member firms should promote their ability to "match" national competitors when considering selection/variety of garments:** More selection/variety is among the "perceived" advantages characterizing the national chains. However, realty suggests that, through the affiliation with CSCNetwork, local/independent launderers can provide a comparable level of garment variety/selection.

Table 4-4
Table 4-5

j. **This research indicates that local/independents should carefully review billing policies and product quality when considering the significant declines in what had been substantial "image advantages" over the national chains on these two evaluation criteria:** In 1998, 83% of all purchase decision-makers perceived that a local/independent would best serve their needs when considering "having fair billing policies." Since that time, this proportion has declined significantly, and substantially, to only 51%. Similarly, the image advantage associated with "product quality" has fallen from 75% to 45%. When considering billing policies, it is Market Measurement's perception that many local/independents may have joined their national counterparts in terms of aggressively pursing "extra charges" that have often translated into negative sentiment among current customers. Ultimately, sentiment toward these two topics, which had been competitive strengths for member firms have, in many cases, now become areas of vulnerability.

Table 4-8

k. Perhaps because of current economic conditions, as well as deterioration in sentiment toward characteristics, such as having fair billing policies and high product quality, local/ independents should assume that there has been a measurable level of deterioration in the overall preference for local/independents, vs. being served by a national chain: In 2006, when asked "if they ever decided to switch uniform rental suppliers" would they be most likely to switch to a local/independent or national chain, local/independents enjoyed a measurable level of preference (i.e., 60%, vs. 40% for national chains). In 2010, this twenty percentage point gap has narrowed to only six percentage points (i.e., 53%, vs. 47% for national chains). On an overall basis, this research suggests that this is most likely to be a function of the perceived pricing advantages of the national chains (i.e., particularly when considering current economic conditions) and, possibly, deterioration in the historical advantage of offering fair billing policies and high product quality.

Table 4-13

3. Competitive Market Environment

a. Assume that there is compelling evidence suggesting that the market leadership position of CINTAS may be waning which, among other actions, suggests increased emphasis upon monitoring the marketing and promotion activities of other national chains that may be more aggressive: In 2006, CINTAS had a market share of 45%. This has declined "significantly" to 36% in 2010. This study finding is further reinforced by the fact that only 21% of all users of uniform rental with less than four year's tenure with their current supplier are serviced by CINTAS (i.e., CINTAS accounts for more than one-third of the total market, but barely one-fifth of recently-acquired customers). In contrast, CINTAS is substantially more dependent upon customers with whom they have had relationships with at least 10 years (i.e., 52% of all customers in this tenure category are serviced by CINTAS).

Combined with evidence of CINTAS becoming a less threatening competitor, UniFirst is likely to be a growing threat. For example, among new accounts (i.e., under four-year's tenure), UniFirst controls more than one-fifth of these customers (21%), a fifty percent higher level of market penetration, vs. the total market share of UniFirst (14%). In addition, this level of new customer acquisition is comparable to that of CINTAS, even though the overall market share for CINTAS is nearly three times that of UniFirst. Ultimately, it may be useful to determine whether UniFirst has identified some unique/compelling marketing and promotion themes/strategies or, for example, if they are simply being highly aggressive in their pricing activities.

There is also evidence that G&K may be devoting comparatively greater emphasis to new customer development, though this could be a function of the [apparent] inability of G&K to establish long-term customer relationships (i.e., only 2% of all customers who have been with their current supplier for at least 10 years are serviced by G&K, approximately one-fifth of G&K's total market share - 9%).

Table 2-3

4. Direct Sale Products

a. Member firms should compare their level of customer account "penetration" for direct sale items to the national statistics reflected in this study: This is the first CSCNetwork-sponsored study that included a detailed evaluation of the proportion of accounts into which launderers have successfully sold direct purchase items. Each member firm should determine the degree to which they have been able to achieve, or even exceed, these market penetration levels. For example, this research suggests that one-half of all accounts should include the direct sale of mats (i.e., or, due to possible study participant confusion, the use of rental mats), while at least one-third of all accounts should be purchasing restroom supplies, etc. Admittedly, the unique characteristics of the customers served by any individual member firms may foster variances from these industry averages, though this type of comparison should be a useful starting point for critically evaluating/identifying untapped opportunities to increase revenue through direct sale items.

Table 2-5

b. Local/independent launderers should be particularly sensitive to potential untapped opportunities to promote direct sale uniforms: Within national accounts, nearly one-in-five (19%) indicate that they purchase uniforms, other than those rented. For local/independent launderers, this proportion is reduced by more than one-half (8%), suggesting the possibility of an untapped revenue opportunity.

Table 2-5

c. There is at least some evidence that the direct sale of restroom supplies may further enhance the level of customer satisfaction: Among those "very favorable" in their overall assessment of their uniform rental supplier relationship, more than one-third (36%) purchase restroom supplies. This is significantly higher than the one-in-five (20%) of those who purchase restroom supplies and are only "somewhat favorable" about their uniform rental supplier relationship. While one could hypothesize that this is simply a function of more satisfied customers being more receptive to direct sale purchases, restroom supplies is the only product category for which this net difference is "statistically-significant."

Table 2-5

d. **It may be useful for member firms to consider the hypothesis that first aid supplies could also hold untapped sales revenue potential:** Among customers who have been with their current uniform rental supplier for at least 10 years, almost one-in-four (24%) purchase first aid supplies from their launderer. This is at least three times the proportion characterizing those with less tenure with their uniform rental supplier. Admittedly, this may be a function of firms with longstanding relationships with their uniform rental supplier being comparatively more likely to be in traditional markets where the demand for first aid supplies may be greater.

However, the level of variance in market penetration is so dramatic that Market Measurement submits that there may, in fact, be an opportunity for member firms to be more aggressive in promoting first aid supplies. Another interpretation of these study findings is that the market for first aid supplies is approaching saturation (i.e., those for whom the purchase of first aid supplies is relevant have, to a large degree, already been captured by uniform rental suppliers).

Table 2-5

e. **Although not overwhelming, this research provides support for the likelihood that offering direct sale items to uniform rental customers can further solidify these relationships:** Among those who currently purchase at least one of the direct sale items evaluated in this research, almost one-third (31%) also indicate that it is “very important” that their uniform rental supplier provide this service, with this proportion increasing to more than one-half (59%) when including those suggesting that this is at least “somewhat important.” Consequently, in addition to providing another source of revenue for industrial launderers, offering direct sale items could also be viewed as a strategy for further solidifying rental customer relationships.

Table 2-6

II. Background

A. Chapter Summary

1. The primary motivations for using rental uniforms continue to evolve from a comparatively high level of emphasis upon wearers (i.e., 1998 = 46% used rental uniforms strictly as a worker benefit), to a scenario in which decision-makers are increasingly focused upon benefits to the company and wearers. Based upon Market Measurement's extensive experience in this industry, we believe that this is a function of the steadily increasing importance of the impact of rental uniforms on company image/identity, vs. the declining size/importance of traditional, heavy-soil industries.

   This research also reveals that aggressively promoting the benefits of rental uniforms to both the company and wearers will be most important when considering larger firms (i.e., in terms of number of wearers). For example, only 18% of large firms rent uniforms strictly as a wearer benefit, barely one-half the proportion recorded among small and medium firms (36%). Finally, there is evidence that local/independents and national chains tend to serve similar customer populations, at least based upon motivations for using uniform rental.

Table 2-1

2. When asked to describe "benefits to the company" associated with rental uniforms, barely one-in-five (21%) study participants in the 1998 market evaluation mentioned "professional image." In 2006 and 2010, the level of emphasis upon "professional image" more than doubled (i.e., at least 50% of all decision-makers identified "professional image," on an unaided basis, as a motivation for using rental uniforms). In addition, there has been a significant increase in mentions of "uniformity of appearance" between 2010 (45%) and 2006 (31%), as well as the level of emphasis upon company identification/promotion (i.e., 15% mention in 2010, vs. no specific mentions in 2006). Again, this research tends to reinforce the similarities in markets served by local/independents, vs. their national counterparts.

Table 2-2

3. Probably to no one's surprise, CINTAS continues to be the market share leader (36%) with nearly double the level of market penetration of all local/independents (19%) and nearly comparable to the level of market share for the next three national industrial launderers. Nevertheless, CINTAS recorded a significantly lower level of market penetration in 2010 (36%), when compared to 2009 (45%). The level of market penetration for local/independents has remained unchanged during the past four years (19%).

   In further evaluating market share, based upon the various tenure groups, Market Measurement found that, while the level of market penetration is relatively consistent for local/ independents (i.e., across all three tenure group categories), there were substantial variances among the national chains:

   - CINTAS was characterized by a particularly high market share among those with at least 10 year's tenure with their current supplier (52%, vs. the CINTAS total market share of 36%).

   - UniFirst appears to be particularly aggressive in capturing new business (i.e., 21% penetration for those with under four year's tenure, which is fifty percent higher than their overall market share of 14%). Ultimately, it may be useful to attempt to determine whether UniFirst has identified some unique/compelling marketing and promotion themes/strategies or, for example, if they are simply being highly aggressive in their pricing policies.

   - Both UniFirst and G&K tend to have comparatively low levels of representation among those with 10+ years tenure with their current supplier.

   - Although not statistically-significant, there may be some evidence that Aramark is also devoting a relatively high level of emphasis to new customer acquisition.

The primary challenge in accurately interpreting these study findings can be found in these observations:

- Having a disproportionately high level of market penetration among those with under four year's tenure could be a function of numerous issues, including aggressive/successful marketing to new accounts, or an inability to establish long-term customer relationships (i.e., constantly "churning" new customers, while being unable to translate these into long-term relationships).

- A high level of market share among longer-tenured customers, such as with CINTAS, could be related to solid capabilities in terms of maintaining long-term customer relationships, or simply reflect less emphasis/ success in capturing new customers.

Ultimately, it will be useful to receive feedback from CSCNetwork member firms regarding the most accurate interpretation of these study findings.

Table 2-3

4. There has been a statistically-significant increase in the proportion of decision-makers who know the name of their regular delivery person. Although not as evident in this 2010 assessment, historical CSCNetwork study findings have suggested that decision-makers who know the name of their regular delivery person will be comparatively more likely to provide high satisfaction and retention scores.

   As has been evident in previous research investigations, larger firms tend to be the most likely to know the name of their regular delivery person, which has always been somewhat surprising to Market Measurement since there is certainly some level of conceptual support that a regular delivery person will have greater access, and exposure, to the uniform rental purchase decision-maker in a smaller account. Conversely, we believe that this study finding may be a function of the comparatively high level of importance associated with larger accounts and, as a result, greater emphasis upon delivery person contact with decision-makers at these locations.

   Table 2-4

5. This research suggests that there may be untapped opportunities for local/independents to more aggressively promote the direct purchase of uniforms, as this is evident among only 8% of those who use a local/independent for uniform rental, slightly less than one-half the proportion characterizing users of national chains (19%).

   First aid supplies may be another category associated with untapped demand potential. Specifically, while almost one-in-four (25%) of those who have used their current launderer for at least 10 years also purchase first aid supplies, this proportion is dramatically lower among those with a short (8%) or moderate (7%) tenure with their current supplier. Another interpretation is that the market for first aid supplies is approaching saturation (i.e., those for whom the purchase of first aid suppliers is relevant have, to a large degree, already been captured by uniform rental suppliers).

   Table 2-5

6. Among those who currently purchase at least one of the products evaluated in this research, from their current uniform rental supplier, there is a fairly even division of sentiment regarding whether it is “very important,” vs. “somewhat important,” vs. “not that important” that the uniform supplier offer these products. Conceptually, this is not surprising as there are likely to be multiple sources for these purchased products.

Table 2-6

B. Statistical Tables

TABLE 2-1

MOTIVATIONS FOR USE OF RENTAL UNIFORMS

2. In general, do you use rental uniforms because of...

	TOTAL			Q. C CURRENT SUPPLIER		Q. A NUMBER OF WEARERS**		
	2010	2006	1998	Local/ Independent	National	Small	Middle	Large
Both (VOL.)	62%	50%	43%	61%	62%	54%	54%	76%
Benefits to the uniform wearers	30%	39%	46%	28%	31%	36%	36%	18%
Benefits to the company	8%	12%	11%	11%	7%	9%	10%	6%
Weighted Interviews	**206**	**201**	**409**	**37**	**167**	**70**	**57**	**72**
Interviews Completed	**205**	**201**	**409**	**93**	**108**	**69**	**62**	**68**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

*****See Table 5-1: Small = 5 - 15 employees, medium = 16 - 29 employees and large = 30 or more employees (i.e., these classifications based upon dividing all participating firms into three approximately equal categories and then determining the number of uniform wearers in each category.***

TABLE 2-2

RENTAL UNIFORM BENEFITS TO COMPANY**

3. In terms of BENEFITS TO YOUR COMPANY, why do you rent uniforms?

	TOTAL		Q. C CURRENT SUPPLIER	
	2010	2006	Local/ Independent	National
Professional image*	52%	50%	50%	52%
Uniformity of appearance	45%	31%	37%	47%
Cleanliness of clothes	28%	31%	30%	28%
Company identification/ Promotion	15%	-	11%	16%
Convenience (Unspecified)	12%	12%	10%	12%
Cost savings to company	8%	4%	15%	7%
Regulations/Government mandates/Laws	3%	-	1%	4%
Repairs/Replacement of garments	3%	3%	3%	3%
Safety	3%	-	1%	3%
Customer service (unspecified)	1%	2%	3%	1%
Quality of the garments	-	3%	1%	-
Employees want them	-	1%	-	-
So employees feel good about their work/working environment	-	1%	-	-
Other	7%	1%	12%	6%
Weighted Interviews	**201**	**201**	**36**	**163**
Interviews Completed	**201**	**201**	**92**	**105**

**** vs. 21% in 1998***

***** Multiple mentions allowed***

**** ** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 2-3

COMPANY THAT PROVIDES UNIFORM RENTAL SERVICE

C. Could you please tell me the name of the company that provides your uniform rental service?

	TOTAL		Q. 19 TENURE		
	2010	2006	Short Under 4 years	Moderate 5-9 Years	Long 10+ years
NET: NATIONAL	**81%**	**81%**	**82%**	**79%**	**81%**
CINTAS	36%	45%	21%	31%	52%
UniFirst	14%	10%	21%	16%	7%
Aramark	14%	10%	18%	13%	9%
G & K	9%	12%	11%	13%	2%
AmeriPride	6%	4%	9%	3%	7%
ALSCO	2%	-	2%	3%	2%
NET: LOCAL	**19%**	**19%**	**18%**	**21%**	**19%**
Weighted Interviews	**206**	**201**	**68**	**59**	**65**
Interviews Completed	**206**	**201**	**67**	**62**	**66**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey***

