Top companies turn satisfied customers into delighted clients, a sure-fire way to boost the bottom line.

Anyone who has bought a new car in recent years knows how today’s in-cabin technology can knock your socks off—or drive you crazy. Features that run the gamut from self-parking to voice-activated controls can frustrate drivers from day one until they learn the ins and outs of their new car.
The LS F SPORT. You open the door and the show begins as soon as you see the hand-stitched, leather-trimmed interior; front sport seats; and aluminum accents. Then the spotlight turns to performance, and the 19-inch forged alloy wheels, Brembo® front brakes, driver-adjustable sport-tuned air suspension, and eight-speed transmission with race-inspired paddle shifters begin to shine. The LS F SPORT. All of it together demands an encore.

#LexusLS

Options shown.
1. 19-in performance tires are expected to experience greater tire wear than conventional tires. Tire life may be substantially less than 15,000 miles, depending upon driving conditions.
2. High-friction brakes require periodic inspection and measurement as outlined in the Warranty and Services Guide. The pads and rotors are expected to experience greater wear than conventional brakes. Pad life may be less than 20,000 miles, and brake rotor life may be less than 50,000 miles depending on driving conditions. ©2013 Lexus.
But while problems like this are rampant for many new car owners, they don’t last more than a minute for those who’ve purchased a Lexus. Before the customer leaves the dealership, a delivery specialist gives the new owner a personal tech tutorial. If questions arise down the road, customers can phone a technology specialist at the dealership to explain how things work. If help is needed with driving directions, a call to the Lexus Destination Assist service brings the answer straight to the car.

Practices such as these, and others like them, earned Lexus a coveted spot on the just-released list of J.D. Power 2014 Customer Champions, which honors 50 brands that receive top marks from their clientele. But hold on a second. Some people have their doubts. Is it all worth it from a business point of view, they ask? Do companies win by exceeding expectations, or do they simply end up squandering resources on diminishing returns?

**DOING WHAT IT TAKES**

The questions aren’t rhetorical; the real-life experiences of top-flight brands help explain why companies like Lexus have discovered that it never pays to settle for good enough. They find that their businesses grow, steadily and strongly, when they do what it takes to ensure that customers aren’t just satisfied but delighted. And experts agree that it pays to provide superior service.

“Ther’s a very strong financial reward in delighting people,” says J.D. Power president Finbarr O’Neill. “Companies that do get far more people who say they definitely will recommend and definitely will repurchase. That’s a significant competitive advantage for them.”

The J.D. Power data, culled from hundreds of thousands of customer surveys, show how top service enhances bottom lines across industries. Examples:

- In automobile insurance, 32% of highly satisfied customers say they wouldn’t switch companies for any price, versus just 18% of those who report average satisfaction.
- Among banking customers, the highly satisfied are four times more likely than others to stay with their bank and recommend it to others.
- In the automotive sector, delighted customers are more than twice as likely as merely pleased customers to repurchase a vehicle of the same make or to buy again from the same dealer.
- It’s the same for travelers. Delighted hotel guests spend 17% more on ancillary purchases than those who are merely pleased with a hotel’s service, according to J.D. Power research published in the *Journal of Brand Strategy*.

These metrics affirm what Customer Champions have long understood: Superior service is good business. It’s also a natural byproduct of a customer-centric culture in which caring people are hired, trained to resolve a wide range of problems, and encouraged to incorporate customer feedback into everything from service processes to product design.

Hiring is crucial, O’Neill says, because top service providers need personnel with empathy—a trait that arguably can’t be taught—and an attendant passion for fixing customers’ problems, no matter where or when they crop up.

Consider Bangor Savings Bank, a Bangor, Maine-based mutual bank with $3 billion in assets, 724 employees, and 57 branches statewide. When hiring merchant services specialists, for instance, the company looks for individuals who won’t mind visiting a merchant customer’s place of business,
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after hours if necessary, to troubleshoot a malfunctioning card processing system.

“If a restaurant customer goes to pay for his dinner and the credit card machine is broken, the merchant has a real problem,” says Bangor Savings CEO Jim Conlon. “When you have a problem here, you’ll know who to call, and you can expect timely results. That’s the difference.”

**TESTING THE WATERS**
To become a Customer Champion, a company can’t just tout its fan-favorite website or point to a well-managed call center. It must surpass expectations of thousands of customers who deliver their verdicts in J.D. Power surveys that test the waters of customer experiences.

Customer Champions come from a wide range of industries, from airlines and health care to utilities and telecommunications. They excel broadly in what J.D. Power calls the Five P’s: people, product, presentation, process, and price.

