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**J.D. Power and Associates Reports:  
Coaching of Customer Satisfaction Survey Responses by Home Builders  
Can Have a Significant Negative Impact on Index Scores**

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**WESTLAKE VILLAGE, Calif.**—While attempts to coach customers on how to respond to satisfaction surveys is uncommon in the homebuilding industry, when it does happen, it tends to have a significant negative impact on overall index scores, according to a recent follow-up survey to the J.D. Power and Associates 2004 New-Home Builder Customer Satisfaction Study.<sup>SM</sup>

Results of the survey found that while one-quarter of respondents said their builder encouraged them to respond to the J.D. Power and Associates customer satisfaction survey, only 6 percent of respondents said the builder attempted to influence the way they filled out the survey. Although the majority of these respondents said this attempt to coach their survey answers had no impact on their satisfaction, their actual overall satisfaction scores were significantly lower than those who said they were not coached. Respondents who said the builder attempted to influence them gave an average satisfaction index score of 99, compared to 112 among those who said they were not coached.

“Having a reputation for strong customer satisfaction can be a differentiating factor for consumers in the highly competitive homebuilding industry, and satisfaction surveys play an important role in helping builders distinguish their strengths,” said Dale Haines, director, real estate industries at J.D. Power and Associates. “However, consumers tend to resent transparent attempts by builders to influence their responses to satisfaction surveys, especially if a builder seems more interested in the survey ratings than in genuine efforts to build strong customer relationships.”

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Findings on survey coaching in the homebuilding industry closely mirror those in the automotive industry, where just 6 percent of respondents for the J.D. Power and Associates 2004 Customer Service Satisfaction Study,<sup>SM</sup> which measures satisfaction of new-vehicle buyers with the dealer service department, said the dealer attempted to influence their responses to a customer satisfaction survey. Respondents who were coached tended to give significantly lower satisfaction scores to the dealer, similar to survey results for the homebuilder industry.

Survey results are based on responses from 7,036 new-home owners who originally participated in the 2004 New-Home Builder Customer Satisfaction Study, which was released in September 2004. Fielding for the 2005 study will begin this spring, and results will be released in September.

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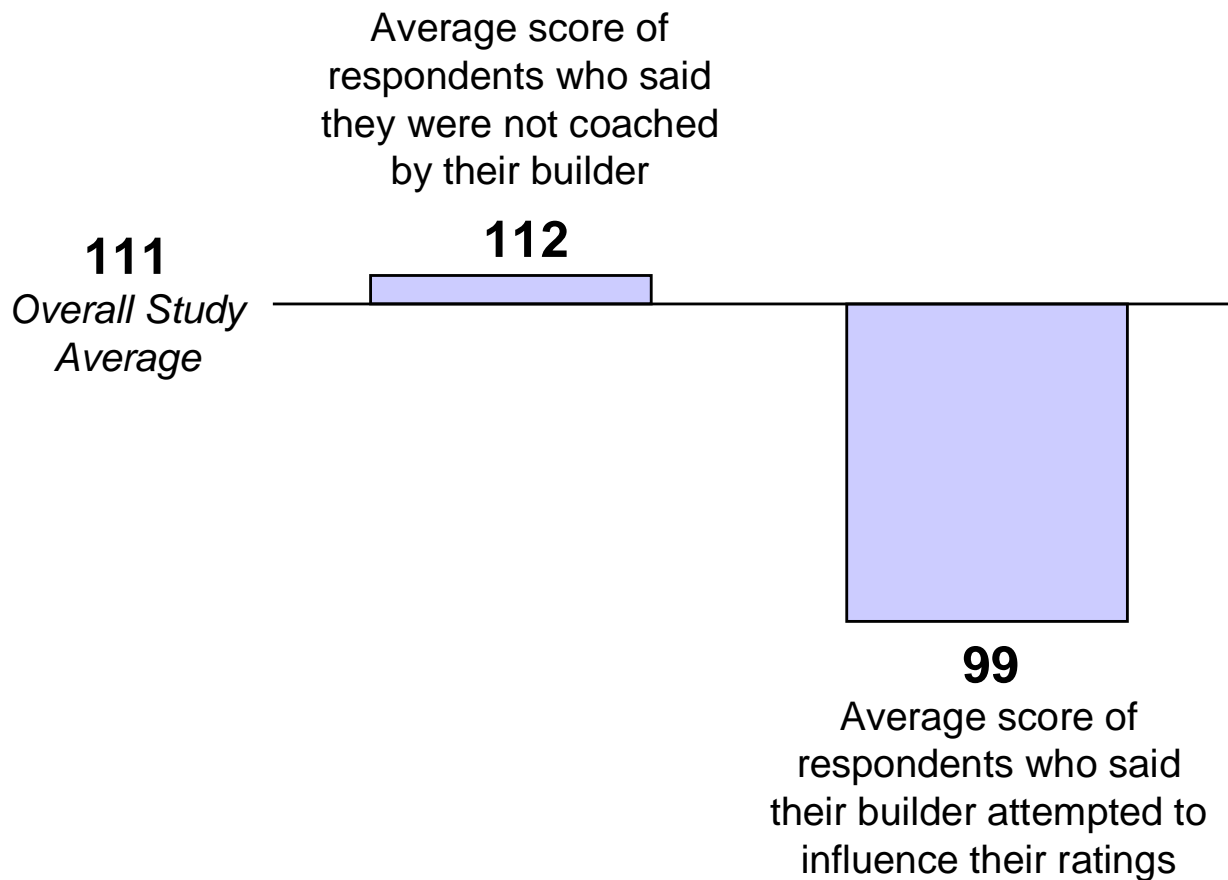
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NOTE: One chart follows.

# J.D. Power and Associates 2004 New-Home Builder Customer Satisfaction Study<sup>SM</sup> Follow-Up Coaching Survey

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## *The Negative Impact of Survey Coaching by Builders on Overall Satisfaction Index Scores*



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Source: J.D. Power and Associates 2004 New-Home Builder Customer Satisfaction Study<sup>SM</sup> Follow-Up Coaching Survey

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