TABLE 2-4

FAMILIAR WITH NAME OF REGULAR DELIVERY PERSON

18. Do you know the name of your regular delivery person for uniform rental?

			Q. C Current Supplier		QA # WEARERS		
	2010	2006	Local/ Independent	National	Small	Middle	Large
Yes	77%	63%	74%	78%	67%	76%	86%
No	23%	37%	26%	22%	33%	24%	14%
Weighted Interviews	**206**	**201**	**37**	**167**	**70**	**57**	**71**
Interviews Completed	**205**	**201**	**94**	**108**	**70**	**62**	**67**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 2-5

PURCHASE ITEMS OTHER THAN RENTAL UNIFORMS FROM CURRENT SUPPLIER

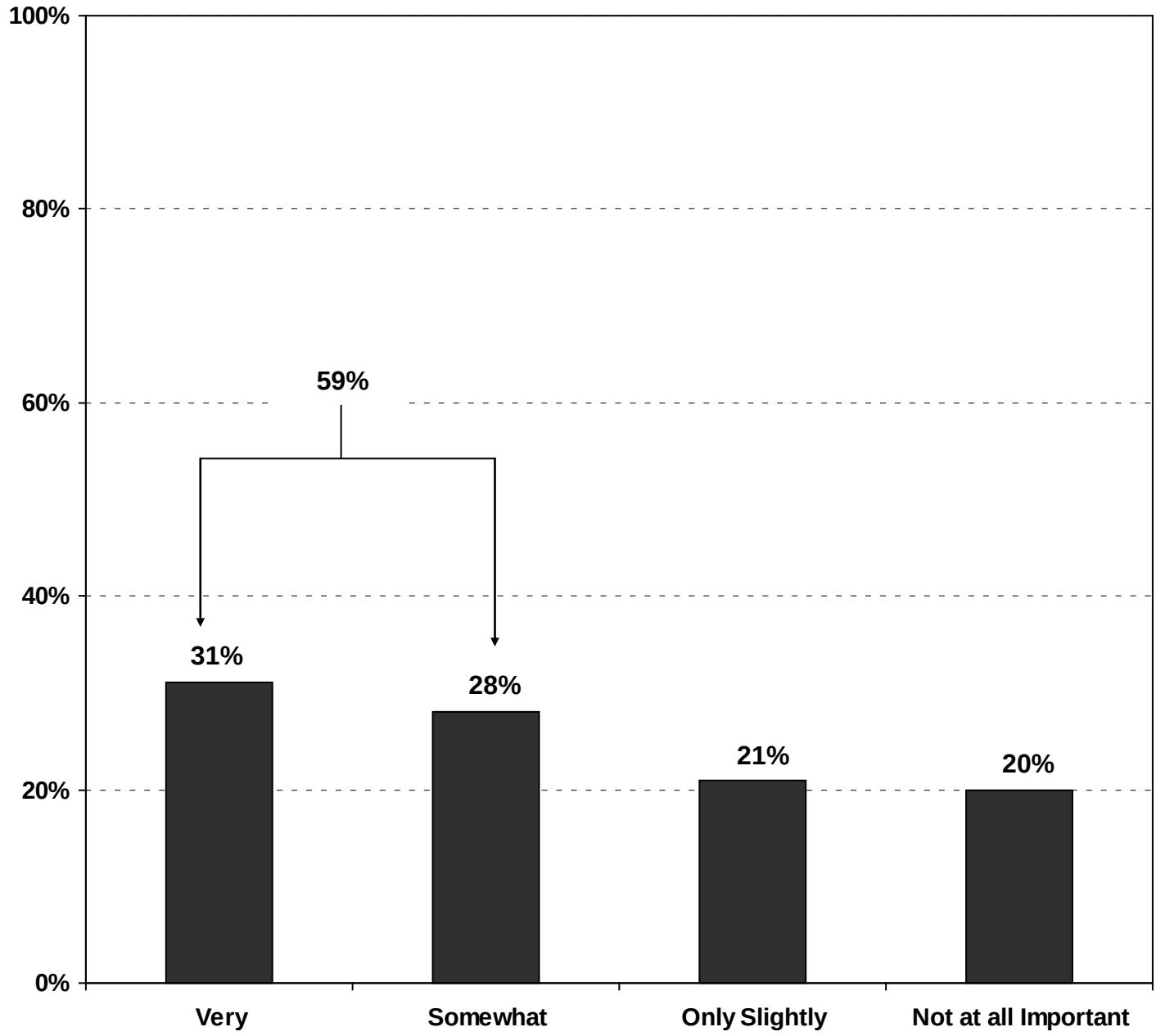
6. Other than RENTAL UNIFORMS, please tell me whether you DO or DO NOT PURCHASE each of the following from your uniform rental supplier.

	TOTAL	Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION		Q. 15 PREFER IF SWITCH		Q. 19 TENURE		
		Local/ Independent	National	Very Favorable	Somewhat Favorable	Local/ Independent	National	Short	Moderate	Long
Restroom supplies	31%	31%	31%	36%	20%	28%	37%	25%	41%	30%
Promotional apparel, such as polo shirts, t-shirts and caps with company logos	18%	15%	19%	20%	14%	15%	22%	15%	17%	23%
Uniforms, other than those you rent	17%	8%	19%	21%	11%	13%	28%	13%	14%	24%
First aid supplies	13%	11%	13%	14%	8%	10%	11%	8%	7%	24%
Weighted Interviews	**206**	**37**	**167**	**136**	**64**	**67**	**59**	**68**	**59**	**65**
Interviews Completed	**206**	**94**	**108**	**139**	**60**	**72**	**59**	**67**	**62**	**66**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

Q. 7

TABLE 2-6
IMPORTANCE OF CURRENT SUPPLIER ALSO OFFERING PRODUCTS AVAILABLE TO PURCHASE
(Among Those Who Currently Purchase = 159)



III. Satisfaction with Uniform Rental Supplier

A. Chapter Summary

1. After a statistically-significant, and substantial, improvement in overall satisfaction with uniform rental suppliers, decision-maker ratings appear to have leveled off. Based upon Market Measurement's 30+ years of experience in managing customer satisfaction assessments, we believe that this may be a function, at least in part, of current economic conditions. Specifically, challenging economic conditions often translate into a higher level of sensitivity to customer service issues, the cost of virtually any service, etc. On an overall basis, the implications of a higher level of customer satisfaction, compared to 1998, is the likelihood of greater current customer retention, offset by challenges associated with "acquiring" customers from competitors.

   Finally, based upon thousands of similar business-to-business customer satisfaction assessments, Market Measurement would describe current sentiment toward uniform rental suppliers to be "somewhat above average" (i.e., typical range for "very favorable" ratings is 55% - 70%).

   Table 3-1

2. Overall satisfaction is undifferentiated between local/ independent suppliers and their national chain counterparts. As with virtually any product or service, long-term customers tend to be characterized by higher overall levels of satisfaction. Market Measurement considers this to be particularly evident within the uniform rental market where new customer relationships are often characterized by a relatively long "breaking-in period" (i.e., the timeframe required for decision-makers and wearers to understand how the system works and the key role they can play in reducing customer service concerns).

   Table 3-2

3. During the past years, or so, Market Measurement has carefully monitored the "Net Promoter" Scores for industrial launderers and linen suppliers. This concept is based upon the hypothesis that satisfied customers will be comparatively more likely to recommend a supplier to friends and colleagues. As with overall customer satisfaction, there may have been a very slight level of deterioration in the Net Promoter Score rating in 2010 (40%), vs. 2006 (43%) (i.e., for which this observation from Market Measurement is most heavily influenced by the 55% ratings in the "9" - "10" range, vs. 62% during 2006).

Table 3-3

4. Again referencing overall satisfaction, Net Promoter Score ratings are quite similar for local/independents (44%) and the national chains (39%). Evidence of the potential value of monitoring Net Promoter Scores can be found in the very high average score characterizing those "very favorable" toward their current supplier (72%), vs. those only "somewhat favorable" (i.e., -16% Net Promoter Score, or a net difference of 88%). In terms of applying this information, Market Measurement submits that many industrial launderers and linen suppliers periodically ask customers to provide a satisfaction score, often during in-person meetings between the uniform rental supplier and the purchase decision-maker.

   Market Measurement contends that this scenario can foster a relatively high level of "positive bias" (i.e., produce ratings that are artificially high because customers may resist providing a low satisfaction score during a face-to-face meeting with the supplier). Conceptually, a less direct assessment of satisfaction may provide a more accurate evaluation and asking the Net Promoter question may provide such an opportunity. Again, the key is that the Net Promoter Score appears to be a very strong "predictor" of overall customer satisfaction.

Table 3-4

5. Reinforcing the consistency in sentiment among those using a local/independent, vs. a national chain, motivations for decision-makers to recommend their current rental uniform supplier to friends and colleagues are virtually identical when considering these two constituencies. More importantly, Market Measurement submits that the study findings outlined in Table 3-5 indicate that industrial launderers, candidly, have not been effective in aggressively/accurately promoting the "value delivered" for the uniform rental service. For example, more than one-in-four decision-makers (27%) identified "on-time delivery" as the primary reason they would recommend their supplier to friends and colleague. From Market Measurement's perspective, this rather myopic view of the service highlights the vulnerability of customers to either quitting the service or switching to another supplier. Specifically, reinforcement of the significant value associated with a uniform rental program, as well as the unique capabilities of the current supplier, should foster substantially more emphasis upon overall uniform appearance, impact upon company image/identify, wearer satisfaction, cleaning/finishing of the garments, etc.

Table 3-5

6. As is fairly typical for industrial launderer customer satisfaction assessments, about one-half (i.e. 54% in 2010 and 60% in 2006) of all decision-makers are unable to identify, on an unaided basis, opportunities for their needs to be better served. The balance tend to be distributed across a highly fragmented set of response categories. Perhaps as a function of the growing importance of image, identity and overall uniform appearance, the primary target for corrective actions is, by a somewhat narrow margin, production issues including quality control, replacing worn uniforms, cleaning, etc. Other than "reduce price" this was the most popular individual category (15%) and was mentioned somewhat frequently by those only "somewhat favorable" toward their current supplier (29% unaided mention, vs. only 7% for those "very favorable").

In essence, if CSCNetwork member firms "had to pick one thing" to focus upon in their customer satisfaction activities, Market Measurement would recommend emphasis upon "overall appearance of the rental uniforms." Market Measurement submits that study findings from Table 3-6 could also be useful for launderers who conduct their own research and can then compare these national study findings, vs. sentiment among their own customers.

Table 3-6

7. Table 3-7 highlights the proportions of "excellent" ratings for an aided list of evaluation criteria known to have a direct, and often significant, impact upon customer satisfaction. As with overall satisfaction with the service, there have been substantial and "across-the-board" improvements in these aided evaluations. This has been most evident when considering quality of delivery personnel (i.e., percent "excellent" increased from 43% in 1998 to 59% in 2010), timeliness of delivery (41% to 53%), accessibility by telephone (38% to 52%) and, to a lesser extent, timeliness of problem response (36% to 43%), fair billing policies (30% to 39%) and completeness of delivery (25% to 34%).

   In 2010, Market Measurement suggested the addition of an evaluation of "overall appearance of uniforms." Further reinforcing the importance of this evaluation criterion is the fact that, by a narrow margin, this topic was characterized by the lowest overall level of decision-maker satisfaction. In essence, what our firm perceives to be one of the most important evaluation criteria for a uniform rental supplier is also the lowest rated from a total industry perspective.

Table 3-7

8. Fortunately, the proportions of "fair" or "poor" ratings are quite limited, especially when considering telephone access, timely deliveries and quality of delivery personnel. In fact, Market Measurement generally recommends that only criteria with more than 10% "fair" or "poor" ratings be targeted for significant corrective actions. Using this guideline, only completeness of deliveries would qualify as an important target for corrective action plans.

Table 3-8

9. Aided evaluations of the seven criteria highlighted in this research produced results that suggest that there are fairly minimal differences "in reality" when considering the level of customer satisfaction between local/independents and national chains. Specifically, none of the variations in Table 3-9 should be viewed as "statistically significant," other than timeliness of problem response. A similar assessment characterizes Table 3-10. Nevertheless, there may be slightly more evidence of a "call to action" to include completeness of delivery for local/independents (i.e., 16% "fair" or "poor" ratings).

Table 3-9
Table 3-10

10. As would be expected, those only "somewhat favorable" regarding their uniform rental supplier, on an overall basis, provide consistently lower proportions of "excellent" ratings for the seven aided evaluation criteria included in this study. There is also little evidence that the level of variation will be measurably different across these criteria. Specifically, there are many occasions in which customers providing a lower overall satisfaction rating will also share particularly low satisfaction scores for one or two key aided evaluation criteria. In contrast, the net differences in ratings for these topics were highly consistent.

    Finally, while there is a virtual absence of variation in "excellent" ratings on the basis of tenure with current supplier, this was not the case when considering "timeliness of response to problems." Observations include:

    - The comparatively high level of overall satisfaction characterizing customers with a long-term relationship with their current uniform rental supplier (Table 3-2) *may* be comparatively more influenced by "timeliness of response to problems," vs. other criteria shown in Table 3-11.

- For CSCNetwork member firms, this study suggests that particular emphasis be devoted to establishing a system for rapidly responding to customer concerns, especially when considering new customers. In essence, even relatively new customer relationships are characterized by overall satisfaction scores that are relatively undifferentiated from those with longer-term relationships. In contrast, new customer relationships appear to be comparatively more likely to be "challenged" by concerns associated with timely response to problems. Conceptually, this not only fosters lower satisfaction, but also increased vulnerability to switching after the initial contract (i.e., it is generally accepted that the most vulnerable customers are those with whom the supplier has the shortest relationship tenure).

Table 3-11

11. When considering the other end of the rating scale (i.e., proportions of "fair" or "poor" scores), Market Measurement submits that there is some evidence that member firms should devote comparatively greater emphasis to completeness of delivery and timeliness of response to problems. On these topics, the net difference in "fair" or "poor" ratings was more than 20%, measurably higher than the net differences characterizing all other evaluation criteria. There is also evidence that new customers may be particularly sensitive to the topic of completeness of delivery, which Market Measurement has always viewed as both a service issue and an important communication topic (i.e., explaining to purchase decision-makers the dynamics that can foster incomplete deliveries, while also educating wearers regarding the crucial role they play in the process of ensuring completeness of delivery).

