



14th
ANNUAL
MYSTERY
SHOP



EYES ON THE PRIZE

Our two-time
mystery-shop
winner reveals
how they did it
P. 28



Good, Clean Fun

RUTTER'S TAKES THE PRIZE AGAIN. HOW CAN ITS EMPLOYEES BE EVERYWHERE AT ONCE?


BY ANGEL ABCEDE AND JACKSON LEWIS
PHOTOGRAPHY BY MATT ROTH

14th ANNUAL MYSTERY SHOP

Eating off the floor of a convenience store sounds unimaginable, but it's almost an unspoken goal at Rutter's. As the quality of the chain's food-service program soars, so does its ability to consistently maintain an impeccably clean retail environment.

Perhaps as a result, the York, Pa.-based 69-store convenience chain won the CSP Intouch Insight Mystery Shop study for a second straight year, edging out some of the industry's biggest names.

The mystery shop has evolved from a covert audit to one that emphasizes revealed audits, in which staff are aware of an auditor's presence in the store. Either way, the industry has a firm understanding that the only way to succeed is to offer not only gasoline, beer, fresh sandwiches and even salads, but also a clean, well-stocked retail space with immaculate restrooms, squeegee bins full of cleaning fluid and friendly, grateful employees.

In the end, the trick is constant, consistent communication, says Scott Hartman, president and CEO of Rutter's. "Your team needs to have clear lenses," he says. "Everyone knows why and what we're trying to achieve." 

Brenda Kemper, manager of Rutter's Loganville, Pa., store, tackles many jobs in one shift.



Rutter's Key Metrics

96.5%

Rutter's overall score, No. 1 in the study. The average was 93.4%.

99.2%

Rutter's "revealed audit" score, No. 1 in the study. The average was 94.6%.

Trust: That's the only way Ryan Krebs, director of foodservice for Rutter's, can put \$20 short ribs on the menu of a convenience store. The chain's hyper-focus on cleanliness has earned it enough credibility to

serve high-quality items at a premium price.

"We recently offered a proprietary pork belly [sandwich] that's like a thick cut of bacon, and it's been enormously successful," Krebs says. "But it's because customers trust us to serve a high-quality product. It allows me to be creative."

At Rutter's, all employees—be they on the foodservice or the retail side of the store—go through HACCP (Hazard Analysis and Critical Control Points) training, an eight-hour food-safety course. Many employees also go through RAMP (Responsible Alcohol Management Program), which guides them on handling liquor sales. Jere Matthews, vice president of operations for Rutter's, says employees are in a constant cycle of training, certification and recertification.

Matthews could not verify the total cost of the training; that process is done internally with qualified staff. But for Rutter's, it's about the ROI. "Certifications are a cost," he acknowledges, "but a good cost."

If people are passionate about food, they must be passionate about cleanliness, Rutter's executives believe. To have one is to have the other. And it feeds into the food revival being driven by younger customers, Krebs says. "We give millennials and Gen Z a hard time, but that label-reading, transparent, farm-to-table generation gave us this new food life," he says. "It's all about flavors, smells, experiences, ratings, pictures and ambiance. It's not just sustenance that you jam down your throat like when I was 25."

How the Details Shaped Up

While Rutter's did not top any of the subcategories in the covert shop, the chain led the competition in most of the revealed-audit questions:

CLEANLINESS CATEGORY	RUTTER'S SCORE	AVERAGE SCORE
Pump island	98.0%	91.1%
External	99.5%	95.2%
Fountain drinks	99.5%	94.7%
Sandwich bar	99.6%	94.9%
Dairy cooler	99.3%	94.0%
Restrooms (tie with Loop Neighborhood)	100%	94.0%

Or as Kevin Hare, Rutter's foodservice quality assurance supervisor, puts it: "Food creates memories."

"When we create good memories, that creates a good destination," he says. "Cleanliness creates that destination for customers."

It's that magic that CSP and Intouch Insight Ltd. hope to parse, measure and better understand through the annual mystery shop. Over the years, the study has evolved to pinpoint the physical and interactive customer experiences that enrich brands, engender loyalty and build traffic.

Today, the study breaks down into two parts: the revealed audit, in which the audi-

tor announces his presence to store staff; and a covert audit, in which the mystery shopper remains anonymous.

For most of the study's early history, the strategy was the covert audit, says Cameron Watt, president and CEO of Intouch Insight, which has headquarters in Ottawa, Ontario, and Fort Mill, S.C.

