2015 CSCNETWORK UNIFORM RENTAL CUSTOMER SATISFACTION STUDY SUMMARY OF KEY STUDY FINDINGS

Summary of Key Study Findings

1. **Motivations for using uniform rental:** These continue to be dominated by the combination of company benefits and benefits to the wearers (55%), though many rent uniforms strictly as a wearer benefit (37%).

2. **Rental uniform "benefits to the company":** In describing benefits to the company, decision-makers devote particular emphasis to professional image (48%), cleanliness of clothes (39%), uniformity of appearance (26%) and company identification (24%).

3. **Competitive market profile:** Although CINTAS continues to be the market share leader (35%) its level of penetration declined measurably between 2006 – 2010 (45% to 36%), after which it has stabilized. UniFirst should be viewed as the most aggressive competitor in recent years, increasing its market share from 10% in 2006 to 18% in 2015. In addition, among those with less than five years tenure with their current uniform rental supplier, UniFirst has a market share of 27%.

4. **Purchased garments and other services:** This investigation reveals that industrial launderers benefit from numerous direct sale items, with particular emphasis upon mats (73%, up from 54% in 2010), restroom supplies (37%) and, to a lesser degree, promotional apparel (26%), uniforms other than those rented (16%) and first aid supplies (13%).

5. **Importance of direct sale products and other services:** Purchase decision-makers, who purchase direct sale products and/or other services from their industrial launderer, often consider these offerings to be "very important" (31%) or at least "somewhat important" (25%).

6. **Overall satisfaction with the uniform rental service:** After recording a "significant" increase in "very favorable" ratings between 1998 (58%) and 2006 (70%) sentiment has stabilized near this higher level (69% in 2015). It is important to note that industrial launderers are performing at the upper end of the typical range of 55% - 70% "very favorable" for business-to-business services (i.e., based upon thousands of similar evaluations completed by Market Measurement during the past 38 years). While overall satisfaction ratings are virtually undifferentiated for those using a local/independent vs. a national chain, local/ independents recorded a "significantly" higher Net Promoter Score (i.e., 55% vs. the national chains at 43%).

7. **Key drivers of satisfaction:** Among those most likely to recommend their current supplier to others, the dominant motivations include effective communication (27%) followed somewhat distantly by on-time/complete deliveries (11%) and uniform appearance (9% - including both cleaning and repairs).

8. **Opportunities to better serve customer needs:** Without question, opportunities for improvement are heavily focused upon what we refer to as "overall uniform appearance," including faster replacement of uniforms (23%), better quality control" (17%), better repairs (14%) and cleaning of uniforms (10%). Mentions of these topics are also measurably more common among those less than "very favorable" toward their current supplier.

9. **Ratings of specific evaluation criteria:** When considering seven aided evaluation criteria consistently associated with overall satisfaction, based upon Market Measurement's extensive experience in this industry, the two key study conclusions are:

   - Between 1998 and 2015, customer satisfaction ratings have steadily, and often substantially, increased. In essence, the level of competition in the market, in terms of product and service performance, has intensified

- Local/Independents consistently, and often substantially, outperform the national chains on these evaluation criteria.

10. **Perceptions about local/independents vs. the national chains [Unaided]:** Local/independents are characterized by numerous "perceptual advantages" over the national chains when purchase decision-makers are asked about the advantages of using a locally-owned rental launderer vs. a larger, regional or national, rental uniform supplier. This includes frequent mentions of:

    - Better/more personalized service (41%)
    - Supporting the local economy (41%)
    - Greater accessibility (21%).

    The image attributes outlined above contrast with those associated with the national chains including "lower costs" (66%) and "more selection/variety" (31%).

11. **Perceived performance of local/independents vs. the national chains on specific criteria [Aided]:** In addition to purchase decision-makers who provided solid support for local/independents on an unaided basis, the proportions who perceive that "a local firm would best serve their needs" was often quite impressive when considering these topics:

    - Timeliness of response to problems (82%)
    - Quality of service personnel (78%)
    - Service quality (71%)
    - Having fair billing policies (57%).

12. **Likelihood of contract renewal:** Arguably, one of the most compelling study findings, in terms of the actual performance of local/independents vs. the national chains, is the comparative proportions of decision-makers who "absolutely will" renew their contract with their current supplier. This represents almost three-quarters (74%) of those using a local/ independent vs. only slightly more than one-half (52%) for those using a national chain.

13. **Receptivity to three-year contracts:** Even under the challenging scenario of having to switch suppliers, more than one-in-four purchase decision-makers are either "very likely" (12%) or "somewhat likely" (17%) to consider making this switch to obtain a three-year contract. The national chains are comparatively more vulnerable to this marketing strategy:

    - 82% of those using a local/independent are "not at all likely to consider" switching for a three-year contract compared to only 50% of those using a national chain

    - 32% of those using a national chain are at least "somewhat likely" to consider this type of switch, compared to less than one-half this proportion for those using a local/independent (15%).

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