

BusinessWeek

The Customer Service Elite

Through innovations in technology, employee training, and customer-centered strategies, these service leaders don't just meet customer needs but anticipate and exceed them.

RANK	BRAND/INDUSTRY	PROCESS GRADE	PEOPLE GRADE	SERVICE INDEX*	PERCENTAGE RECOMMEND**	IDEAS FROM THE BEST
1	USAA Insurance	A+	A+	992.6	79%	USAA keeps its promises, customers say. Ninety-six percent of home and 98 percent of auto policyholders report that USAA meets their commitments to call back regarding claim issues on time.
2	Four Seasons Hotels Hotels	A+	A+	991.3	60%	When a Four Seasons executive says the luxury chain has an "obsession to be perfect," he means it. In 2006, just 2% of guests reported major problems with their hotel stay, halved from 4% in 2005.
3	Cadillac Auto	A+	A+	985.4	51%	Servicing a vehicle at a Cadillac dealer after the warranty expires is a top-notch experience, customers report. The brand scored at least 47 points higher than the industry average on all six related factors.
4	Nordstrom Retail	A	A-	947.1	57%	Nordstrom's famed service levels didn't disappoint our respondents. Customers ranked the courtesy of the Seattle-based department store chain's people tops among all retailers.
5	Wegmans Food Markets Supermarkets	A-	A	938.9	60%	You know they're good if customers rank the ease of returning things higher than Nordstrom. Wegmans received the best scores of any retailer for the ease of returning items to the store.
6	Edward Jones Brokerage	A-	A	938.2	58%	Edward Jones ranked 50 points higher than average full-service brokers overall. Their financial advisors, which received high marks for knowledge levels, scored 11.9 points higher than the industry average.
7	Lexus Auto	A+	A+	932.5	55%	At Lexus, there's no question good service builds loyalty: More than 91% of customers said they would "probably" or "definitely" return to the dealer for customer-paid maintenance services.
8	UPS Shipping	A	B+	931.5	40%	This global shipping giant ranked high on delivery timeliness and drivers' knowledge and flexibility. Only 1% of UPS customers reported problems with the service they received.
9	Enterprise Rent-A-Car Rental Car	A-	A-	926.8	44%	When it comes to rental cars, price drives satisfaction more than anything else. Enterprise earned the top score on all three price factors, from the cost of additional coverages to that dreaded fuel surcharge.
10	Starbucks Restaurant	B+	B+	920.3	45%	Starbucks baristas, no surprise, ranked high on their levels of friendliness, knowledge and availability. With almost 9,000 locations in the U.S., it's no wonder they also did well on convenience of locations.
11	Ritz-Carlton Hotels	A+	A+	911.4	56%	Sure, it's what you'd expect from a luxury hotel, but the Ritz gets it right, guests say. Ninety-seven percent of customers report that their reservations were accurate, and just 4% reported a billing error.
12	Amica Insurance Insurance	A+	A+	909.3	66%	When it comes to resolving auto claims--a headache for anyone who's had an accident--Amica's scores are second only to industry leader USAA, besting the insurance average by almost 90 points.
13	Southwest Airlines Airlines	B	B	901.1	50%	It's not just the low fares that customers "LUV" at Southwest. The airline's check-in process, and particularly its kiosks, won significantly higher than average scores from customers.
14	Washington Mutual Banking	B	B-	895.3	34%	Washington Mutual may be most known as a pioneer of free checking, but it's also notable for speedy service, customers say: 62% of respondents reported that problems were solved in one day or less.
15	Cabela's Retail	A-	A-	888.4	66%	The outdoor retailer's loaner program, which allows employees to borrow, test out, and review its products for free, pays off. Cabela's ranks top among all retailers when it comes to product knowledge.
16	Raymond James Financial Brokerage	B+	A	887.4	48%	At this full-service brokerage firm, which includes 4,600 advisors in 2,200 locations, people are tops.
17	Porsche Auto	A+	A+	880.2	56%	Porsche enthusiasts love to tell their friends how much they love their cars: Fifty-five percent say they would definitely recommend a Porsche, the second-highest ratio of any of the auto makers. (Lexus is No. 1.)
18	Apple Electronics	C-	B+	875.4	58%	Despite frustration about iPod battery replacements, Apple's customer service phone support ranks tops among electronics providers. In particular, customers rate its automated phone system as easy to navigate and good at resolving questions.

*The Service Index is composed of a weighting of J.D. Power's scores for "people" and "process," plus a bonus score for industry leaders. Thus, some companies with middling grades may have high service index scores because they rank first in their industries.

**Percentage of Respondents Who Would Definitely Recommend The Brand

16 RAYMOND JAMES FINANCIAL

CUSTOMER FOCUS

Management of this broker-dealer works hard to insure all associates make superior service a priority. Top brass regularly attend the firm's "Service 1st" events, which include monthly luncheons and events with motivational speakers who have a service-oriented message.



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THE METHODOLOGY

What it Takes to Be a Winner

TO DETERMINE THE WINNERS of the *BusinessWeek* Customer Service Champs, we first turned to J.D. Power & Associates, which measures customer satisfaction. Its research includes data on a range of industries such as airlines, hotels, and automakers. Because we were interested in measuring customer service, we used only results related to what customers think about a company's "processes" (its return policies or reservation procedures, for instance) and its "people" (their friendliness, say, or expertise levels). Therefore, our results may differ from J.D. Power's customer satisfaction rankings, which consider product quality, presentation, and price. We reserved the right to cut from our initial ranking companies about whom unfavorable information has come to light.

We began by aggregating the scores for each individual brand across the complete studies in J.D. Power's 2006 database. (A bank, for instance, might have separate studies that analyze a customer's branch, car loan, and mortgage experiences.) Only brands with at least 100 responses and with both "process" and "people" scores were considered.

We then eliminated industries that cater to niche markets, such as motorcycles, and about which consumers rarely make decisions based on service, such as homebuilders. To create a more nationally oriented list, we removed brands that did not have at least \$1.5 billion in annual revenues. (If a brand's parent company is in a similar business, its annual revenues were measured instead.) To compare industries across standard measures, we used a consistent set of J.D. Power's studies in each

industry and eliminated brands that did not appear on them all. Finally, in order to compare similar companies within a category, we removed dial-up-only Internet providers and hoteliers that were not in the upscale or luxury categories or did not have a significant U.S. presence.

To supplement the brands in J.D. Power's database, we also surveyed 3,000 *BusinessWeek* readers and asked them to nominate three companies they felt were best and three they felt were worst at providing customer service. More than 1,000 readers responded with 2,423 "votes" and 1,850 "complaints." For brands that received a high number of votes and a low number of complaints and were not part of J.D. Power's research, we created a Web-based questionnaire and surveyed at least 100 customers.

Finally, we aggregated both sets of data, combining the people and process scores to establish the "Service Score." The people score was weighted at 63% and the process score at 37%. (We used percentages that represented their average importance to determine J.D. Power's satisfaction scores.) Then, because we were comparing very different industries—booking a romantic weekend at the Four Seasons is a far cry from trying to dissect a monthly wireless bill—we gave credit for ranking high within an industry. Brands that ranked first in their category received 100 bonus points; those ranking second were awarded 50. We subtracted 50 points from each brand that fell below third place and 100 points from those that came in last in categories with at least five brands. We then translated the numerical scores for people and process into 10 letter grades.