Starting this year, 75% of the judgment value comes from the revealed audit because the study's original goals were to measure store-level execution. Only in recent years have participants voiced a desire to better understand customer-service performance (hence the covert mystery shop). This year's study doubled the number of customer-service-related questions asked, Watt says.

What makes a clean restroom more important than a "thank you" from an employee is subjective, almost philosophical, Watt says. However, staffing and resources are a constant issue, and data shows that a chain will often prioritize one or the other.

"They're both necessary and intertwined," Watt says. For example, a strong indicator of a customer's overall experience is if they'd recommend a store to a friend, he says. To get high marks on that question, a store not only must have an agreeable appearance but also employees who show sincere and genuine gratitude. "It's the concept of a pleasant store," he says.

So how did Rutter's retain its title? Rutter's simply did an outstanding job on its revealed audit, going from a winning average percentage last year of 99.0% to 99.2% in 2018. This also placed it more than two points ahead of its nearest competition, Chevron. "This year was amazing," Matthews of Rutter's says. "We celebrated last year with the managers, but we threw out a challenge to do a repeat and to make our goal even higher, which we accomplished."



Ryan Krebs, Rutter's director of foodservice, knows his customers will pay \$20 for the chain's short ribs (below).



"Food creates memories."

The chain's attention to operational excellence and store-level execution goes back to its dairy roots 97 years ago, Matthews says. As an organization, delivering milk was an actual food service, so cleanliness has always been a company focus.

What catapulted the foodservice mentality—and the vigilance around food safety—was the chain's move to touchscreen food-ordering kiosks 12 years ago, says Krebs. That technology immediately gave c-stores an edge.

"If you look at some of the major fast-food chains, they've been the same for 50 years and only changed in the last five," he says. "These days, you have to be more things to more people. You can't just serve burger No. 1 or burger No. 2."

Embracing change has also been a hallmark of Rutter's. Hartman says the chain is constantly evolving "the box," adding beer caves as Pennsylvania laws changed in 2017 to allow cold beer sales at c-stores and, more recently, remodeling stores to accommodate video-gaming terminals.

Like keeping fountain areas clean, managing change is a commitment to communication, says Matthews. For example, the operations, marketing, legal and accounting teams all got involved in planning the beer and gaming introductions. They determined processes, deadlines, specific responsibilities and the necessary due diligence. They would regroup, constantly updating each other. Once the rollouts began, the teams would keep improving with each store.

Operational excellence and consistency, Hartman says, are woven into the chain's slogan, "Rutter's: Why go anywhere else?" He says it's a measurable concept: "We can talk about better customer service, better variety, the ability to get in and out faster. All of those things are what we should be doing as we try to remove the customer excuse as to why they would go anywhere else."

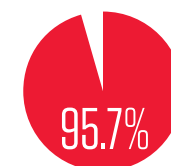
QuikTrip Satisfies Covert Shoppers

If the covert portion of this year's study were weighted more or equal to the revealed audit, another chain may have won, says Cameron Watt of Intouch Insight. Certainly, Tulsa, Okla.-based QuikTrip would have been in the running; it far outpaced the crowd to top the covert part of the study.

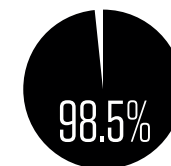
QuikTrip staff trounced the competition in a majority of the customer-service-related questions, including **courteous cashiers, well-groomed cashiers, expressing gratitude or sincere thanks, making customers feel valued, and customers recommending stores to friends.**

"It's impressive," says Mike Thornbrugh, manager of public and government affairs for the 765-store chain. "We measure ourselves based on what the customers are telling us, but at the same time, there are others who may look at us differently, and we can see things to improve upon."

Part of QuikTrip's success is in finding the employees who fit into the company's culture, Thornbrugh says. "What you see on a daily basis at QuikTrip is someone who's outgoing, smart, someone who's high-energy," he says. "They're moving in perpetual motion, dealing with every issue imaginable and making it look easy."



QuikTrip's "covert audit" score, No. 1 in the study. The average was 89.8%.



QuikTrip's winning score for people who would recommend the chain to friends. The average was 90.6%.

How to Rate Convenience

In the days of ever-increasing competition from dollar stores, hypermarkets and burgeoning digital disruptors, c-stores must hold onto what separates them from the pack: convenience.

Today, long checkout times, dirty restrooms and empty cooler doors are a recipe for disaster. Meanwhile, the ingredients for success are a combination of consistent in-stocks, friendly staff and, as one retailer put it, a “white glove” level of cleanliness that make customers not only want to return but also to recommend the store to friends.

