

CLOSING RANKS

Exclusive CSP-Service Intelligence results show strong customer service, improved cleanliness

Imagine a NASCAR pileup at the finish line, or a photo finish at the Kentucky Derby.

Now take a bunch of top-performing c-store chains and conduct a rigorous mystery shop, capturing them at the break of day and the eerie hours after dusk, and see how they play out—store by store, shift by shift.

Remarkably—or not—the fifth annual CSP-Service Intelligence Mystery Shop found four chains separated by essentially 1.1%.

Kwik Trip was close to the top for the past two years but this year finally took the cigar, squeaking past the mystery shop's previous two winners, Chevron's ExtraMile and QuikTrip, as well as mystery-shop newcomer Maverik.

In this exclusive annual benchmark, Kwik Trip of La Crosse, Wis., tallied an 88.9% in a survey that captures 36 metrics within five categories. ExtraMile and QT tied for second with 87.9%; Maverik was only 0.1% behind them, with 87.8%.

While the winner celebrated in expected fashion, the responses of the immediate runners-up are very telling.

"Throughout the last few years, ExtraMile has continued to excel in the marketplace, and we are very pleased with the overall results," says Danny Roden, marketing vice president for the Americas for Chevron Corp., which won the mystery shop in both 2007 and '08.

Roden was especially proud, considering the company's diverse retail model and comprehensive operational checklist. "ExtraMile includes franchise and company-operated locations, and our retail model poses challenges that pure company-operated chains do not have to contend with," he says.

In contrast to Roden's upbeat response, Mike Thornbrugh, spokesperson for Tulsa, Okla.-based QuikTrip, which also has two wins under its belt, didn't hide some disappointment. "I assume it's great to be tied for second, but

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that doesn't do much for QuikTrip. If it's not the best, we don't particularly care for it," he says.

And QuikTrip's motto of never being satisfied hasn't changed over the company's more-than-50-year history. "We want to dominate and we want to be the best at every single category there is out there."

From Cleanliness to Customer Service

Since its launch, the CSP-Service Intelligence report has grown from a traditional mystery shop to a benchmarking tool, offering independents and significant chains a rare snapshot of how well the country's leading chains perform the basics.

Based on 1,350 assessments of nine chains, including North America's two largest, 7-Eleven and Circle K, the mystery shop explores

core fundamentals such as restroom cleanliness and speed of transaction, and out-of-stocks in the cold vault, coffee bar and candy rack. Likewise, the benchmark puts a

spotlight on customer service, including greetings, parting remarks, cashier friendliness and suggestive selling.

And just because KT, Chevron, QT and Maverik scored highest, don't think the other chains walked away with frowns. Indeed, virtually all nine companies finished in the top two in several subcategories. Consider:

► Cumberland Farms shared the top spot with KT with a remarkable 99.3% for "processing the transaction quickly,"

Overall Performance by Brand

Kwik Trip	88.9%
QuikTrip	87.9%
Chevron's ExtraMile	87.9%
Maverik	87.8%
Cumberland Farms	85.9%

The Finer Points

This year's CSP-Service Intelligence Mystery Shop study included nine brands: Kwik Trip, QuikTrip, Chevron's ExtraMile, Maverik, Cumberland Farms, Speedway/SuperAmerica, Circle K, Holiday StationStores and 7-Eleven.

- ▶ A total of 1,350 assessments were completed, with 150 conducted for each brand.
- ▶ Shoppers completed shops during various times and days to ensure a mix of peak and nonpeak times.
- ▶ Minimum purchases of \$10 in gasoline and \$3 in-store were required.
- ▶ Evaluations were completed from April 1 to April 24, 2009.
- ▶ Shoppers are actually local to the stores they shop for the program, according to Carrie Tuttle of Service Intelligence: "In fact, they often are customers to the exact same brands for which they shopped."
- ▶ Metrics for each question on the survey are clearly defined, with very few subjective components. Mark Hilborn of Service Intelligence says, "This makes it easier to correlate results across brands."
- ▶ Scoring of the 36-question evaluation ranged from one to 15 points per question, with the entire evaluation scored out of 100 points. The categories were weighted by relative importance to the customer experience: exterior cleanliness (10 points), interior cleanliness (15 points), merchandising (15 points), customer service (50 points) and employee appearance (10 points).

Service with a Smile

Customer service, worth 50 points, was the most heavily weighted category of the CSP-Service Intelligence Study, due to its importance to the customer experience. Such importance was easily recognizable in some of the shopper comments.

For Kwik Trip: "The cashier was professional and friendly. He gave me his full attention during our interaction. The cashier worked quickly to accurately process my transaction. I appreciated the good customer service that I received."

For QuikTrip: "Both employees that I had interaction with were friendly."

For Chevron's ExtraMile: "The employee was very friendly and greeted me warmly with a smile. She quickly and correctly processed my purchase, and I was given a genuine thank-you. I felt appreciated and would easily return to this location."