Table 3-12

12. There has been no significant change, since 2006, in sentiment regarding likelihood of contract renewal, which is consistent with overall satisfaction ratings. In addition, there were no measurable variances when considering the type of supplier used, tenure or account size (i.e., based upon number of wearers).

Table 3-13

13. A new question never before addressed in CSCNetwork research is the level of receptivity to a three-year contract, as an incentive for switching suppliers. As demonstrated in Table 3-14, more than one-in-ten (12%) purchase decision-makers indicate that they would be "very likely" to switch to a new rental uniform supplier if they were offered a three-year contract. In addition, this proportion increases to one-third of all study participants (33%) when including those at least "somewhat likely" to consider switching if offered a comparatively short contractual timeframe.

    Particularly exciting about this research topic is the significantly higher level of receptivity to switching suppliers, to obtain a three-year contract, among those who would be most likely to switch to a local/independent, vs. a national chain. Specifically, 41% of those who would be most likely to switch to a local/independent (i.e., under the hypothetical assumption that they were considering switching suppliers), vs. the significantly lower proportion characterizing those who would be most likely to switch to a national chain (26%). In essence, the "three-year contract strategy" is a potentially popular marketing strategy and one that could have a comparatively, if not much, greater impact for a local/independent.

Table 3-14

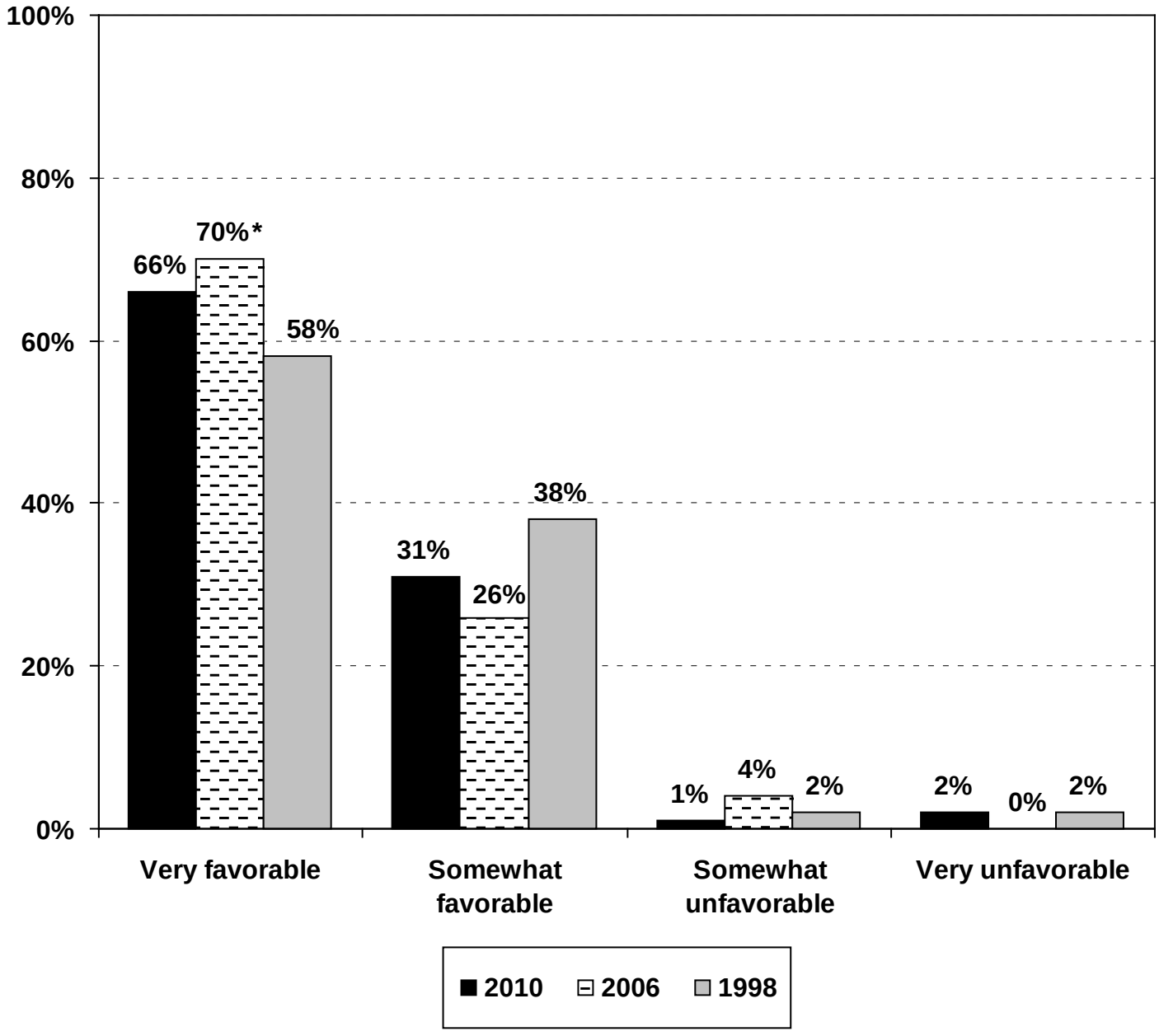
14. Expanding the analysis of the impact of a shorter contract timeframe to include a one-year contract, receptivity among purchase decision-makers increased rather dramatically. Specifically, the proportion “very likely” to consider switching more than doubled from 12% for a three-year contract to 29% for a one-year contract. Similarly, the proportion at least “somewhat likely” to consider switching increased from 33% to more than one-half (51%). In contrast to the evaluation of a three-year contract, a one-year contract option would have a relatively similar impact upon those most receptive to switching to a local/independent, vs. a national (i.e., the proportions at least “somewhat likely” to consider switching are relatively similar when considering those most receptive to a local/independent = 49%, vs. a national chain = 47%).

Table 3-15

B. Statistical Tables

Q. 1

TABLE 3-1
ATTITUDE TOWARD RENTAL UNIFORM PROGRAM IN TERMS OF MEETING COMPANY'S NEEDS



**** Significant increase, vs. 1998***

TABLE 3-2

OVERALL ATTITUDE TOWARD RENTAL UNIFORM PROGRAM

1. In terms of meeting your COMPANY'S NEEDS, is your attitude toward the rental uniform program ...

	TOTAL	Q. C CURRENT SUPPLIER		Q. 19 TENURE		
		Local/ Independent	National	Short Under 4 years	Moderate 5-9 Years	Long 10+ years
NET: FAVORABLE	**98%**	**96%**	**98%**	**96%**	**97%**	**99%**
Very favorable	66%	71%	65%	62%	54%	80%
Somewhat favorable	31%	24%	33%	35%	43%	20%
NET: UNFAVORABLE	**2%**	**4%**	**2%**	**4%**	**3%**	**1%**
Somewhat unfavorable	1%	3%	-	1%	1%	-
Very unfavorable	2%	1%	2%	2%	3%	1%
Weighted Interviews	**204**	**37**	**166**	**66**	**59**	**65**
Interviews Completed	**205**	**94**	**107**	**66**	**62**	**66**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-3

LIKELIHOOD OF RECOMMENDING CURRENT UNIFORM RENTAL SUPPLIER TO FRIENDS OR COLLEAGUES

(Based on a scale where "1" = Extremely Unlikely and "10" = Extremely Likely)

Q. 16 Using the scale of "1" to "10", where "1" means EXTREMELY UNLIKELY and a "10" means EXTREMELY LIKELY, how likely would you be to recommend your current uniform rental supplier to friends or colleagues?

	2010 TOTAL	2006 TOTAL
MEAN	**8.30**	**8.30**
MEDIAN	**9.00**	**10.00**
NET PROMOTER SCORE*	**40%**	**43%**
NET: 9-10	**55%**	**62%**
10	46%	53%
9	9%	9%
NET: 7-8	**30%**	**18%**
8	20%	12%
7	11%	7%
NET: 1-6	**15%**	**19%**
6	5%	4%
5	5%	8%
4	-	1%
3	1%	1%
2	1%	1%
1	3%	5%
Weighted Interviews	**205**	**201**
Interviews Completed	**204**	**200**

** **Net promoter score calculation = total ratings of 9 - 10 minus total ratings of 1 - 6.***

TABLE 3-4

LIKELIHOOD OF SWITCHING TO EITHER A LOCAL/INDEPENDENT OR NATIONAL SUPPLIER

16. Would you say a "1" - EXTREMELY UNLIKELY, or "10" - EXTREMELY LIKELY, or would you choose some number in between?

	TOTAL	Q. 7 OFFERING PURCHASED PRODUCTS VERY IMPORTANT	Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION	
			Local/ Independent	National	Very Favorable	Somewhat Favorable
NET PROMOTER SCORE	**40%**	**71%**	**44%**	**39%**	**72%**	**-16%**
NET: 9-10	**55%**	**73%**	**62%**	**53%**	**75%**	**18%**
10	46%	60%	49%	45%	63%	13%
9	9%	14%	13%	8%	12%	4%
NET: 7-8	**30%**	**25%**	**20%**	**33%**	**22%**	**48%**
8	20%	11%	16%	21%	14%	31%
7	11%	14%	4%	12%	8%	17%
NET: 1-6	**15%**	**2%**	**18%**	**14%**	**3%**	**34%**
6	5%	-	1%	6%	1%	13%
5	5%	1%	7%	5%	1%	15%
4	0%	-	2%	-	-	1%
3	1%	-	3%	-	-	1%
2	1%	-	-	1%	-	2%
1	3%	1%	4%	3%	1%	2%
Weighted Interviews	**204**	**48**	**37**	**166**	**134**	**64**
Interviews Completed	**205**	**43**	**94**	**107**	**138**	**60**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-5

MOST IMPORTANT REASON TO RECOMMEND YOUR CURRENT SUPPLIER

17. What is the single most important reason you WOULD CONSIDER recommending this uniform rental supplier?

	TOTAL	Q. C Current Supplier	
		Local/Independent	National
NET: Delivery Issues	**27%**	**30%**	**27%**
On-time delivery	27%	30%	27%
Completeness of delivery (no missing uniforms)	-	2%	-
Pick-up on time	-	2%	-
NET: Reliability	**16%**	**19%**	**16%**
NET: Driver Issues	**9%**	**5%**	**11%**
Driver is efficient	4%	2%	5%
Driver responds to problems/concerns	4%	2%	5%
Driver is courteous/friendly	-	2%	-
NET: Price/Cost	**8%**	**7%**	**9%**
Good value for price	3%	3%	4%
Fair prices	3%	2%	4%
Price is competitive	2%	2%	2%
NET: Product Issues	**7%**	**5%**	**7%**
Product quality	7%	5%	7%
NET: Responsiveness	**6%**	**2%**	**7%**
Responds to problems quickly	4%	2%	5%
Rapid turnaround time for uniform for new employees	1%	-	2%
Good reputation	4%	7%	4%
NET: Production	**1%**	**-**	**2%**
Garment cleaning	1%	-	2%

TABLE 3-5
(continued)

MOST IMPORTANT REASON TO RECOMMEND YOUR CURRENT SUPPLIER

17. What is the single most important reason you WOULD CONSIDER recommending this uniform rental supplier?

	TOTAL	Q. C Current Supplier	
		Local/Independent	National
NET: Communication	**1%**	**3%**	**-**
Easy to reach correct personnel	-	2%	-
Good communication w/ management personnel	-	2%	-
Satisfied/No problems	20%	22%	19%
Weighted Interviews	**112**	**23**	**88**
Interviews Completed	**118**	**58**	**57**

TABLE 3-6

WAYS UNIFORM RENTAL SUPPLIER COULD BETTER SERVE YOUR NEEDS

4. In what ways could your uniform rental supplier better serve your needs?

	TOTAL		Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION	
	2010	2006	Local/ Independent	National	Very Favorable	Somewhat Favorable
NET: Price/Cost	**15%**	**10%**	**14%**	**15%**	**16%**	**12%**
Cut costs	13%	9%	10%	13%	13%	10%
Be more price competitive	2%	2%	3%	2%	3%	1%
Stop charging for damaged garments	-	-	1%	-	-	1%
NET: Production	**15%**	**17%**	**15%**	**15%**	**7%**	**29%**
Better quality control	4%	3%	4%	4%	2%	9%
Replace worn uniforms/Get new uniforms	3%	2%	2%	3%	-	8%
Uniform should be inspected before delivery.	3%	-	2%	3%	-	6%
Keep uniforms cleaner	3%	7%	5%	2%	3%	2%
Replace uniforms faster	3%	5%	1%	3%	-	8%
Repair uniforms	2%	2%	1%	2%	-	5%
Uniform is worse than when it went in	2%	-	-	2%	-	5%
Better repair service	1%	1%	2%	1%	2%	1%
Shirts and pants not matching up	1%	1%	1%	1%	-	3%
A stale, musty smell in the summer	1%	-	-	1%	-	3%
They should fold uniforms and put them in plastic bags so they stay clean	1%	-	-	1%	-	3%

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-6
(continued)

WAYS UNIFORM RENTAL SUPPLIER COULD BETTER SERVE YOUR NEEDS

4. In what ways could your uniform rental supplier better serve your needs?

	TOTAL		Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION	
	2010	2006	Local/ Independent	National	Very Favorable	Somewhat Favorable
NET: Product Issues	**8%**	**5%**	**3%**	**9%**	**4%**	**16%**
More variety in uniforms	4%	2%	2%	5%	2%	8%
Product could be better quality	3%	2%	1%	3%	-	8%
Make garments more comfortable, in large sizes	1%	1%	-	1%	1%	-
Want special uniforms	1%	2%	-	1%	-	3%
NET: Customer Service	**7%**	**3%**	**12%**	**6%**	**2%**	**17%**
Better customer service	5%	2%	8%	4%	2%	10%
Quicker response when adding a new employee to the service	3%	2%	4%	3%	-	10%
Servicing new accounts better	1%	-	-	1%	-	3%
They don't follow up as much as they should	-	-	2%	-	-	-

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-6
(continued)