For 14 years, CSP and Intouch Insight Ltd., Ottawa, Ontario, and Fort Hill, S.C., have conducted an annual mystery shop on 10 volunteer chains. The methodology has evolved over time in response to participant and retailer feedback on the most helpful metrics for measuring operational success. Consider it our recipe for assessing the magic behind convenience.



Director of Foodservice Ryan Krebs enjoys one of Rutter's sandwich creations.

Ingredients



10 convenience-store chains



Surveys



Auditors



Mystery shoppers



C-store employees



Data analysts



Winners

Steps

1

Create a structure

The CSP/Intouch Insight Mystery Shop begins with an announced, scheduled audit in which store staff are aware an auditor is visiting, along with a separate, true mystery shop, in which an undercover shopper rates staff behavior.

2

Pick criteria

Decide which areas of the store to assess, what to observe or measure and develop a questionnaire. For convenience stores, metrics such as wait times, cleanliness and employee friendliness are critical.

3

Write questions

Was the ceiling clean (tile and vents)?
Was the restroom(s) properly stocked?
Was the temperature of the sandwich cooler between 32 and 41 degrees Fahrenheit? Were you shown any sign of gratitude or given sincere thanks when leaving the store?
Did the cashier make you feel like a valued customer?

4

Assign weight

As the study has evolved, CSP and Intouch Insight have picked a winner after giving more weight (75%) to the revealed audit over the true mystery shop (25%). The program prioritizes physical store-level execution (revealed audits) but still gives weight to how staff relates to customers (mystery shop).

5

Analyze data

About 1,500 audits and mystery shops led to the results of the 2018 study.

6

Reveal results

And the winner is ...

An Evolving Study

The study has evolved from a covert mystery shop to a revealed audit to today's hybrid approach.

2004-2013

Mystery shop only

2014-2017

Announced or revealed audit only

2018

Hybrid of revealed audit and covert mystery shop

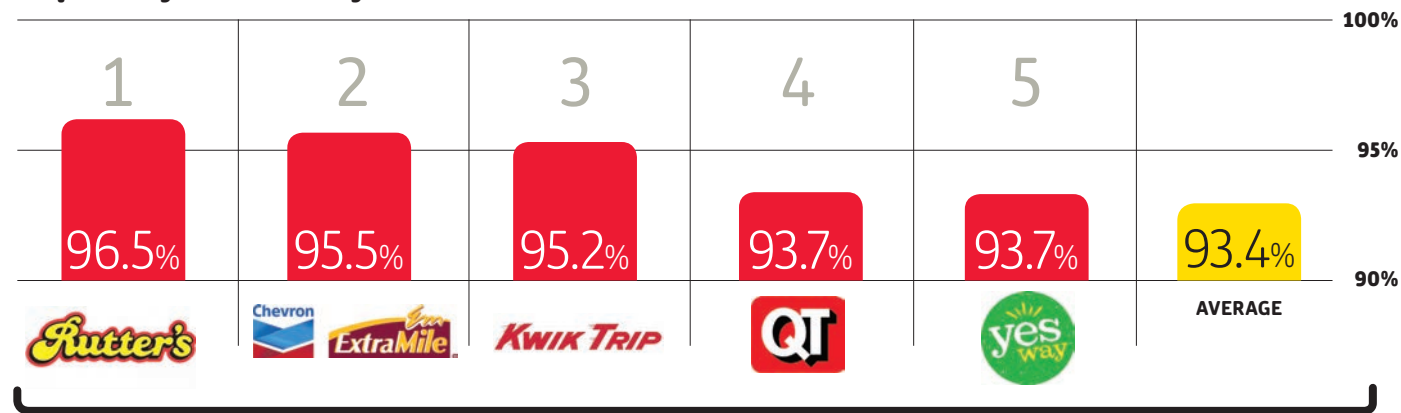
Measuring Wait Times

Mystery shoppers say that no line up to a wait of one or—at the most—two minutes is an acceptable wait time. The table below shows numbers of responses for each.

WAS YOUR WAIT TIME IN LINE ACCEPTABLE?	NO WAIT	UP TO 30 SECONDS	30 SECONDS TO ONE MINUTE	ONE TO TWO MINUTES	TWO TO THREE MINUTES	THREE TO FOUR MINUTES	LONGER THAN FOUR MINUTES	TOTAL NUMBER OF RESPONSES
5—Definitely	359	172	83	23	3	2	N/A	642
4	1	16	32	25	7	2	N/A	83
3	N/A	1	3	11	7	3	1	26
2	N/A	N/A	N/A	1	1	2	1	5
1—Definitely not	N/A	N/A	1	1	N/A	1	N/A	3
TOTAL NUMBER OF RESPONSES	360	189	119	61	18	10	2	759

2018 Winners

Top study winners by rank



A Closer Look: Overall Scores

The 2018 mystery shop was conducted through unannounced but overt audits from April 23 to May 31, 2018. In that time frame, auditors arrived at unscheduled times but let staff know who they were. The audits took place from Monday through Friday, between 9 a.m. and 5 p.m. Intouch Insight also conducted covert audits, which were more traditional mystery shops.

