

BusinessWeek



01 USAA

BETTER SERVICE FOR THOSE WHO SERVE

When you're stuck on an aircraft carrier in the middle of the Pacific, you don't want to waste the precious few minutes of poky Internet access you get each day waiting for content-heavy pages to load. That's one reason USAA, which offers insurance and banking services to military personnel and their families, just launched its mobile Web service. Along with handheld access to balances, proof-of-insurance cards, and bill-paying services,

this gives customers a stripped down site for faster page loads.

The new mobile site is just one way USAA, the top-rated company in our survey, made technology a priority in 2007. Over the past year some 370,000 of USAA's members began scanning checks on their home computers to deposit electronically—a helpful service especially for people subjected to the vagaries of intercontinental mail. This year the \$13.4 billion company will also give customers the ability to send and receive text messages to check their account balances. “We would go completely broke trying to chase our members around the world,” says Craig Hopkins, vice-president for e-business solutions. “They don't let us put our banks on submarines.”

Other tech upgrades are less visible to customers. Last year, USAA began revamping the software used by call-center reps. The new interface looks exactly like the Web site customers see, which helps reps more easily follow along with custom-

THE CUSTOMER SERVICE CHAMPS

RANK	BRAND/INDUSTRY	PROCESS GRADE	PEOPLE GRADE	SERVICE INDEX*
01	USAA Insurance	A+	A+	1030.66
02	L.L. BEAN Online/Catalog Retail	A+	A+	1014.62
03	FAIRMONT HOTELS Hotels	A+	A+	1007.68
04	LEXUS Auto	A+	A+	994.51
05	TRADER JOE'S Supermarkets	A	A	965.67
06	STARBUCKS Restaurants	A	A	964.03
07	JETBLUE AIRWAYS Airlines	A	A-	958.00
08	EDWARD JONES Brokerage	A+	A	952.55
09	LANDS' END Online/Catalog Retail	A+	A-	945.62
10	ACE HARDWARE Home Improvement/Big Box Retail	A	A	941.98
11	LINCOLN Auto	A+	A+	922.34
12	THE RITZ-CARLTON Hotels	A+	A+	915.15
13	AMICA Insurance	A+	A+	912.74
14	ENTERPRISE RENT-A-CAR Rental Cars	B+	B+	912.10
15	PUBLIX SUPER MARKETS Supermarkets	A-	A	908.51
16	NORDSTROM Department Stores	B-	B-	900.50
17	SOUTHWEST AIRLINES Airlines	B+	B	883.98
18	WACHOVIA Banking	B-	B	881.36
19	SMITH BARNEY Brokerage	A+	B	881.31
20	CADILLAC Auto	A+	A+	871.53

ers' concerns. Already in use in one of the company's personal-property lines, the new software should also cut costs for USAA. Training that once took six hours on that line's old system now takes just two. —Jena McGregor

CRITICAL MASS

How did we come up with our winners? We started with existing data from J.D. Power, a consumer researcher. We combined the scores from a series of studies in J.D. Power's 2007 database for each brand. To qualify, the studies had to have at least 100 responses. We eliminated industries that cater to niche markets, such as motorcycles, and those in which consumers rarely base decisions on service, such as airports. Only luxury and upscale hoteliers were considered. And in order to compare similar services in banking, cable, and telecom, we eliminated brands that did not appear on most of J.D. Power's studies for that industry. (For example, banks had to show up on at least four of the five related surveys—retail banking, car loans, home equity, and two mortgage studies—to be considered.) We looked only at the studies in J.D. Power's database that measure processes and people. Thus, our results may differ from the J.D. Power satisfaction rankings, which also consider product quality, presentation, and price.

VOX POPULI

Like last year, we supplemented J.D. Power's database by surveying 5,000 readers using the *BusinessWeek* Market Advisory Board, asking them to nominate three companies they felt were the best and three they felt were the worst at customer service. More than 1,000 readers responded, with 2,596 "votes" and 1,885 "complaints." Companies that got at

least 10 votes, had a vote-to-complaint ratio of at least 2:1, and were not already in J.D. Power's database were added to our list. J.D. Power created a Web-based questionnaire for these brands and surveyed at least 100 customers to get a comparable score.

J.D. Power then ranked all of the brands, using scores from both their database and the supplemental surveys. We combined the "people" and "process" scores from J.D. Power's data to create the Service Index, with people weighted at 60% and process at 40%. Then, because we were comparing widely divergent industries—a romantic weekend at the Ritz-Carlton is a much different experience than an afternoon waiting for the cable guy to arrive—we gave credit for scoring high within an industry. Brands that ranked first in their category received 100 bonus points; those ranking second received 50. We subtracted 50 points from each company's score that fell below third place.

We made three changes to our methodology this year. Because many consumers rave about the service they get from smaller companies, we lowered the revenue bar for companies on our list to \$1 billion from the \$1.5 billion mark we set last year. Last year we subtracted an additional 50 points from the bottom player in each industry; we did not apply that penalty this year. Finally, to recognize companies that did particularly well in our reader poll, we awarded an extra 25 points to those whose vote-to-complaint ratios were in the top 10%. **|BW|**

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