WAYS UNIFORM RENTAL SUPPLIER COULD BETTER SERVE YOUR NEEDS

4. In what ways could your uniform rental supplier better serve your needs?

	TOTAL		Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION	
	2010	2006	Local/ Independent	National	Very Favorable	Somewhat Favorable
NET: Delivery Issues	**7%**	**3%**	**8%**	**7%**	**3%**	**13%**
Keep better track of inventory	4%	2%	2%	4%	1%	6%
Sometimes orders are not completely returned	2%	2%	1%	2%	1%	3%
Driver isn't always on time	2%	-	-	2%	1%	3%
Be more prompt	1%	-	3%	1%	1%	-
Eliminate shortages by having someone deliver more when there may have been a shortage	1%	-	2%	1%	-	4%
NET: Billing Policies	**4%**	**2%**	**3%**	**4%**	**4%**	**3%**
Better billing	2%	2%	2%	2%	2%	1%
Charged for damages that we didn't even cause	2%	-	-	2%	2%	-
Charged for things we don't use	1%	1%	-	1%	1%	-
Didn't get new uniform, but charged for it	1%	-	-	1%	-	3%
Shouldn't charge fee when uniforms get old	1%	-	-	1%	1%	-
Need a discount when employee is terminated.	-	-	1%	-	-	-
Took too long to credit account	-	1%	-	-	-	-

TABLE 3-6
(continued)

WAYS UNIFORM RENTAL SUPPLIER COULD BETTER SERVE YOUR NEEDS

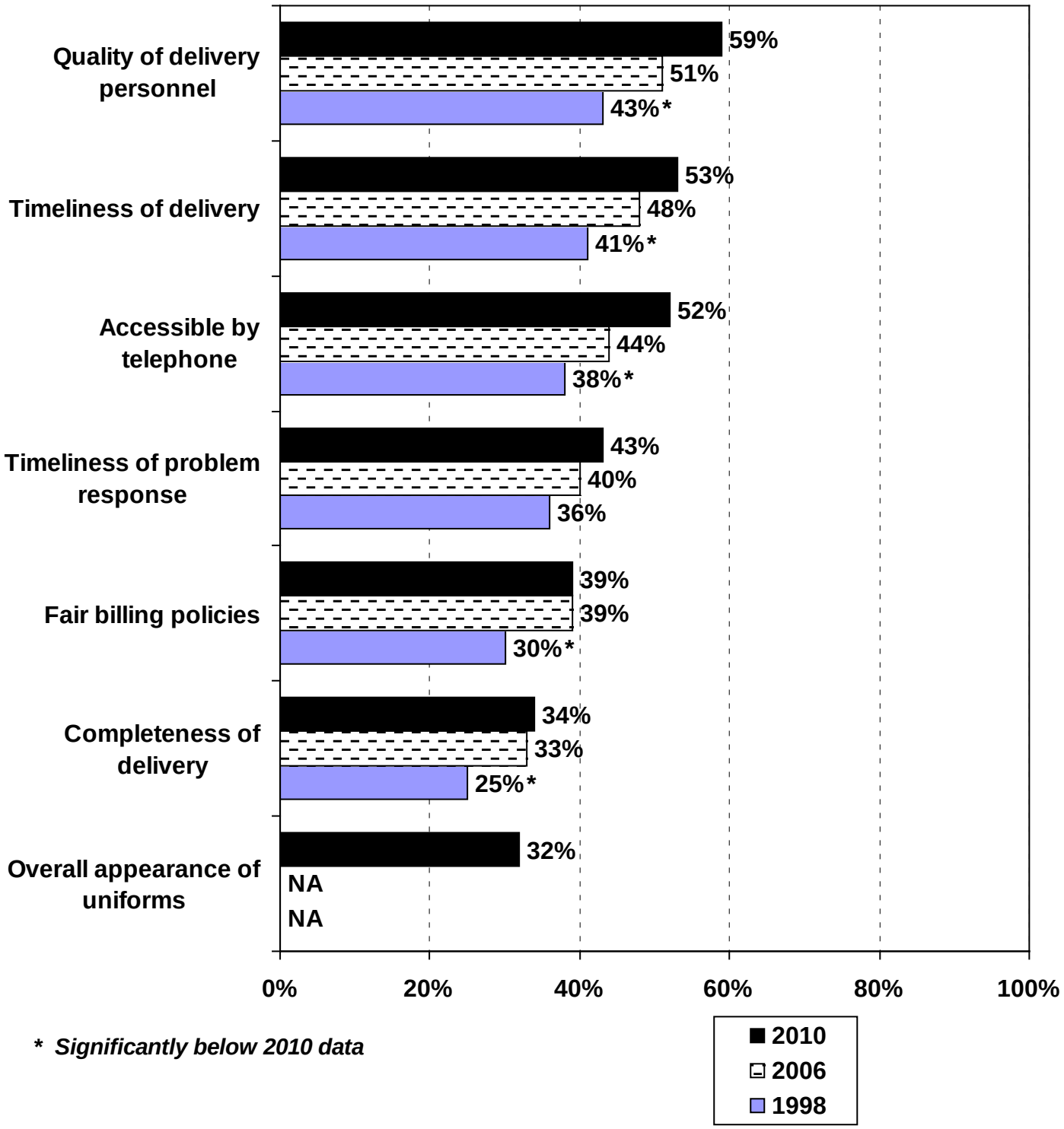
4. In what ways could your uniform rental supplier better serve your needs?

	TOTAL		Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION	
	2010	2006	Local/ Independent	National	Very Favorable	Somewhat Favorable
NET: Communication	**2%**	**1%**	**-**	**3%**	**-**	**5%**
Better communication within the company	2%	1%	-	2%	-	3%
Explain length of contract up front	1%	-	-	1%	-	3%
NET: Safety	**1%**	**-**	**1%**	**1%**	**-**	**3%**
Offer more personal protection garments/products	1%	-	-	1%	-	3%
Better personal protection	-	-	1%	-	-	-
NET: Driver Issues	**1%**	**-**	**-**	**1%**	**1%**	**-**
Better communication between driver and customer	1%	-	-	1%	1%	-
None/Happy with service	54%	60%	58%	53%	66%	32%
Weighted Interviews	**194**	**201**	**36**	**157**	**127**	**61**
Interviews Completed	**197**	**201**	**92**	**101**	**132**	**58**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

Q. 5

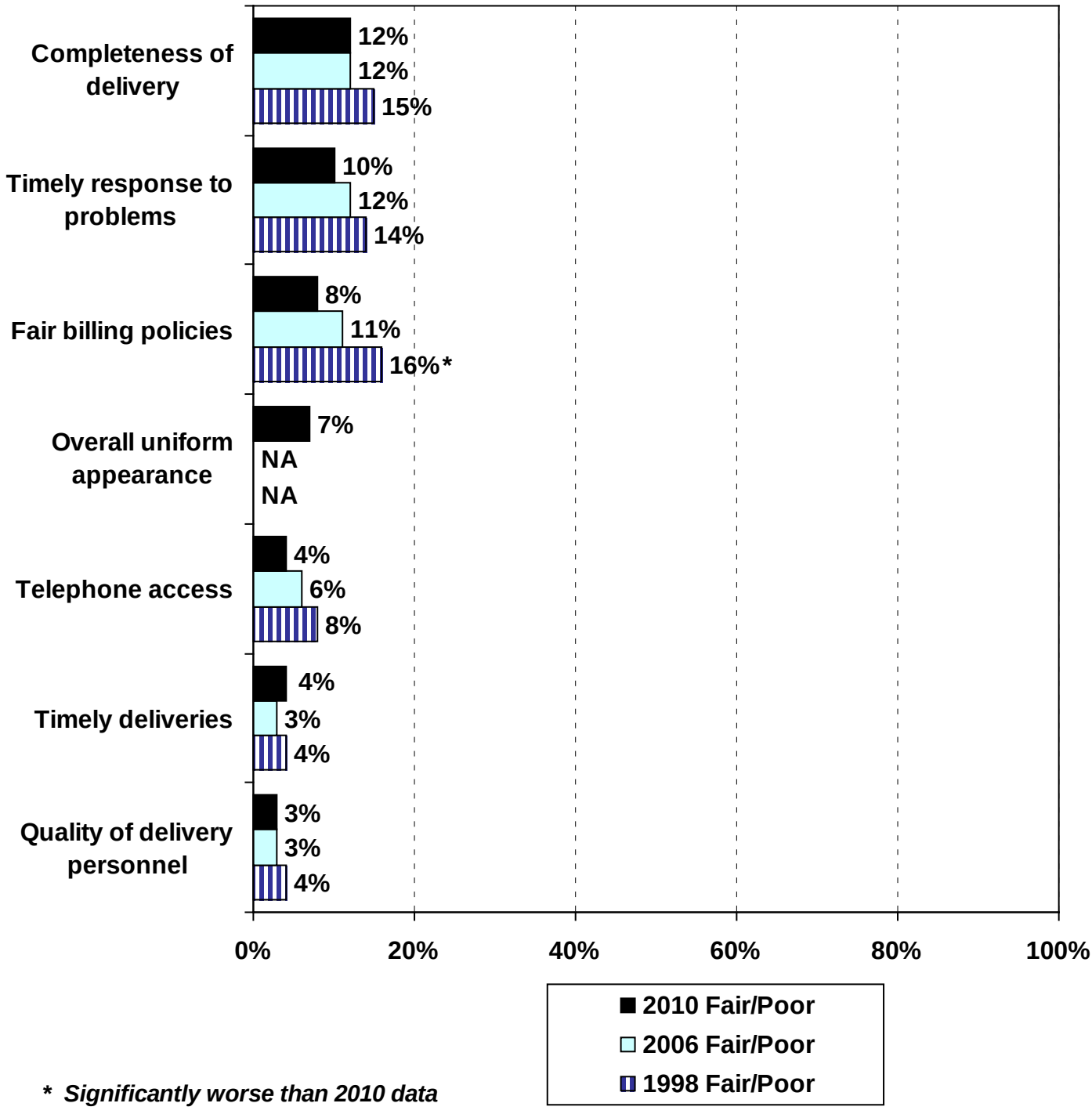
TABLE 3-7
AIDED EVALUATION OF SPECIFIC CRITERIA
(Percent "Excellent')



* ***Significantly below 2010 data***

Q. 5

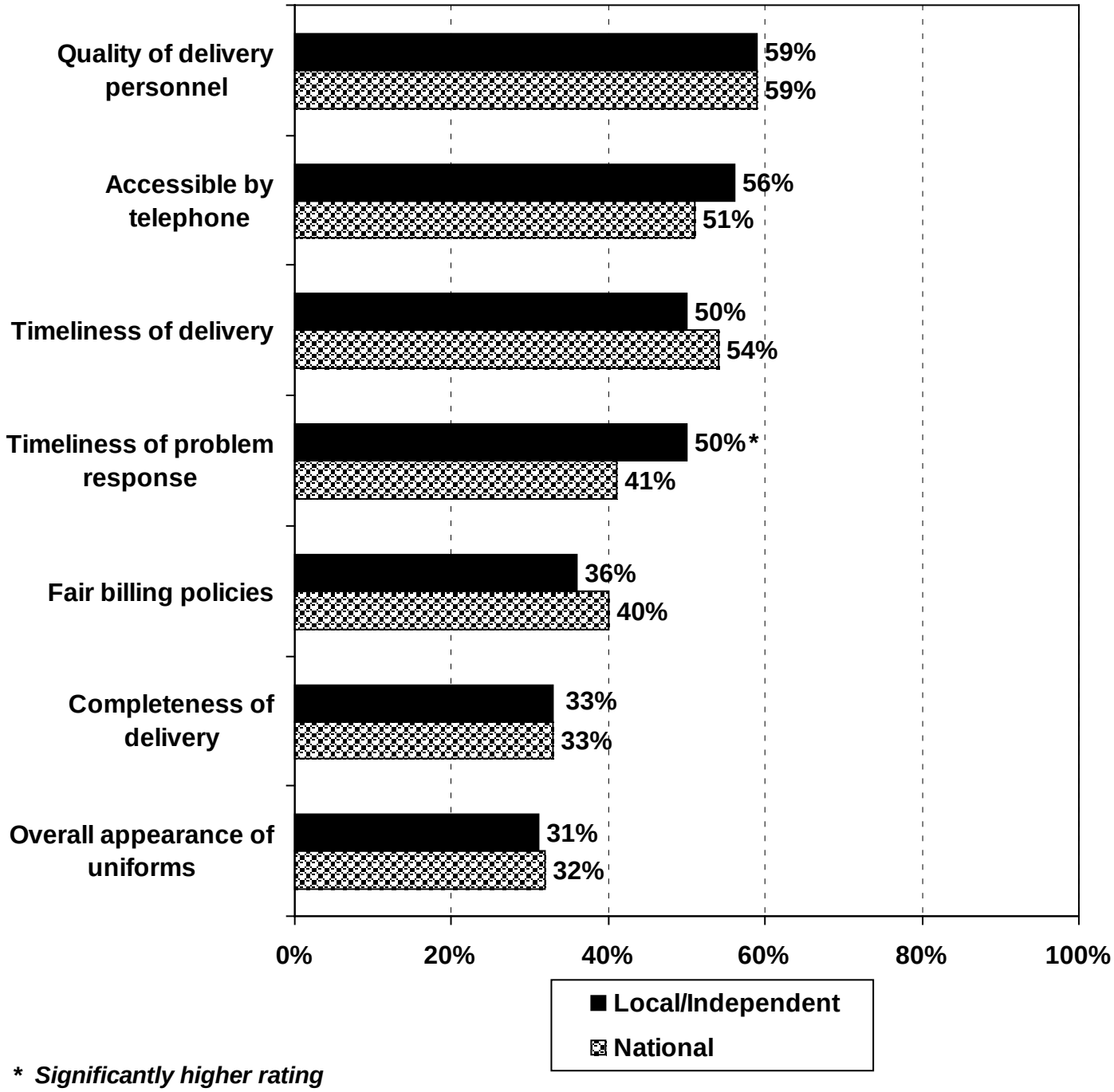
TABLE 3-8
SUMMARY TABLE - RATING OF SERVICE ISSUES
(PERCENT RATING "FAIR" OR "POOR")



* *Significantly worse than 2010 data*

Q. 5

TABLE 3-9
AIDED EVALUATION OF SPECIFIC CRITERIA
(Percent "Excellent')



* *Significantly higher rating*

Q. 5

TABLE 3-10
AIDED EVALUATION OF SPECIFIC CRITERIA
(Percent "Fair or Poor")