For Maverik: "The cashier personalized the visit. ... She was friendly and fun to chat with. She gave me a positive impression of the location."



WAIT UNTIL NEXT YEAR: Chevron is nurturing its foodservice offering with its new ExtraGood to Go graphics, equipment and hot food selections, launched this summer.

a score that reflects well on a cashier's ability to manage scanning and register.

▶ Speedway SuperAmerica easily outpaced competition in having its cashiers play up the operator's proprietary loyalty-rewards program or company credit card, scoring more than 65% vs. the average of 15.3%.

▶ When it comes to employee professionalism, 7-Eleven took top marks with 99.3%, followed by QT and Maverik.

▶ QT continues to dominate in the areas of in-stocks and fast checkout lines. Included in all five CSP-Service Intelligence Mystery Shops, QT ranked first in many areas, including availability of hot and cold food, merchandising, coffee variety and managing checkout lines.

What Customers See

Overall top scorer Kwik Trip also ranked highest in two of the five categories: customer service (84.2%) and employee appearance (99.3%). Steve Loehr, vice president of operations support for Kwik Trip, addressed what customer service means to the company: "This area includes greeting the customer, suggestive selling ... and thanking them for shopping at Kwik Trip, as well as inviting them back. This is our No. 1 focus.

"To meet our appearance standards, an employee must be wearing an approved uniform, it must be tucked in, and they must be wearing a name tag," he continues. "We cover this area extensively in our live training, as well as [computer-based training] sessions." The company also supplies employee incentives for the efforts. "If the co-worker scores well on our secret shops, they get their name put into a drawing

“Customers list image and reputation among the primary reasons to visit and then return to a convenience store.”

DANNY RODEN

Chevron Corp.



for a chance to go on our year-end Super Trip, which this year is in the Dominican Republic,” he says. Last year’s trip included 30 employees.

Roden of ExtraMile said that the customer service process is “second nature” for his company’s employees. ExtraMile placed in the middle for greetings (91.3%) and No. 1 for parting remarks (94.7%): “Our cashiers know how important it is to greet the customer and thank them for their business. ... And their commitment is demonstrated hundreds of thousands of times each and every day.”

While QuikTrip scored in the middle of the pack (82%) for the proportion of customers who waited less than one minute in line, Thornbrugh says that isn’t necessarily a bad thing. “What we’re doing works for QuikTrip,” he says. Each store has three or four registers, and if there are more than three people in line, the store will open another register.

Not surprisingly, QT scores first for opening registers when congestion builds at the checkout. “We hit such tremendous volumes, it’s a nice problem to try to handle those types of transactions on a daily basis,” he says.

Thornbrugh also addressed QuikTrip’s 99.0% employee-appearance score, which placed it second behind Kwik Trip. “We’ve always done well on that,” he says. “We’re fortunate to have really sharp people that dress very nice.

You get away from the stereotypical view of a convenience-store employee inside the store. Our folks, they’re well-groomed. You don’t have tattoos everywhere and a thousand body piercings; they look very professional. People are very comfortable with that employee.”

Demonstrating that different companies use different benchmarking, Thornbrugh was even pleased with one area where QuikTrip scored toward the bottom: suggestive selling.

“That goes back to listening to your customer, and everything we do is geared toward their expectations,” he says. “They made it very clear to us that they didn’t like it, so we quit doing that almost 15 years ago. Some people do it, and that’s great; that’s just not us.”

And although North Salt Lake, Utah-based Maverik came in third for customer service, the company acknowledges that there is room for improvement. It had lower scores for cashier friendliness and proportion who waited less than one minute in line.

“We’re disappointed in those,” says Roger Green, Maverik’s vice president of operations. “The cashier friendliness and the waiting in line is obviously something we’re working to improve, and we’re just going to have to get better at it—which this obviously really mandates that we do. I’m glad we have that feedback; it gives us an opportunity to see where we need to improve.”

Top of the List

Rankings in the CSP-Service Intelligence Mystery Shop survey were grouped into five categories:

Customer Service by Brand

Kwik Trip	84.2%
Speedway SuperAmerica	82.7%
Maverik	82.2%
Chevron’s ExtraMile	82.2%
Cumberland Farms	81.1%

Interior Cleanliness by Brand

Maverik	95.2%
Kwik Trip	94.5%
Cumberland Farms	94.5%
Chevron’s ExtraMile	94.1%
Circle K	93.4%

Merchandising by Brand

QuikTrip	95.6%
Cumberland Farms	91.0%
Maverik	89.7%
Chevron’s ExtraMile	89.0%
Kwik Trip	87.7%

Exterior Cleanliness by Brand

Maverik	97.4%
Chevron’s ExtraMile	96.5%
Kwik Trip	95.5%
QuikTrip	95.5%
Cumberland Farms	94.6%

Employee Appearance by Brand

Kwik Trip	99.3%
QuikTrip	99.0%
Circle K	96.7%
Chevron’s ExtraMile	96.7%
Speedway SuperAmerica	95.4%

Source: Service Intelligence

Keep It Clean

While Maverik is ready to improve lower-performing areas, the company, known for its dynamic marketing and in-store graphics, excels in exterior cleanliness and interior cleanliness, placing first in both categories.