When champions analyze how they reached the top, virtually all say that training is a big part of the formula. It enables staff to nip customers’ frustrations in the bud rather than pass them along to associates who might or might not resolve the issues. More times than not, well-trained employees are able to anticipate what frustrates customers and ensure that the seeds of aggravation don’t get watered.

Sometimes it’s a matter of wowing luxury customers with a personal touch even they don’t expect. Lexus mechanics and service supervisors are trained to pick up on customers’ tastes, from seat positioning to radio stations.

“You’re recognizing that this is somebody else’s car,” says Chuck Yaeger, national customer satisfaction manager for Lexus. “So when we give it back to the customer, the seat is in the exact same position it was when it was dropped off.”

This train-to-delight principle also applies in industries where products are anything but luxuries. In health insurance, for example, a Customer Champion’s training program can ensure that essential services are delivered with minimal stress to the customer.

AvMed, a nonprofit health insurer for 300,000 Floridians, assigns a personal service representative (PSR) to every Medicare member who wants one. When a member calls AvMed to discuss treatment for, say, a heart or lung condition, she talks with her PSR, who already knows her history and her health situation. She can also leave a message so that her PSR can research an issue and call back later with information and options to discuss.

“This reduces the frustrations members may have elsewhere, in needing to explain their situation to representative after representative in an attempt to get help,” says AvMed president and CEO Michael P. Gallagher. “One person means
Bangor Savings Bank was established in 1852 to serve the hardworking men and women in our own community. Ever since, we have been dedicated to supporting the lives and livelihoods of our customers, our neighbors, and our employees — the people and businesses of Maine. To them, we give our sincerest thanks.
one story, and one person means one road to results.”

For those who say trying to delight customers often doesn’t work, consultants counter that it just needs to be done smartly—that is, in areas where customers will be pleasantly surprised on factors that drive loyalty. Bob Thompson, CEO of CustomerThink, a research firm, writes on his blog that the time to delight is not when a customer is trying to resolve a problem.

During troubleshooting, he writes, “Any extras aren’t really ‘exceeding my expectations,’ they are making up for the fact that my expectations weren’t met.” Thompson goes on to cite research that shows what really can delight customers: making them feel valued and giving them the right amounts of information and assistance along the way.

**FAMOUSLY LOYAL BASE**

It’s through practices of this type that online mortgage giant Quicken Loans has earned a famously loyal client base. According to Quicken Loans’ in-house research, some 95% of Quicken Loans clients say they would recommend the company—and that’s without ever having met a mortgage banker face-to-face.

Clients recommend Quicken Loans because they relish how they’re treated. They engage a robust, easy-to-use technology platform that includes the MySQL portal, which offers an up-to-the-minute snapshot of their loan status and required next steps. When questions arise, they receive a speedy personal response, usually within minutes.

“If you’re worried about something worth hundreds of thousands of dollars when you’re purchasing a new home, you want an answer immediately,” says Quicken Loans president and CMO Jay Farner. “We’re focused on providing tools to get clients the answers they want, whenever and however they want to get them.”

According to J.D. Power, Customer Champions are known for using customer feedback to engineer better products and services. They go so far as to design facilities that foster a seamless flow of information among customer service representatives, IT teams, and product engineers.

As an example, J.D. Power president O’Neill points to financial services firm USAA, which strategically locates its technology center and call center side by side. The steady interaction among teams has helped create a website with helpful, easy-to-use features that customers love.

Customer Champions also make customers feel uncommonly appreciated. Frost Bank does this by paying extensive attention to detail at its branches throughout Texas. At front entrances, a customer passes a boot scraper, which serves as a lighthearted nod to the firm’s 19th-century Texas roots. A staff person opens the door to make a customer feel like an honored guest.

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**Taking Action.**

“In order to transform our region into a high-value, high-performing health care community, we have to create a culture of health where people are motivated and able to act on better choices to lead healthier lives.”

**Michael W. Cropp, M.D.**

*President and Chief Executive Officer*

Learn how Independent Health is leading the way to create a more efficient health care system, and providing the resources our members need to lead healthier lives at [RedShirtTreatment.com](http://RedShirtTreatment.com)

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We are proud to recognize the J.D. Power 2014 Customer Champions

J.D. Power recognizes the following organizations that have shown the ability to provide the highest level of customer satisfaction as determined by their most important critics—their customers.

J.D. Power analyzed customer opinions, perceptions, and feedback from its industry-wide 2013 U.S. syndicated benchmark research across 600 brands. In the end, the J.D. Power 2014 Customer Champions represent the highest-performing companies when it comes to providing customer service excellence.