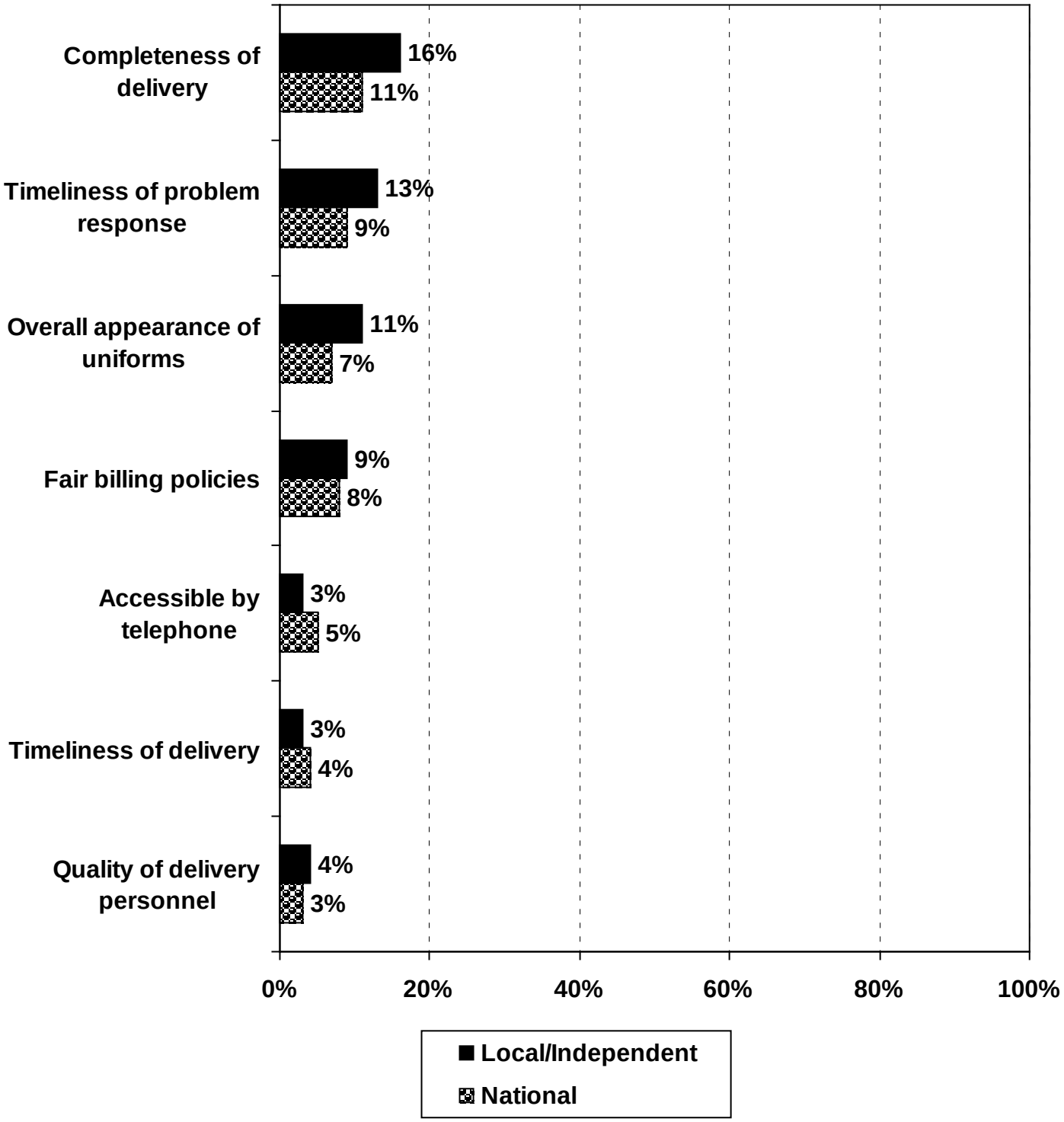


TABLE 3-11

RATE SERVICE ISSUES OF RENTAL UNIFORM PROGRAM "EXCELLENT"

5. How would you rate your rental uniform program on each of the following service issues?

	TOTAL	Q. 1 SATISFACTION		NET	Q. 19 TENURE		
		Very Favorable	Somewhat Favorable		Short Under 4 years	Moderate 5-9 Years	Long 10+ years
Quality of delivery personnel	59%	73%	35%	**+38%**	61%	57%	65%
Timeliness of delivery	53%	68%	27%	**+41%**	55%	53%	57%
Accessibility by telephone	52%	65%	29%	**+36%**	50%	51%	57%
Timeliness of response to problems	43%	58%	14%	**+44%**	30%	45%	53%
Having billing policies you consider to be fair	39%	52%	17%	**+35%**	33%	41%	46%
Completeness of delivery (no missing garments)	34%	45%	13%	**+32%**	33%	29%	39%
Overall appearance of the rental uniforms	32%	45%	6%	**+39%**	31%	28%	36%
Weighted Interviews	**206**	**136**	**64**	**-**	**68**	**59**	**65**
Interviews Completed	**206**	**139**	**60**	**-**	**67**	**62**	**66**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-12

RATE SERVICE ISSUES OF RENTAL UNIFORM PROGRAM "FAIR OR POOR"

5. How would you rate your rental uniform program on each of the following service issues?

	TOTAL	Q. 1 SATISFACTION		NET	Q. 19 TENURE		
		Very Favorable	Somewhat Favorable		Short Under 4 years	Moderate 5-9 Years	Long 10+ years
Completeness of delivery (no missing garments)	12%	3%	25%	**-22%**	22%	5%	11%
Timeliness of response to problems	10%	1%	22%	**-21%**	17%	8%	7%
Having billing policies you consider to be fair	8%	4%	12%	**-8%**	11%	7%	9%
Overall appearance of the rental uniforms	7%	2%	15%	**-13%**	7%	4%	9%
Accessibility by telephone	4%	1%	6%	**-5%**	6%	3%	5%
Timeliness of delivery	4%	2%	5%	**-3%**	10%	-	1%
Quality of delivery personnel	3%	1%	7%	**-6%**	5%	-	4%
Weighted Interviews	**206**	**136**	**64**	**-**	**68**	**59**	**65**
Interviews Completed	**206**	**139**	**60**	**-**	**67**	**62**	**66**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-13

LIKELIHOOD OF CONTRACT RENEWAL WITH CURRENT RENTAL SUPPLIER

12. If your contract expired in the next several months, how likely would you be to renew your uniform rental contract with your current supplier? Would you say you... (READ CHOICES)

	TOTAL		Q. C CURRENT SUPPLIER		Q. 19 TENURE			QA # WEARERS		
	2010	2006	Local/ Independent	National	Short	Moderate	Long	Small	Middle	Large
NET: WOULD	**93%**	**90%**	**91%**	**93%**	**84%**	**97%**	**98%**	**94%**	**92%**	**93%**
Absolutely would	37%	44%	40%	36%	33%	37%	42%	37%	41%	35%
Probably would	56%	46%	51%	57%	51%	60%	56%	57%	51%	58%
NET: WOULD NOT	**7%**	**10%**	**9%**	**7%**	**16%**	**3%**	**2%**	**6%**	**8%**	**7%**
Probably would not	5%	7%	7%	5%	13%	-	2%	6%	4%	5%
Absolutely would not	2%	3%	2%	2%	3%	3%	1%	1%	3%	2%
Weighted Interviews	**204**	**201**	**36**	**166**	**67**	**58**	**65**	**70**	**56**	**70**
Interviews Completed	**203**	**201**	**92**	**107**	**65**	**61**	**66**	**70**	**61**	**66**

TABLE 3-14

LIKELIHOOD OF SWITCHING RENTAL UNIFORM SUPPLIERS IF OFFERED A THREE-YEAR CONTRACT

13. Again realizing this is strictly a research study and you will not be re-contacted, how likely would you be to consider switching to a new uniform rental supplier if you were offered a THREE-YEAR CONTRACT instead of the more common five-year contract?

	TOTAL	Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION		Q. 15 PREFER IF SWITCH	
		Local/ Independent	National	Very Favorable	Somewhat Favorable	Local/ Independent	National
Very	12%	10%	13%	6%	22%	14%	8%
Somewhat	21%	30%	18%	16%	32%	27%	18%
Only slightly	13%	12%	13%	12%	17%	11%	8%
Not at all likely to consider another uniform rental supplier?	54%	48%	56%	66%	29%	49%	66%
Weighted Interviews	**199**	**36**	**161**	**130**	**62**	**66**	**57**
Interviews Completed	**199**	**91**	**104**	**134**	**58**	**71**	**56**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 3-15

LIKELIHOOD OF SWITCHING RENTAL UNIFORM SUPPLIERS IF OFFERED A ONE-YEAR CONTRACT

13-14. Again realizing this is strictly a research study and you will not be re-contacted, how likely would you be to consider switching to a new uniform rental supplier if you were offered a ONE-YEAR CONTRACT instead of instead of the more common five-year contract?

	TOTAL	Q. C CURRENT SUPPLIER		Q. 1 SATISFACTION		Q. 15 PREFER IF SWITCH	
		Local/ Independent	National	Very Favorable	Somewhat Favorable	Local/ Independent	National
Very**	29%	31%	29%	19%	47%	34%	22%
Somewhat	22%	20%	22%	22%	22%	15%	25%
Only slightly	11%	7%	12%	12%	10%	9%	7%
Not at all likely to consider another uniform rental supplier?	38%	43%	37%	46%	21%	42%	47%
Combined Total	**200**	**36**	**163**	**130**	**64**	**66**	**57**
Interviews Completed	**200**	**91**	**105**	**133**	**60**	**71**	**56**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

***** Includes those "very likely" to switch for a three year contract.***

IV. Comparative Assessment of Local Independent Launderers, vs. Nationals

A. Chapter Summary

1. The level of accurate awareness of the geographic market served by current suppliers has been highly dynamic between 1998 and 2010. For example, consider the following:

   - In 1998 (49%) and 2006 (53%) roughly one-half of all purchase decision-makers who currently obtain uniform rental services through a national chain accurately identified their supplier as being "national." In 2010, this proportion increased to more than three-quarters (77%).

   - A somewhat different scenario characterizes local/independents. Specifically, the highest level of accurate awareness that the customer was being served by a local/independent was in 1998 (60%) with this proportion declining to 50% in 2006 and only 30% in 2010.

   - Of particular, if not dramatic, concern in 2010 is the substantial increase in the proportion of decision-makers who, in fact, use a local/independent but perceive that they are using one of the national chains (i.e., 54% in 2010, vs. 13% in 2006 and 7% in 1998).

   Ultimately, this research will demonstrate that the lack of awareness that customers, served by CSC members, are, in fact, using a uniform rental program from a local/independent launderer could be among the most significant untapped opportunities highlighted in this research.

   Table 4-1

2. Table 4-2 summarizes the level of accurate identification of the type of uniform rental supplier being used by customers participating in this study.

   Table 4-2

3. When asked, on an unaided basis, to identify the potential advantages of using a locally-owned rental launderer, purchase decision-makers were quite vocal when identifying "better/more personalized service" (i.e., more than 40% between 1998 and 2010). There was also a substantial increase in the proportion of mentions of "supporting the local economy" between 1998 (7%) and 2006 (24%), as well as in 2010 (39%). Conceptually, the highly challenging current economic environment may be further enhancing awareness, and the importance, of supporting the local economy.

   After recording more than double the proportions of mentions of "easier accessibility/greater convenience" between 1998 (14%) and 2006 (30%), the proportion of unaided mentions of this topic declined "significantly" to 20% in 2010.

Table 4-3

4. Perceptions about the advantages of using a locally-owned rental launderer did not vary among those who, in fact, use a local/independent, vs. those using a national chain.

Table 4-4

5. In contrast to sentiment regarding the potential advantages of using a local/independent uniform rental supplier, decision-makers were dramatically more likely to focus upon "lower costs," particularly in 2006 and 2010 (i.e., 67% unaided mention in both years). It is also important to note that the frequency of mentions for this evaluation criterion has almost doubled since 1998 (38%). In essence, there is certainly support for the hypothesis that the national chains have become substantially more aggressive when considering pricing.

   National chains have, historically, also benefited from a perception that they will offer more selection/variety and, to a lesser extent, better service and more reliability.

In response to the perceptions characterizing the national chains, Market Measurement suggests the following questions:

- To what extent is the popularity of mentions of "lower costs" a "perception," vs. "reality," associated with the popular contention that a large organization can "get better prices" (i.e., such as through economies-of-scale and purchasing power), vs. smaller firms?

- Do these study findings reflect an untapped opportunity for local/independents, who belong to CSCNetwork, to better demonstrate that they have comparable purchasing power (i.e., ability to offer lower prices) and product selection/variety because of their participation in this organization?

Table 4-5

6. While sentiment regarding the likelihood that the national chains will offer lower costs and more selection/variety did not vary based upon the type of industrial launderer currently being used, there is evidence that those who use a national chain or who would be most likely to switch to a national chain, will also be comparatively more likely to anticipate receiving "better service. Nevertheless, a solid majority of decision-makers, when answering this question, did not focus upon service, at all.

Table 4-6

7. Table 4-7 is devoted to a comparative assessment of sentiment regarding the potential advantages of using a local/independent, vs. a national chain. As is evident, local/independents should consider the following strategies:

   - Aggressively promote the fact that they can offer "better/more personalized service" than the national chains.

   - Reinforce the importance of supporting the local economy by using a local/independent industrial launderer.

   - Address the topic of "lower costs" being more readily available through the national chains by demonstrating that, as a group, CSCNetwork firms are the second largest industrial launderer organization in the country.

   - Promote the affiliation with CSCNetwork as a demonstration of the ability of any member firm to provide selection/variety of rental uniforms that is comparable to any of the nationals.

Table 4-7

8. Purchase decision-makers were also probed regarding whether they perceive their needs would be best served a local firm or a national chain when considering specific criteria. As demonstrated in Table 4-8, there has been relatively solid support for local/independents providing timely response to problems, quality service personnel and service quality, however, the latter two topics may have been characterized by some level of deterioration during the past four years.

While local/independents had a huge perceptual advantage over national chains when considering "having fair billing policies" in 1998, this important competitive advantage has deteriorated substantially in 2006 (67%) and 2010 (51%). At least one hypothesis is that local/independents are now as aggressive as the national chains in pursuing "extra charges" and complicated/lengthy invoices that can foster negative sentiment among customers, as well as confusion.

A similar scenario characterizes attitudes toward product quality for which the proportion of decision-makers who perceive local/independents would best serve their needs has declined from three-quarters (75%) in 1998 to barely one-half in 2006 (55%) and 2010 (45%).