Cameron Watt of Intouch Insight says overall scores for the interior of the store, coffee and the sandwich cooler are up this year over last. Meanwhile, overall scores for the pump island and exterior were down slightly year over year.

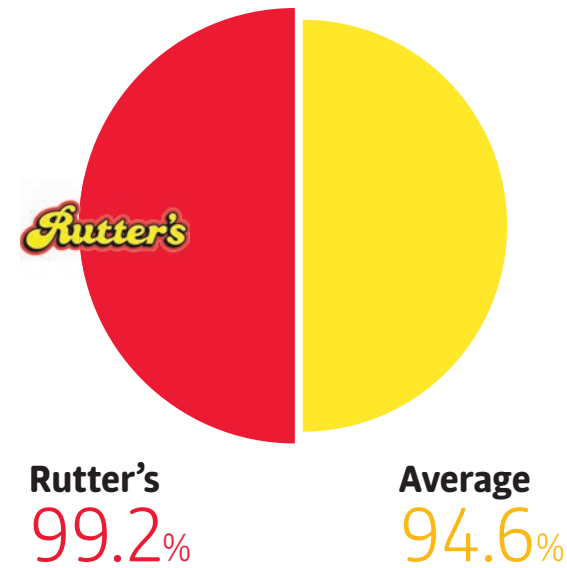
Interior

1. Loop	100%
2. Rutter's	99.3%
3. Yesway	98.2%
4. Chevron	96.6%
5. Kwik Trip	96.3%
Average	94.4%

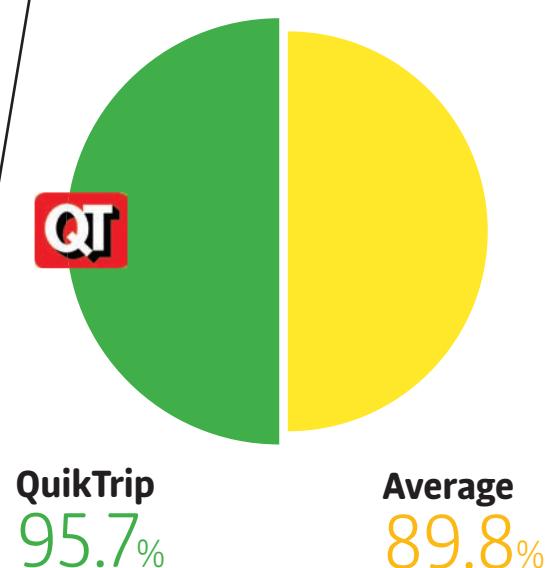
Employees

1. Kwik Trip	100%
2. QuikTrip	100%
3. Yesway	98.2%
4. Loop Neighborhood	98.1%
5. QuickChek	97.9%
Average	97.7%

Revealed-audit winner (weighted 75%)



Covert-shop winner (weighted 25%)



Results of Revealed Audit

1. Rutter's	99.2%
2. Chevron	97.1%
3. Kwik Trip	96.2%
4. Loop Neighborhood	95.5%
5. True North Energy	95.3%
Average	94.6%

For Brian Trout, senior vice president of operations for the 150-store **Yesway** chain, West Des Moines, Iowa, **store cleanliness** is all about procedure and making sure employees put on their "customer eyes." "It's really being ever mindful of what the customer sees and trying to put your own customer hat on, even when you're in the store operating it," Trout says.

Brands Shopped

BRAND	NUMBER OF STORES SHOPPED
Chevron	88
Kwik Trip	100
Loop Neighborhood	26
Maverik	100
QuickChek	70
QuikTrip	100
RaceTrac	72
Rutter's	69
True North Energy	100
Yesway	28

Fremont, Calif.-based **Loop Neighborhood** stays engaged with its **employees** by having managers regularly review with them what works and what should be changed throughout its stores. "We go around to different areas and we'll talk about what we may have implemented based on their feedback, what we are going to implement, and their additional feedback. What is working here, and how can we make it better?" says Pervez Pir, COO of the 129-store chain.

Would You Recommend the Store to Others?