### J.D. Power 2014 Customer Champions

| Amazon.com | Enterprise |
| Amica Mutual | First Citizens Bancorp |
| Apple | Four Seasons |
| AvMed Health Plans (FL) | Frost Bank |
| Bangor Savings Bank | Good Neighbor Pharmacy |
| Beneficial Mutual Savings Bank | HealthPartners [MN/WI] |
| Boost Mobile | Homewood Suites |
| Cadillac | Independent Health Association [NY/NJ] |
| Capital District Physicians | Jackson EMC |
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| Lincoln | MetroPCS |
| MetroPCS | National |
| Neiman Marcus | NJM Insurance Co. |
| Publix [Retail and Pharmacy] | Quicken Loans |
| Quicken Loans | The Ritz-Carlton |
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| Saks Fifth Avenue | Sawnee EMC |
| Sawnee EMC | Scottrade |
| Scottrade | SECO Energy |
| SECO Energy | SelectHealth [Mountain] |
| SelectHealth [Mountain] | Southern Maryland Electric Cooperative |
| Southern Maryland Electric Cooperative | Southwest Airlines |
| Southwest Airlines | SRP |
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J.D. Power’s products and solutions help companies measure, understand, and improve key performance metrics that drive growth and profitability. Through an unmatched 360° view of the customer, J.D. Power identifies the key drivers of the customer experience, measures and understands their impacts, and helps drive business results by on-going monitoring and making recommendations for continuous improvement.

**For information about J.D. Power, visit jdpower.com or call 888-JDPOWER**
Such personal touches do more than win a company points and accolades for charm. Coupled with other systems that delight customers, they strengthen companies to withstand tough headwinds and reap the bottom-line benefits that stem from loyalty.

"Retaining customers means you don’t have all the costs of conquest," O’Neill says. “You don’t have to spend more marketing to them or offer special incentives beyond the good service that you offer on a day-to-day basis.”

**Long-Haul Harvest**

When Customer Champions look for return on investment, they don’t see a list of unjustified costs. They see dividends harvested over the long haul.

That’s the case for Independent Health, a nonprofit health insurer serving 375,000 people in western New York. The company has reformed the provider payment model for select primary care offices to ensure patients have access to integrated care teams—including nurse educators, behavioral therapists, and pharmacists—that help engage them in their health and better coordinate their care.

"These quality and preventive care efforts weren’t paid for in the old model,” says Independent Health president and CEO Michael W. Cropp, MD. “Now we provide the dollars to pay for them so we can keep people healthier and reduce costs downstream.”

Sometimes companies do well to take the long view and provide what customers want, even if it means not adding or increasing fees for certain services. Airlines have seen how bag fees can send potential customers running to competitors who don’t charge them. Others have learned the hard way how a price increase can backfire in a deluge of canceled business.

Customer Champions tend not to make such mistakes. Their businesses grow, but they do so as a function of delivering what customers truly want, not what they grudgingly tolerate in terms of unavoidable, nickel-and-dime fees.

**Example:** Since 2006, Bangor Savings Bank has responded to what Conlon calls “loud and clear” customer feedback by not only charging no fees for ATM access, but by going even further: If another bank charges a fee for using an ATM anywhere in the world, Bangor Savings reimburses its customers on their next statement. “We’ve taken on the expense ourselves,” Conlon says, “but the empathy demonstrated by the move was more important than the dollars and cents.”

The bank’s ATM fee rebate policy built up good will, which paid off. While many banks around the country lost customers after the financial crisis of 2008, Bangor Savings has kept growing substantially every year.

**High Expectations**

As top service providers keep getting better, they’re redefining expectations in their industries in ways that sometimes make it hard for competitors to keep up.

In Florida, for instance, AvMed is bringing back physician house calls for Medicare members, a practice many industry observers thought was gone for good. For one large employer group, AvMed actually provides a different sort of “house call” consisting of four full-time member service representatives onsite. Not surprisingly, AvMed, year after year, receives the highest overall rating of any statewide Florida plan in several customer satisfaction surveys.

Another example: In typical mortgage lending, the preapproval process provides potential borrowers with an estimate that’s not based on a rigorous eligibility review. The bank might or might not stand by it, depending on how everything checks out in a more thorough screening process down the line.

But Quicken Loans is raising the bar to give clients what they really want: an authoritative, fully underwritten approval that they can trust to be firm. The majority of the work is done up front, before clients or borrowers look for a home. This process lets home buyers know exactly what they can afford and allows them to close on their home faster.

From hospitality to financial services, companies that provide top-level service are learning from experience that it benefits both their clientele and their corporate bottom line. As Customer Champions continuously improve the way they do things, the practices they roll out show their respective industries what’s possible—and what’s necessary to win.

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