Initial thoughts on action plans that could be pursued by CSCNetwork firms, in response to these study findings include:

- Very aggressively promote the ability of a local/independent to provide more "timeliness of response to problems," vs. the national chains. Obviously, this needs to be pursued with some level of caution because this, by its very nature, requires promoting the topic of "problems."

- Critically evaluate the quality of service personnel but, more importantly, consider aggressive promotion of the "fact" that a family-owned, local/independent business will be able to recruit higher quality service personnel. In essence, the deterioration recorded between 2006 and 2010 may, in fact, simply be a fact of perception, rather than reality.

- A similar strategy could be pursued when considering service quality (i.e., emphasize promotion, rather than assuming service quality has deteriorated … unless there is a sense that service quality has, in fact, deteriorated).

- It is particularly disappointing to note the dramatic decline in the competitive advantage characterizing local/independents when considering "having fair billing policies." Market Measurement has always perceived that an industrial launderer could develop an important competitive advantage by fostering some solution to the [relentless?] expansion in the use of "extra charges" and the lengthy/complicated invoices that accompany this strategy. Nevertheless, the reality in the market is that professional sales personnel are, we believe, increasingly focused upon offering lower basic charges (e.g., cost-per-change) while assuming that the "revenue difference" can be made up through extra charges after the contract is signed. This popular technique among the national chains, back in 1998, appears to have been replicated by local/independents. Nevertheless, this should not preclude a local/independent from promoting their "fair billing policies," as at least one-half of all purchase decision-makers perceive that a local/independent launderer will, in fact, be more likely to have fair billing policies.

- The decline in product quality is somewhat perplexing. Nevertheless, Market Measurement has a sense that at least one contributing factor is launderers being more aggressive with damage and loss charges (i.e., again, as a means for making up revenue after the contract is signed) and the steadily increasing level of decision-maker emphasis upon uniform appearance. Regardless, this is another example of a solid competitive advantage over the national chains that is clearly deteriorated.

- Local independents should avoid the temptation of trying to promote themselves as being "big", since this may be a contributing factor to the declining perceptual variances between national chains and local industrial launderers.

Table 4-8
Table 4-9
Table 4-10

9. Table 4-11 suggests that decision-makers most receptive to switching to a local/independent (i.e., when posed with the hypothetical scenario that they were considering a switch), may be comparatively more likely to perceive a local/independent will excel in terms of service quality, having billing policies they consider to be fair and, in particular, having invoices that are clear and understandable.

Table 4-11

10. Table 4-12 reinforces the perceptual competitive advantage national chains have when considering "value for the cost," vs. no statistically-significant differences in sentiment toward the other six evaluation criteria shown on this table.

Table 4-12

11. Based upon the earlier-noted deterioration in several of the key competitive advantages that had characterized local/independents, it should come as little surprise that the level of preference for a local/independent, vs. a national competitor, under the hypothetical scenario of switching suppliers, has deteriorated measurably since 2006. For example, the net level of preference for a local/independent in 2006 was 20% (i.e., 60% - 40% = 20%). This compares with a net level of preference of only 6% in 2010 (i.e., 53% - 47% = 6%).

    It is encouraging to find that those with the shortest tenure with their current industrial launderer, and who will tend to be the most vulnerable to switching, demonstrate a solid preference for switching to a local/independent (i.e., net plus 36%). By comparison, those with at lest 10 year's tenure with their current supplier, and who are probably the least likely to consider switching, demonstrate mixed sentiment regarding the likelihood of switching to a local/independent or a national chain.

    Local/independents also enjoy a very strong level of preference among smaller accounts (i.e., net + 36%).

Table 4-13

B. Statistical Tables

TABLE 4-1

RECEIVED MARKETS SERVED BY CURRENT RENTAL UNIFORM SUPPLIER

8. As far as you know, does the rental uniform supplier you currently use serve...

	Q. C CURRENT SUPPLIER					
	Local/ Independent			National		
	2010	2006	1998	2010	2006	1998
A national market	54%	13%	7%	77%	53%	49%
Only your local market and surrounding area	30%	50%	60%	10%	7%	15%
Multiple States	5%	16%	14%	4%	15%	17%
Don't know	11%	21%	19%	10%	26%	19%
Weighted Interviews	**33**	**30**	**115**	**150**	**122**	**189**
Interviews Completed	**83**	**100**	**115**	**97**	**102**	**189**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

Q. 8

TABLE 4-2
PROPORTION ACCURATELY IDENTIFYING CURRENT RENTAL UNIFORM SUPPLIER AS EITHER LOCAL/INDEPENDENT OR NATIONAL

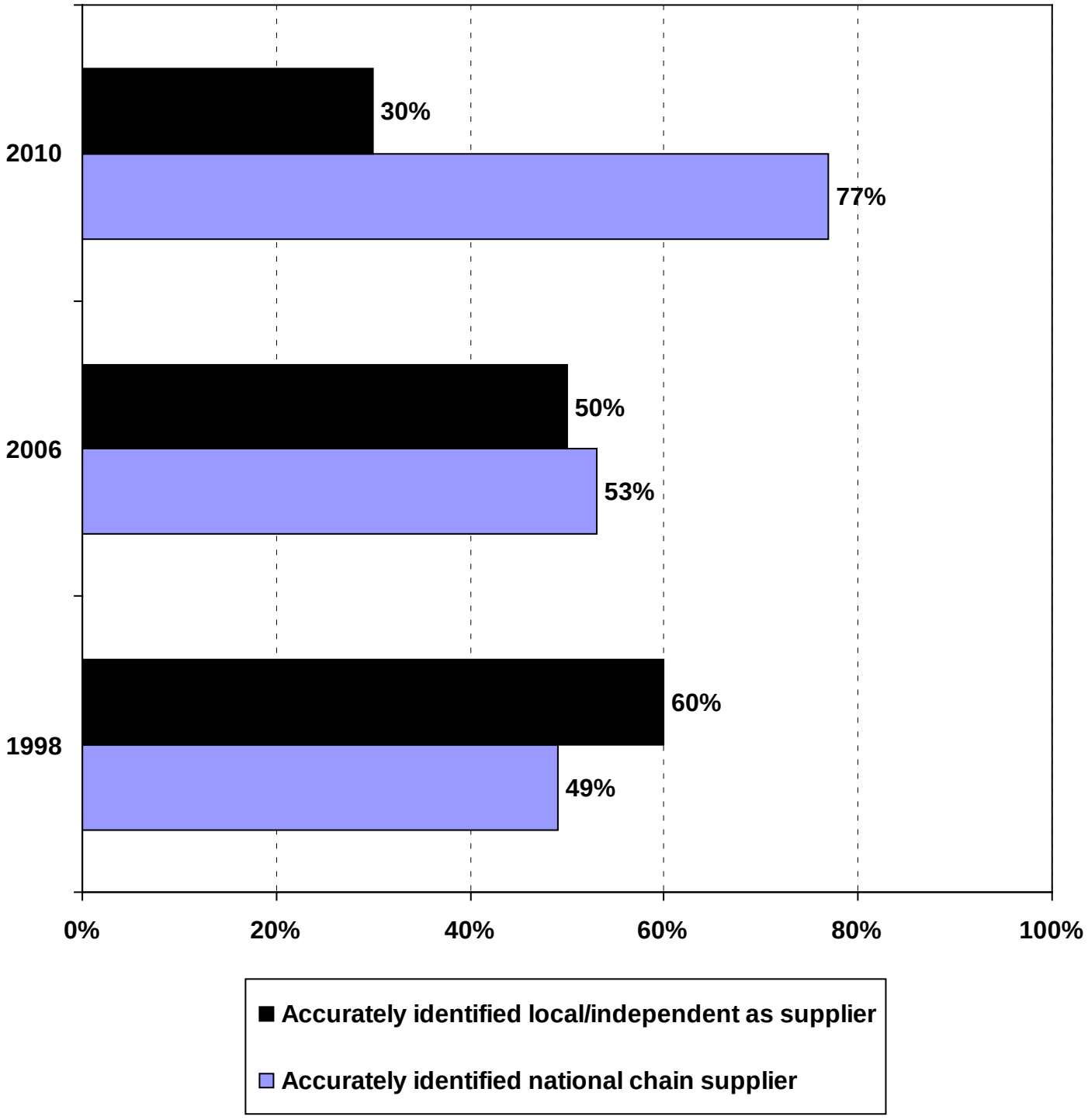


TABLE 4-3

ADVANTAGES OF USING A LOCAL LAUNDERER

Q. 9 Even if you had to guess, what might be the advantages of using a locally-owned rental launderer who ONLY SERVES THE LOCAL MARKET?

	2010 TOTAL	2006 TOTAL	1998 TOTAL
Better/more personalized service	41%	45%	41%
Supporting the local economy	39%	24%	7%
Easier accessibility/greater convenience	20%	30%	14%
More responsive/prompt	13%	17%	7%
More competitive prices	-	3%	-
Other	7%	-	2%
WEIGHTED INTERVIEWS	**150**	**201**	**387**
INTERVIEWS COMPLETED	**151**	**120**	

**** Yellow/light grey = statistically significant differences, vs. orange/dark grey***
***** Totals more than 100% due to multiple mentions***

TABLE 4-4

ADVANTAGES OF USING LOCALLY-OWNED RENTAL LAUNDERER THAT SERVES ONLY LOCAL MARKET

9. Even if you had to guess, what might be the advantages of using a locally-owned rental launderer who ONLY SERVES THE LOCAL MARKET?

	TOTAL	Q. C CURRENT SUPPLIER		Q. 15 PREFER IF SWITCH	
		Local/ Independent	National	Local/ Independent	National
Better/More personalized service	41%	43%	41%	43%	39%
Supporting the local company/Economy	39%	40%	38%	42%	40%
Easier accessibility/Greater convenience	20%	24%	19%	30%	12%
More responsive/Prompt	13%	14%	13%	14%	9%
Other	6%	1%	8%	3%	4%
Weighted Interviews	**150**	**28**	**121**	**58**	**35**
Interviews Completed	**151**	**70**	**78**	**64**	**36**

**** Totals more than 100% due to multiple mentions***

TABLE 4-5

BENEFITS OF USING NATIONAL LAUNDERER

Q. 10 Compared to a locally-owned supplier, what might be the benefits of using a larger, regional or national, rental uniform supplier?

	2010 TOTAL	2006 TOTAL	1998 TOTAL
Lower costs	67%	67%	38%
More selection/variety	29%	21%	19%
Better service	19%	10%	10%
More reliability	14%	5%	2%
Other	8%	-	2%
WEIGHTED INTERVIEWS	**163**	**201**	**387**
INTERVIEWS COMPLETED	**156**	**122**	

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey***
***** Totals more than 100% due to multiple mentions***

TABLE 4-6

BENEFITS OF USING A LARGER, REGIONAL OR NATIONAL RENTAL UNIFORM SUPPLIER

10. Compared to a locally-owned supplier, what might be the benefits of using a larger, regional or national, rental uniform supplier?

	TOTAL	Q. C CURRENT SUPPLIER		Q. 15 PREFER IF SWITCH	
		Local/ Independent	National	Local/ Independent	National
Lower costs	67%	66%	67%	58%	66%
More selection/ Variety	29%	31%	28%	26%	41%
Better service	19%	8%	22%	10%	35%
More reliability	14%	9%	15%	11%	14%
Other	8%	8%	8%	18%	6%
Weighted Interviews	**163**	**26**	**136**	**45**	**52**
Interviews Completed	**156**	**65**	**88**	**45**	**54**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***
***** Totals more than 100% due to multiple mentions***

TABLE 4-7

MOST POPULAR "PERCEIVED" ADVANTAGES OF USING EITHER A LOCAL/INDEPENDENT OR NATIONAL INDUSTRIAL LAUNDERER

(Net differences between 1998 – 2010)

	PRIMARY BENEFITS OF USING LOCAL/INDEPENDENT		
	2010	**2006**	**1998**
Better/more personalized service	41%	45%	41%
Support the local economy	39%*	24%	7%
Easier accessibility	20%	30%	14%
More responsive	13%	17%	7%
More competitive pricing	-	3%	-
	PRIMARY BENEFITS OF USING A NATIONAL LAUNDERER		
	2010	**2006**	**1998**
Lower cost	67%	67%	38%
More selection/variety	29%	21%	19%
Better service	19%	10%	10%
More reliability	14%	5%	2%

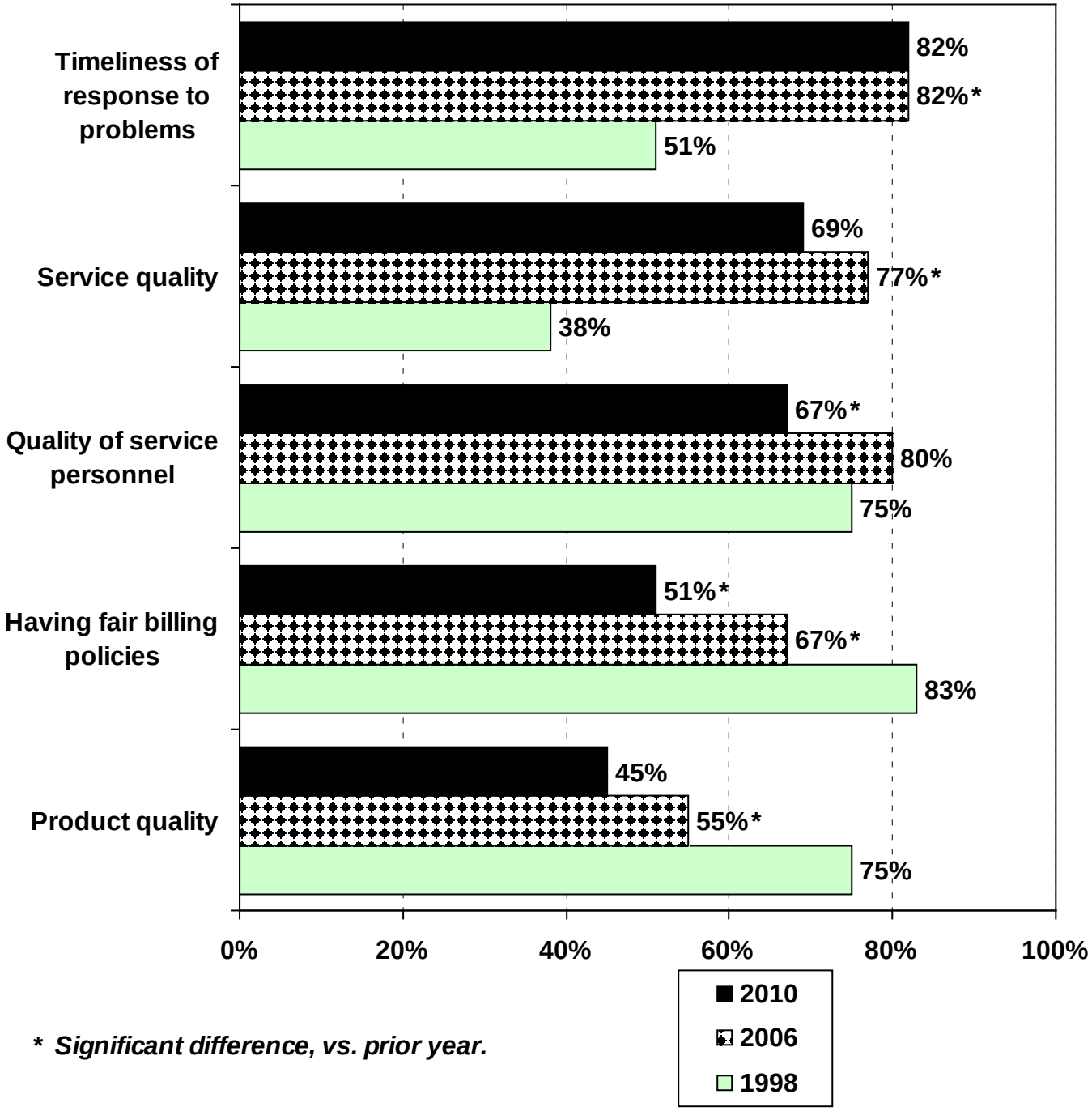
**** Yellow/light grey = statistically significant differences, vs. orange/dark grey***

