

A Survey and Research on Woolworths Customer Satisfaction

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Abstract

Woolworths, or Woolies, is a large Australian supermarket chain and grocery store directly owned by The Woolworths Group (Arli, Dylke, Burgess, Campus, & Soldo, 2013). It is one of the monopolies in Australia. The Melbourne-based organization, founded 95 years ago in 1924, has grown exponentially. Due to its large operation scale, the organization can form a duopoly with Coles Supermarkets by controlling more than 80% of the market share. According to the company's F21 half-year results, group sales increased 10.6% year on year to \$35.845 billion. In addition, e-commerce sales doubled amid COVID-19, with an upward revision of 77.9 percent to \$2.937 billion. Despite setbacks caused by the outbreak of COVID-19 and subsequent work stoppage, the Woolworths Group has started 2021 in good shape. Dividends per share also increased by 15.2% (2021). Despite its e-commerce efforts and sales growth, the company has received poor customer reviews during the pandemic. This paper will analyze the deficiencies in sales, problem handling, and operation of the company according to the problems raised by customers. It also summarizes the literature and periodicals published by scholars in the past, analyzes the reasons for the decline of Woolworths customer satisfaction, and then suggests.

Keywords

Customer Satisfaction, e-Commerce

1. Introduction

Woolworths occupies the majority of the market in Australia, and the scale and scope of Woolworths have grown considerably with the huge overall business. Woolworths Group has a solid and sound organizational structure, which can ensure prudent decisions and effective planning at all levels of the organization.

But his customer satisfaction has declined in recent years. In the 2019 supermarket customer satisfaction survey, Australia's two largest supermarket chains, Coles and Woolworths, did not fare well, with 67% and 69% of respondents satisfied with the study. During the epidemic, Woolworths has also received negative comments from customers. Astonishingly, such a big company has this kind of problem. Then let us dig deeper into the real reason behind the occurrence of this matter. In the past, much literature has proposed the reasons for the decline of customer satisfaction in many aspects. Still, there is no investigation into maintaining customer satisfaction in an already very successful enterprise.

To analyze this and make recommendations for already successful organizations on maintaining customer satisfaction, this article uses several methods. First of all, the customer satisfaction of Woolworths in the past and recent years was compared to find out the problems, and then summarize the previous studies on customer satisfaction by scholars and find out why the decrease in customer satisfaction at Woolworths. Finally, the financial statements and sales trends of Woolworths are analyzed and put forward corresponding suggestions and countermeasures for the problems in Woolworths.

In the past, some pieces of literature only put forward the reasons for customer satisfaction and did not carry out a more detailed discussion on the company's scale. This paper will analyze the reasons for the decline in customer satisfaction of large-scale and well-known enterprises like Woolworths and put forward suggestions. However, the previous literature did not involve this aspect, and the customer's satisfaction with Woolworths is subjective, so the conclusion drawn in this paper is not very comprehensive.

This paper will analyze the reasons for the gradual decline of Woolworths' customer satisfaction from the following aspects. First of all, this paper describes the development process of Woolworths and the reasons for its success, including Woolworths' emphasis on customer experience and the perfect and rigorous system of the management. Then it analyzes the comments of customer dissatisfaction received by Woolworths in recent years, discusses the reasons for customer dissatisfaction and the influence and main reasons caused by such problems in such a successful enterprise, and puts forward relevant suggestions on these problems. Finally, the paper summarizes the issues discussed in the form and puts forward how to maintain the reputation in enterprise development. No matter how small or large an enterprise is, it needs to adjust the details to varying degrees and try its best to meet customer needs. And the more significant the enterprise, the higher the customer expectations of the enterprise, and the higher the requirements, so it is more difficult to satisfy customers.

2. Literature Review

Many scholars have analyzed the sources of customer satisfaction and explained how customers behave psychologically when evaluating an enterprise and expressing their satisfaction with the enterprise for the psychological and objective

reasons of customers. However, few scholars analyze the enterprise-scale, geographical location, corporate culture, positioning, and customer groups at a deeper level.

From the perspective of individuals, customer satisfaction is technically a psychological and subjective perceptual process and is an individual who pays for a company's services and products. The determinants of this perception can be many and complex. Some scholars designed a service quality perception model, listing the factors that affect how consumers perceive the services provided by the company, including access, communication, ability, politeness, credibility, reliability, responsiveness, security, tangible assets, and understanding (Parasuraman, Zeithaml, & Berry, 1985). At the same time, when consumers evaluate their consumption experience, they will also compare the current experience with the knowledge and the expected effect to conclude. In a word, customer satisfaction includes subjective and objective determinants, which guide the company's efforts in two directions.