“About a year ago, we started a program to really enhance the overall customer experience, which includes the conditions in the store and the service to the customer,” Green says. “They can come in and feel like they have a safe place to shop with great prices, good value and an overall good experience.”

While the company is “not there yet,” says Green, Maverik continues to accentuate the importance of the customer experience through its program called SRSE, which stands for senses, rewards, systems and esteem. “As we think of customer service, we try to view this really as the overall customer experience,” he says. “And we really try to satisfy their senses, provide the rewards for them that they’re looking for and have the systems and processes that help us accomplish this. And then at the end, we try to make them feel like they’re important to us.”



“If you want to be successful in selling food, you have to be clean—inside and out.”

STEVE LOEHR

Kwik Trip

Chevron’s Roden spoke of the company’s comprehensive Image Refresh program, which rivals have praised for its detail metrics and contributed to ExtraMile’s second-place finish for exterior cleanliness and fourth place for interior cleanliness. “Customers list image and reputation among the primary reasons to visit and then return to a convenience store,” he says. “I am not surprised that we performed so well in these categories because I know how hard our store managers and franchisees work to keep the stations looking great for the customer.”

Kwik Trip came in second for interior cleanliness and third for exterior cleanliness. And Loehr says the company’s efforts correlate with its food-service program: “If you want to be successful in selling food, you have to be clean—inside and out.”

KT has added new floor-scrubbing machines to help keep the floors clean. And some friendly internal competition doesn’t hurt, either, with the company holding two Kwik Clean contests a year, in spring and fall. “[It] creates a lot of fun and is very competitive,” Loehr says. “We have also enhanced training for assistant and shift managers over the past couple of years, and this has created better awareness of store conditions.”

Variety Is the Spice of Life

This year’s study amped up the merchandising category in regards to variety. Availability of prepared hot and cold food was based on having four items instead of the three items required in previous years.

“The bar is being raised in this area, and it’s getting continually higher,” says Mark Hilborn, vice president and general manager of Service Intelligence.

And the good news is c-stores are meeting the challenge and embracing more foodservice in their business



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MIKE THORNBRUGH

QuikTrip

models. “If you look at the composite average for 2009, even though the bar was raised slightly, the scores are actually up,” says Carrie Tuttle, Service Intelligence’s manager of research and communications. “It means more companies that we measured are following suit on that.” (Hot food’s composite average this year was 88.1% vs. 84.3% last year. And cold food’s composite average was 97.6% vs. 96.0% last year.)

After scoring in the middle of the pack for foodservice last year, Roden told CSP that it was the one area the company felt it had to do more. True to word, the company launched the foodservice initiative ExtraGood to Go in June of this year. While the company remained in the middle again this year (87.9% for hot food, and 97.4% for cold food), as part of ExtraGood to Go it is spending \$6 million to install new roller grills and warmers at all of its sites, in addition to a new graphics package, additional signage and lighting. And Roden has high hopes for the category. “Last year we recognized that foodservice was an area of opportunity for the offering,” he says. “Extra-Good to Go will transform foodservice into a destination that is compelling to our customers.”

Maverik’s Green says his company, which placed first with 100% for cold food and second with 94.5% for hot food, has also upped its efforts, despite having “always had a good cold-food program.”

“We have an initiative called Fresh for You, in which we are actually trying to find healthier products, and find better ways to display them and show that

we are a different convenience store in that way,” Green says. “We’re learning from it every day, but it is a growing piece of our business.”

QuikTrip also has been enhancing food offerings, having opened its fourth commissary/bakery in Atlanta; it’s working on another in Dallas that Thornbrugh says will likely be handling pastries by late summer. “We know how to distribute amongst ourselves, and it’s well perceived by the general public,” he says.

QuikTrip also managed to score 100% in another area where the bar was set higher: The benchmark for providing coffee variety was increased from three to four. The high score didn’t surprise Thornbrugh: “That’s not something new. Over the years of hopefully great marketing, great products and great pricing, QuikTrip coffee is a destination. It’s a big part of who we are, and we take selling coffee very seriously.”

Good or bad, Thornbrugh says his company will be further examining the study’s results. “We are just constantly reviewing everything that we do,” he says. “Every day, we get up and try to figure out a better way, a smarter way or a more efficient way on how to do business. . . . Even though we think that we may have a better way of doing it, we’re not naïve not to look around and see, observe and ask.

“Anybody that continues to change itself for the better, be it the facilities or employee appearance, that’s just good for the industry. And that just makes everybody better.”

—*Mitch Morrison contributed to this report.* ■