***** Totals more than 100% due to multiple mentions***

TABLE 4-8

Q. 11

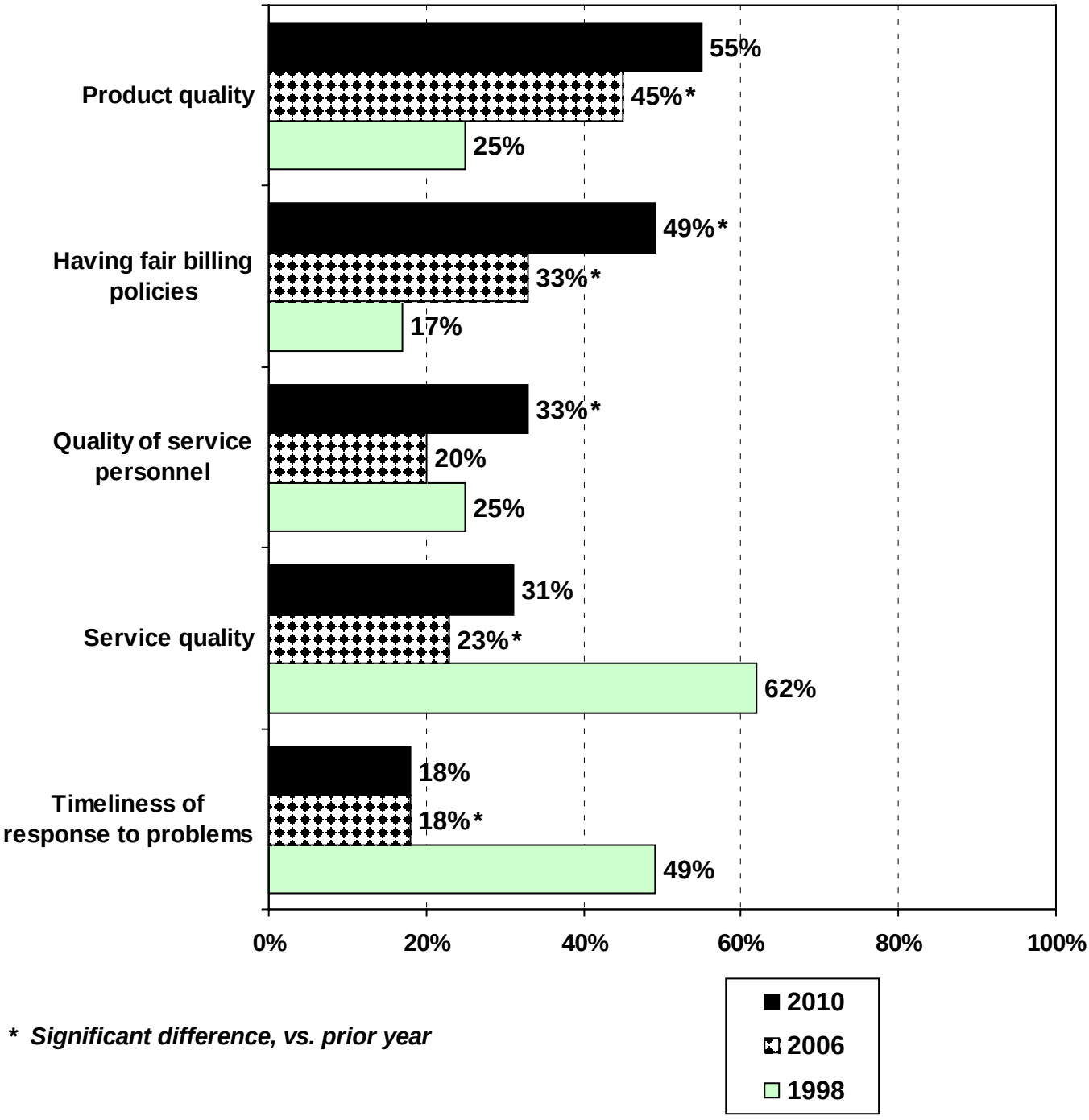
PROPORTION OF DECISION-MAKERS WHO PERCEIVE THAT A "LOCAL FIRM WOULD BEST SERVE MY NEEDS," VS. A NATIONAL CHAIN



** Significant difference, vs. prior year.*

Q. 11

TABLE 4-9
PROPORTION OF DECISION-MAKERS WHO PERCEIVE THAT A "NATIONAL CHAIN WOULD BEST SERVE MY NEEDS," VS. A LOCAL FIRM



** Significant difference, vs. prior year*

Q. 11

TABLE 4-10
2010 COMPARISON OF DECISION-MAKERS WHO PERCEIVE THAT A "LOCAL FIRM WOULD BEST SERVE MY NEEDS," VS. A NATIONAL CHAIN

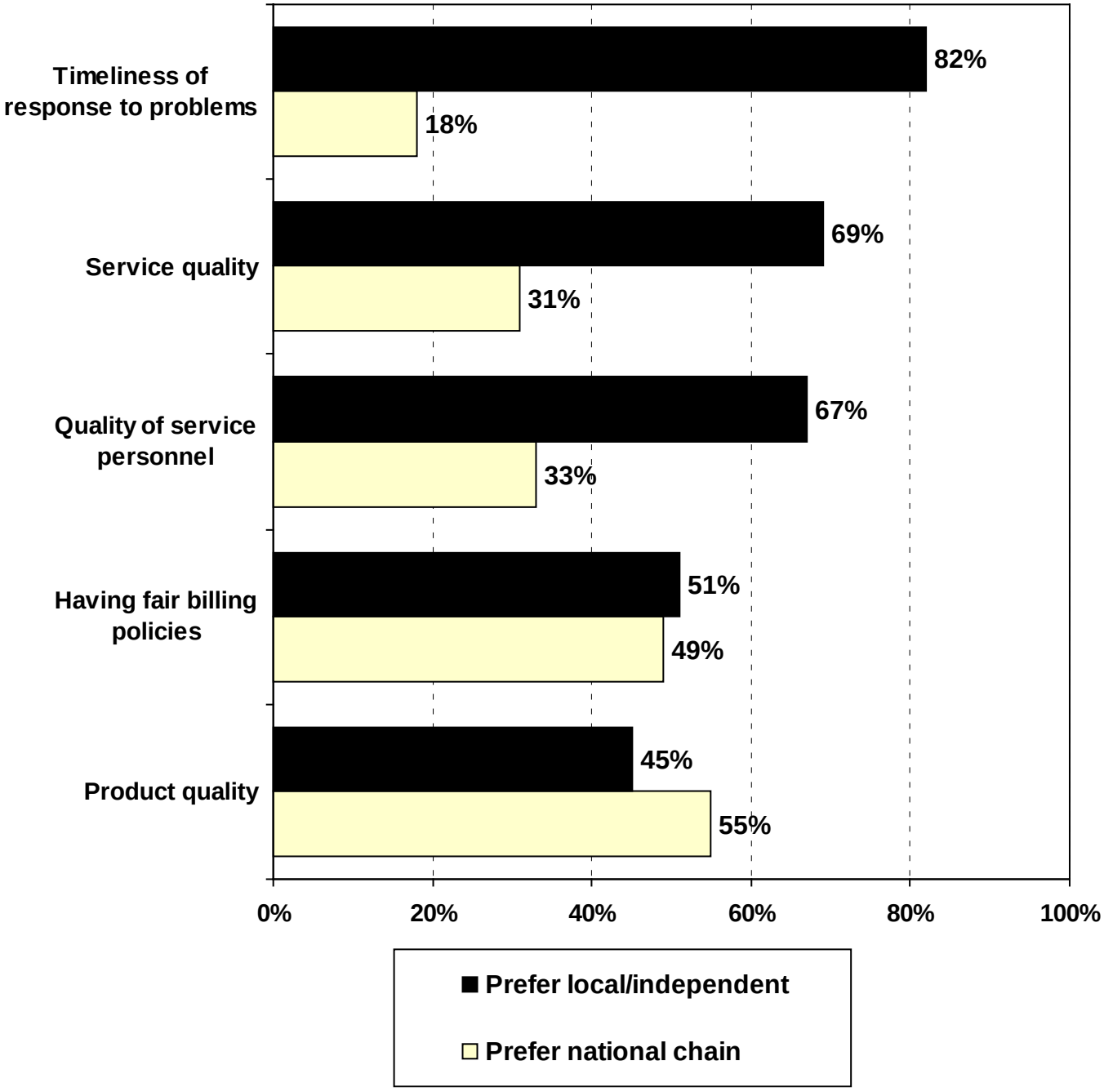


TABLE 4-11

PERCEIVE THAT LOCAL FIRMS WOULD BEST SERVE NEEDS ON SPECIFIC CRITERIA

11. Summary of local firm would best serve needs.

	TOTAL	Q. C CURRENT SUPPLIER		NET	Q. 15 PREFER IF SWITCH		NET
		Local/ Independent	National		Local/ Independent	National	
Timeliness of response to problems	82%	87%	80%	**+7%**	100%	66%	**+34%**
Service quality	69%	70%	69%	**+1%**	96%	36%	**+60%**
Quality of service personnel	67%	66%	67%	**-1%**	93%	45%	**+48%**
Having billing policies you consider to be fair	51%	61%	49%	**+12%**	86%	21%	**+65%**
Product quality	45%	56%	42%	**+14%**	68%	20%	**+48%**
Base: Local Firm Would Best Serve Needs or National Firm Would Best Serve Needs	**185**	**34**	**150**	**-**	**64**	**54**	**-**
Interviews Completed	**185**	**86**	**97**	**-**	**69**	**54**	**-**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 4-12

PERCEIVE THAT NATIONAL FIRMS WOULD BEST SERVE NEEDS ON SPECIFIC CRITERIA

11. Summary of national firm would best serve needs.

	TOTAL	Q. C CURRENT SUPPLIER		NET	Q. 15 PREFER IF SWITCH		
		Local/ Independent	National		Local/ Independent	National	NET
Product quality	55%	44%	58%	**-14%**	62%	38%	**+24%**
Having billing policies you consider to be fair	49%	39%	51%	**-12%**	48%	49%	**-1%**
Quality of service personnel	33%	34%	33%	**+1%**	38%	18%	**+20%**
Service quality	31%	30%	31%	**-1%**	37%	15%	**+22%**
Timeliness of response to problems	18%	13%	20%	**-7%**	23%	7%	**+16%**
Base: Local Firm Would Best Serve Needs or National Firm Would Best Serve Needs	**185**	**34**	**150**	**-**	**121**	**57**	**-**
Interviews *Completed	**185**	**86**	**97**	**-**	**126**	**52**	**-**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

TABLE 4-13

LIKELIHOOD OF SWITCHING TO LOCAL/INDEPENDENT OR NATIONAL SUPPLIER

15. If you ever decided to switch uniform rental suppliers, would you be most likely to switch to a local independent supplier or a supplier who serves the national market?

	TOTAL		Q. C CURRENT SUPPLIER		Q. 19 TENURE			Q. A # WEARERS		
	2010	2006	Local/ Independent	National	Short Under 4 years	Moderate 5-9 Years	Long 10+ years	Small	Middle	Large
NET PREFERENCE FOR LOCAL/ INDEPENDENTS	**+6%**	**+20%**	**+16%**	**+2%**	**+36%**	**-2%**	**-6%**	**+36%**	**+16%**	**-6%**
Local/Independents	53%	60%	58%	51%	68%	49%	42%	68%	58%	42%
National	47%	40%	42%	49%	32%	51%	48%	32%	42%	48%
Weighted Interviews	**150**	**201**	**27**	**121**	**52**	**43**	**46**	**46**	**43**	**55**
Interviews Completed	**151**	**201**	**69**	**78**	**50**	**45**	**49**	**50**	**45**	**52**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey.***

V. Demographics

A. Chapter Summary

1. Table 5-1 provides a profile of the number of employees wearing rental uniforms. This research suggests that the national chains, perhaps as expected, will have a comparatively greater level of penetration among large accounts.