This paper argues that there are many subjective factors involved in expressing customers' satisfaction, and another significant factor is that customers have different expectations when facing various enterprises. For example, Woolworths is in an almost monopoly position in Australia, which means that this enterprise is excellent and thriving in the public's mind. Customers have specific cognition and expectations of this company before they purchase this supermarket. This means that when customers consume in this supermarket, they may also have great dissatisfaction even if they encounter a small thing. The 2019 Australian Satisfaction Survey revealed that many customers were not satisfied with the labels in Woolworths' stores, with some saying they were not obvious enough. But if it had happened in a small, anonymous supermarket, the public might not have noticed these details.

A new perspective of recent consumer satisfaction research is service space. The pandemic forces companies to move their operations online, and the physical supermarket space is no longer the place to consume. However, the construction of virtual service space is also essential. The service space provides consumers with visual hints about the overall image of the company's products, marketing, and management (Bitner, 1992). As the website and delivery service are the main spatial elements of supermarket operation, efforts need to be made to improve these aspects.

3. Discussion

In recent years, due to the epidemic's impact, Woolworths also had to open up the online market. Woolworths has always been very focused on customer experience, but there have been a lot of complaints from customers during this period.

While online retail has helped the supermarket chain survive the pandemic crisis and continue to operate during the lockdown, new problems are on the

rise, mainly in “sub-standard” delivery services and poor food quality. Most importantly, many consumers complain that express delivery services “infringe” on their rights and interests. Because they come home to find goods and products in their homes, even though their doors are locked (Rolfe, 2021). In response, Woolworths claimed that their delivery service was outsourced and worked with their partners to investigate the case. This “sub-standard” delivery service makes customers feel “unsafe” (Rolfe, 2021).

Meanwhile, consumers’ food quality was the most cited issue in the report. Customers complained that carrots and Onions delivered to their homes were rotten (Carroll, 2021). These foods are usually delivered to customers within their use-by dates, saving companies from being held liable for unsafe food and reducing food storage costs. However, from a consumer’s point of view, it is almost impossible to consume an entire flock of parrots overnight. Questionable food quality and poor delivery have dissatisfied consumers with Woolworths products and services.

4. Recommendations

As mentioned above, customers feel that Woolworths’ service of delivering items directly to their homes violates their privacy and makes them feel afraid and insecure. Woolworths said this was because of its outsourced delivery service and said it would investigate the matter. But from a customer’s point of view, having a stranger walk right into your home is scary, and it can be difficult and unsettling. Why didn’t Woolworths consider such an obvious problem before distributing the goods? Should companies discuss delivery details when deciding which delivery service to use and follow up with the outsourcing company’s follow-up services? Woolworths’ attitude of blaming the outsourcing company for the problem does not offer a good explanation.

In addition, Woolworths has always featured fresh dishes before providing online services, which makes people feel relieved about this supermarket. The customer complained that vegetables and fruits were not new, which undoubtedly damaged its brand and was unwise.

This paper believes that since Woolworths has left an excellent impression on the public, it should be more careful in its service. When people raise questions and express dissatisfaction, it is the most transparent way to admit mistakes, explain the causes of problems to the public, and then make corresponding guarantees. Running away from problems only makes people more dissatisfied.

5. Self-Reflection

The assignment allows me to review my role in providing consulting services to clients thoroughly. Most of the time, you must stand in the customers’ shoes to look at a problem instead of your own. Because you have to provide solutions targeting the customer’s problem, it is always the primary principle to think from their perspective to better understand the existing issues and context of the

case. Besides, it is recommended to have a comprehensive and systematic view when delving into a situation. Otherwise, one can be puzzled over the specifics while being blind to the whole, drawing insufficient and even wrong conclusions.

Additionally, critical analysis is of great importance in analyzing a problem. We should always think of a problem from multiple perspectives and consider all related stakeholders. Sometimes comparisons are necessary to show the differences in various cases.

I also discovered my strengths and room to grow in giving the presentation. On the one hand, the slides I made and presented were delicate with practical visual effects. I grasped attention to my slides with a good layout and structure of pictures and texts. The slides were of a logical framework, clearly presenting arguments and purposes. On the other hand, there are many aspects where I need to improve. First, I should have more eye contact with the audience since slides are only a tool, and the presenter should get the most attention to convey ideas. Second, I should also train my intonation in speaking to emphasize specific phrases and sentences of importance. Besides, teamwork is crucial in conducting a large project. In later projects, I should harness all resources and connections that I have to get advice and suggestions for my work.

6. Conclusion

This paper analyzes the decline of Woolworths' customer satisfaction and finds the main reason for the public's dissatisfaction with Woolworths from customers' comments. The result shows that the company lacks consideration in doing things. Woolworths is not the only company that has been very successful in a particular area. After reaching a certain level, having a specific customer base, and gaining customer trust, many other companies do things that make them less satisfied. Supermarkets that compete with Woolworths, for example, have seen similar problems, with customer satisfaction falling at about the same time as Woolworths. Supermarkets that are less well known than the two giants have high customer satisfaction.

This paper argues that many large enterprises will shift their focus from satisfying customers to other places when their scale reaches a certain level. The same is true in other countries.

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Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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