Table 5-1

2. Job titles of all study participants are outlined in Table 5-2.

Table 5-2

B. Statistical Tables

TABLE 5-1

NUMBER OF EMPLOYEES THAT WEAR RENTAL UNIFORMS

A. About how many employees, at this location, wear rental uniforms?

	TOTAL	Q. 15 PREFER IF SWITCH		Q. 18 KNOW DRIVER'S NAME	
		Local/ Independent	National	Yes	No
Small (5-15)	35%	37%	21%	31%	50%
Medium (16-29)	29%	35%	31%	28%	29%
Large (30+)	36%	28%	48%	41%	21%
MEAN	**26.0**	**24.4**	**29.3**	**27.6**	**20.9**
MEDIAN	**20.0**	**20.0**	**26.0**	**22.0**	**16.0**
Weighted Interviews	**199**	**67**	**56**	**152**	**47**
Interviews Completed	**200**	**72**	**56**	**151**	**48**

**** Yellow/light grey = statistically-significant difference, vs. orange/dark grey***

TABLE 5-2

JOB TITLE

Q. 22 What is your job title?

	2010 TOTAL	2006 TOTAL
Service Manager	26%	20%
President/CEO	11%	12%
Parts and Service Director	9%	5%
Operations Manager	7%	3%
Fixed Operations Director/Manager	6%	1%
Purchasing	5%	2%
Office Manager	4%	14%
Owner	4%	11%
Vice President	4%	2%
Human Resources	3%	5%
General Manager	3%	4%
Other Manager	3%	3%
Controller/CFO	3%	2%
Sales Manager	3%	1%
Accountant/Bookkeeper	1%	3%
Plant Manager	-	1%
Other	9%	9%
BASE	**206**	**201**

Reports/csc-4005-b&w final report-11-19-10

APPENDIX
QUESTIONNAIRE

#4005

FINAL QUESTIONNAIRE
TELEPHONE SURVEY OF EMPLOYERS WHO USE UNIFORM RENTAL
(August 10, 2010)

(ASK RECEPTIONIST IF ANY EMPLOYEES OF THE FIRM WEAR RENTAL UNIFORMS.)

(IF "YES": ASK TO SPEAK TO "DECISION-MAKER" REGARDING USE OF RENTAL UNIFORMS)

(IF "NO": TERMINATE AND TALLY)

(IF "DON'T KNOW" ASK TO SPEAK TO NAME ON LIST OR "PERSONNEL" OR "HUMAN RESOURCES" OR PERSON IN CHARGE OF POLICIES FOR WHAT EMPLOYEES CAN WEAR TO WORK.)

AFTER CONFIRMING ORGANIZATION USES UNIFORM RENTAL, READ:

Hello, I'm _____ calling on behalf of a national trade association representing more than 150 industrial launderers. We are conducting a survey to identify ways for industrial launderers to better serve customer needs. Your individual responses will remain completely confidential and you will not be asked to purchase anything. My questions should take no more than 8 minutes.
(IF NECESSARY, READ: "We are calling on behalf of CSCNetwork, a trade organization representing more than 150 industrial launderers, located throughout the U.S.)

A. First, about how many employees, at this location, wear rental uniforms?

_____
(RECORD NUMBER)

4 or less **(TERMINATE AND TALLY)**

Don't know
Refused

B. Thinking about the management of your uniform rental program, would you say you are ... (READ CHOICES)

A decision-maker or,

ASK TO SPEAK TO "DECISION-MAKER" FOR THE UNIFORM RENTAL PROGRAM

← Not involved in these decisions
← Don't know
← Refused

C. Could you please tell me the name of the company that provides your uniform rental service?
(READ LIST IF NECESSARY)

NATIONALS

ALSCO
AmeriPride
Aramark
CINTAS
G & K
UniFirst

REGIONALS

Arrow Uniform (TERMINATE)
Coyne (TERMINATE)
Mission (TERMINATE)
Prudential (TERMINATE)

LOCAL/INDEPENDENTS

Other (SPECIFY) _____
_____(Go to Q. 1)

Don't know (TERMINATE)
Refused (TERMINATE)

1. In terms of meeting your **company's needs**, is your attitude toward the rental uniform program ... (READ CHOICES)

Very favorable
Somewhat favorable
Somewhat unfavorable

-OR-

Very unfavorable

Neutral (VOL.)*****
Don't know
Refused

* *"VOL." = stands for "volunteered response," which means interviewers will accept this response if it is specifically mentioned by the individual being interviewed. However, this choice is not read to the person being interviewed.*

2. In general, do you use rental uniforms because of ... (READ CHOICES)

Benefits to the company

-OR-

Benefits to the uniform wearers
Both (VOL.)
Don't know
Refused

3. In terms of **BENEFITS TO YOUR COMPANY**, why do you rent uniforms? (PROBE FOR MULTIPLE MENTIONS - DO NOT READ LIST)

Cleanliness of clothes
Company identification/Promotion
Convenience
Cost savings to company
Customer service (unspecified)
Professional image
Quality of the garments
Repairs/replacement of garments
Regulations/government mandates/Laws
Safety
Uniformity of appearance

Other (SPECIFY) (VOL.)_____
_____

Don't know
Refused

4. In what ways could your uniform rental supplier better serve your needs? (PROBE FOR MULTIPLE MENTIONS - DO NOT READ LIST)
(IF "LOWER PRICE", "REDUCED COST", ETC., PROBE FOR ADDITIONAL MENTIONS)

NET: Production

A stale, musty smell in the summer
Better quality control

Better repair service
Keep uniforms cleaner
Repair uniforms
Replace uniforms faster

Replace worn uniforms/Get new uniforms
Shirts and pants not matching up
They should fold uniforms and put them in plastic bags so they stay clean

Uniform is worse than when it went in
Uniform should be inspected before delivery.

NET: Price/Cost

Be more price competitive
Charge too much for damages
Cut costs
Stop charging for damaged garments
Stop charging for lost garments

NET: Billing Policies

Behind in billing
Better billing
Charged for damages that we didn't even cause
Charged for things we don't use

Didn't get new uniform, but charged for it
Need a discount when employee is terminated.
Shouldn't charge fee when uniforms get old
Took too long to credit

NET: Communication

Better communication within the company
Better tally sheet
Deal w/ customers instead of just drivers
Explain all possible plans up front

Explain charges in depth
Explain length of contract up front
Forms to sign when getting uniforms to help keep track
Hard to get a hold of

More visits by the representative
Notify us in advance if charges for replacement of the uniforms
Should have a catalog
They don't return phone calls

NET: Product

More variety in uniforms
Make garments more comfortable, in large sizes
Product could be better quality
Chef coats are very thick
Want special uniforms

NET: Customer Service

Better customer service
Have problem exchanging for correct size
Quicker response when adding a new employee to the service
Servicing new accounts better
They don't follow-up as much as they should

NET: Delivery Issues

Be more prompt
Didn't pick up all uniforms for cleaning
Driver isn't always on time
Drivers shouldn't be in such a hurry
Eliminate shortages by having someone deliver more when there may have been a shortage
Holiday uniforms weren't sent out on time
Just getting pants not shirts
Keep better track of inventory
Sometimes orders are not completely returned

NET: Driver Issues

Better communication between driver and customer
Drivers need to be more educated

NET: Safety

Better personal protection
Offer more personal protection garments/products

NET: Other

Adding one uniform per week
Keep appointments
Replace lost garments
Sizing tags renewed
The turnaround time should be reduced
They don't allow us to launder our own uniforms
We were quoted the wrong price

Don't know
None/Happy with service
Refused

5. Using the scale of "excellent," "very good," "good", "fair" and "poor", how would you rate your rental uniform program on each of the following **service issues**? First, how would you rate **(READ FIRST ISSUE RATED) ...**
(RE-READ SCALE WHENEVER NECESSARY)
(ROTATE LIST)

	Excellent	**Very Good**	**Good**	**Fair**	**Poor**	**Don't Know**	**Refused**
a. Timeliness of delivery							
b. Completeness of delivery (no missing garments)							
c. Timeliness of response to problems							
d. Having billing policies you consider to be fair							
e. Accessibility by telephone							
f. Quality of delivery personnel							
g. Overall appearance of the rental uniforms							

6. Other than **RENTAL UNIFORMS,** please tell me whether you **DO** or **DO NOT PURCHASE** each of the following from your uniform rental supplier. First, do you **PURCHASE [READ FIRST ISSUE RATED]** from your uniform rental supplier.
READ AND ROTATE LIST

	Do	Do Not	Don't Know	Refused
a. Uniforms, other than those you rent				
b. Mats				
c. Restroom supplies				
d. Promotional apparel, such as polo shirts, t-shirts and caps with company logos				
e. First aid supplies				

[ALL THOSE RESPONDING "DO NOT" IN QUESTION 6 WILL SKIP TO QUESTION 8.]

7. How important is it to you that your rental uniform supplier also offers the products you purchase? Is it…(READ CHOICES)

Very
Somewhat
Only slightly

-OR-

No at all important

Don't know
Refused

8. As far as you know, does the rental uniform supplier you currently use serve ... **(READ CHOICE - DO NOT ROTATE)**

Only your local market and surrounding area

-OR-

Do they serve a national market?

Multiple states (VOL.)
Don't know
Refused

9. Even if you had to guess, what might be the advantages of using a locally-owned rental launderer who **only serves the local market**? **(PROBE FOR MULTIPLE MENTIONS - DO NOT READ CHOICES)**
(IF "DON'T KNOW" PROBE FOR BEST GUESS)

Better/more personalized service
Easier accessibility/greater convenience
More responsive/prompt
Supporting the local company/economy
Other (SPECIFY) (VOL.) _____

_____

Don't know
Refused

10. Compared to a locally-owned supplier, what might be the benefits of using a larger, regional or national, rental uniform supplier? **(PROBE FOR MULTIPLE MENTIONS - DO NOT READ LIST)**

Lower costs
More selection/variety
Better service
More reliability
Other (SPECIFY) _____

_____

Don't know
Refused

11. For each of the following, please tell me whether you feel your needs would be best met by a local supplier of uniform rental services or a supplier who serves the national market. First, do you feel a local, or national, firm would best serve your needs when thinking about **(READ FIRST ISSUE RATED)?**
(READ AND ROTATE LIST)

	Local Firm would Best Serve Needs	**National Firm would Best Serve Needs**	**Both could Serve Needs**	**Don't Know**	**Refused**
a. Value for the cost					
b. Service quality					
c. Product quality					
d. Timeliness of response to problems					
e. Having billing policies you consider to be fair					
f. Quality of service personnel					
g. Having invoices that are clear and understandable					

12. If your contract expired in the next several months, how likely would you be to renew your uniform rental contract with your current supplier? Would you say you . . . (READ CHOICES)

Absolutely would
Probably would
Probably would not

- OR -

Absolutely would not

Don't know
Refused

13. Again realizing this is strictly a research study and you will not be re-contacted, how likely would you be to consider switching to a new uniform rental supplier if you were offered a **THREE-YEAR CONTRACT** instead of the more common five-year contract? Are you…(READ CHOICES)

Very (Go to Q. 15)
Somewhat
Only slightly

-OR-

Not at all likely to consider another uniform rental supplier?

Don't know
Refused

14. Again realizing this is strictly a research study and you will not be re-contacted, how likely would you be to consider switching to a new uniform rental supplier if you were offered a **ONE-YEAR CONTRACT** instead of the more common five-year contract? Are you…(READ CHOICES)

Very
Somewhat
Only slightly

-OR-

Not at all likely to consider another uniform rental supplier?

Don't know
Refused

15. If you ever decided to switch uniform rental suppliers, would you be most likely to switch to a local independent supplier or a supplier who serves the national market?

Local independent
National
Other (SPECIFY) _____
_____

Don't know
Refused

16. Using the scale of “1” to “10”, where “1” means **EXTREMELY UNLIKELY** and a “10” means **EXTREMELY LIKELY**, how likely would you be to recommend your current uniform rental supplier to friends or colleagues? Would you say a “1” - **EXTREMELY UNLIKELY**, or “10” - **EXTREMELY LIKELY**, or would you choose some number in between?
(PROBE FOR **ONE** NUMBER RATING)

1 (Go to Q. 16)
2 (Go to Q. 16)
3 (Go to Q. 16)
4 (Go to Q. 16)
5 (Go to Q. 16)
6 (Go to Q. 16)
7 (Go to Q. 16)
8 (Go to Q. 16)
9
10
Don’t know (Go to Q. 16)
Refused (Go to Q. 16)

CONSIDERED DELETING, HOWEVER, THIS IS THE ONLY UNAIDED QUESTION TO IDENTIFY KEY STRENGTHS OF HIGHLY RATED SUPPLIERS.

17. What is the single most important reason you **WOULD CONSIDER** recommending this uniform rental supplier?
(PROBE FOR ONE MENTION ONLY)

NET: Production

Garment cleaning
Replacement of worn garments
Uniform repairs

NET: Billing

Billing is clear/Understandable
Billing is correct

NET: Communication

Easy to reach correct/desired personnel
Telephone calls returned promptly
Good communication between rental uniform supplier and uniform wearers
Good communication with driver
Good communication with management personnel

NET: Delivery Issues

Completeness of delivery (no missing uniforms)
On-time delivery
Pick-up on time
Uniforms delivered to correct lockers/locations

NET: Driver Issues

Driver is courteous/friendly
Driver is efficient
Driver responds to problems/concerns

NET: Responsiveness

Manager listens well and answers questions
Rapid turnaround time for uniform for new employees
Responds to problems quickly

NET: Product Issues

Product quality
Product variety

NET: Price/Cost

Fair prices
Few price increases
Good value for price
Price is competitive

NET: OTHER

Good reputation
Prompt service
Reliability
Satisfied/No problems

Don't know
Refused

Now, several final questions for statistical purposes only ...

18. Do you know the name of your regular delivery person for uniform rental?

    Yes
    No

    Don't know
    Refused

19. For about how many years have you used your current rental uniform supplier?

    _____
    Record number of years

    Less than 1 year

    Don't know
    Refused

20. What is your job title?

    Accountant/Book Keeper
    Controller/CFO
    General Manager
    Human Resources
    Manager (Unspecified)
    Office Manager
    Operations Manager
    Owner
    Parts & Service Director
    Parts & Service Manager
    Plant Manager
    President/CEO
    Purchasing
    Sales Manager
    Service Manager

    OTHER (SPECIFY) _____

    _____

    Don't know
    Refused

21. **RECORD FROM SAMPLE - STATE**

22. **RECORD FROM SAMPLE - SIC CODE**

17 Special Trade Contractors
1711 HVAC
1731 Electrical Contractors
20 Manufacturing Food and Kindred Products
28 Manufacturing; Chemicals and Allied Products
34 Manufacturing; Fabricated Metal Products
35 Manufacturing; Industrial Machinery and Equipment
50 Wholesale Trade - Durable Goods
55 Automotive Dealers & Service Stations
75 Auto Repair
7600 Services - Miscellaneous Repair Services

THANK YOU FOR TAKING THE TIME TO ANSWER MY QUESTIONS.

RECORD

Respondent Name: _____

Company Name: _____

Telephone Number: _____

Proj/q-4005-final client version-b&w-08-10-10