Intouch Insight researchers valued this question as an indicator of customer satisfaction and ultimately the products and services that define convenience. Unfortunately, this year's results showed that customers were slightly less pleased with their c-store experience than in 2017.

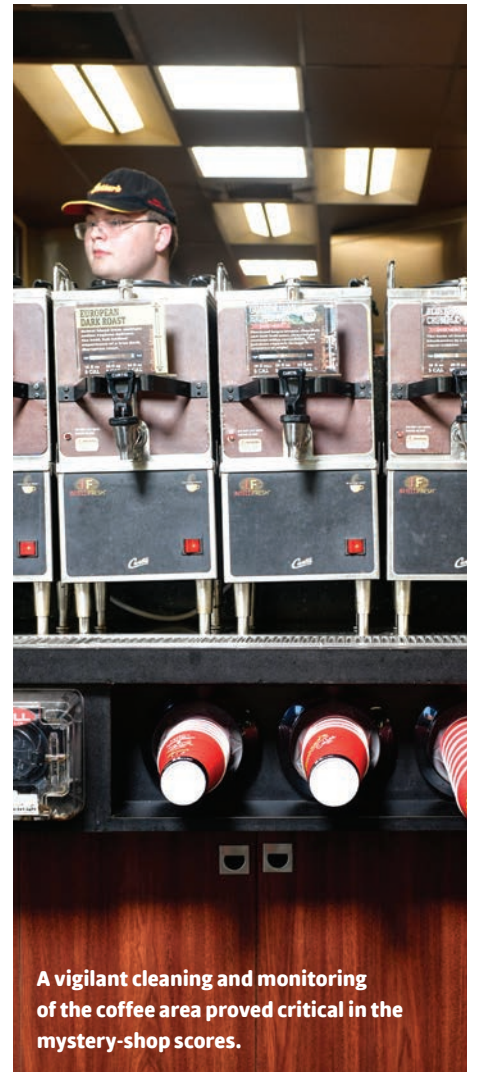


Coffee

1. Loop Neighborhood	100%
2. Rutter's	99.0%
3. True North Energy	98.2%
4. Chevron	97.7%
5. Yesway	97.6%
Average	95.8%

Always a c-store staple, **coffee** emerged as a clear priority in this year's mystery shop. Participating c-stores in the 2018 mystery shop scored 3.5 points higher on average in the coffee category than those in last year's competition. The difference appears to be a greater focus on coffee-bar upkeep. "Team members check coffee and fountain two times per hour," says Kevin Hare of Rutter's.

Speaking in general about maintaining high standards, Paul Casadont, president of **Chevron's** ExtraMile Convenience Stores, says, "We maintain a 'You see it, you own it' mantra. That goes a long way in keeping facilities clean."



A vigilant cleaning and monitoring of the coffee area proved critical in the mystery-shop scores.



A Closer Look: Alert Settings

Overall, convenience stores saw improved scores year over year in the overt audit. The pump island, exterior and restrooms were the only overall categories that saw a decrease in year-over-year scores. Cameron Watt of Intouch Insight points to an increase in customer data collection as one reason for c-stores' success, but he wonders if that technology couldn't also be used to help employees. "We have all this tech for collecting data, all this measurement capability," he says. "But where's the tech that's helping people in the front lines to improve their customer experience? What are we giving front-line employees to engage them in that customer-experience process?"

Store cleanliness is an ever-moving target, and sometimes solving one problem leads to another. **Loop Neighborhood** moved its pump-side trash cans at a few of its locations to the storefront, beside the compost bin and recycling bin, in hopes that customer trash would also move away from the pumps. But not every customer made it to the front of the store.

"What we found in these stores is that people were just not motivated to go [to the trash cans by the store entrance]. If they're just filling gas and not coming in, they don't want to go all the way to the front of the store," says Pervez Pir of Loop.

At **Rutter's**, technology helps keep **restrooms** clean. Many restrooms have buttons that customers can press to alert employees to the condition of the restroom without having to go into detail. Many of the appliances in Rutter's restrooms are also hands-free, including urinals, faucets and hand driers. "Obviously, it's one of the most important rooms in the store," says Jere Matthews of Rutter's. "If a customer enters planning to purchase food and the restroom is dirty or smells, they're less likely to buy food than if the restroom is clean and smells good."



Customers can press a button in Rutter's restrooms to alert employees if the area needs attention.



Pump Island

1. Rutter's	98.0%
2. Chevron	97.7%
3. Loop Neighborhood	92.3%
4. QuikTrip	91.9%
5. True North Energy	91.7%
Average	91.1%

Exterior

1. Rutter's	99.5%
2. Chevron	97.4%
3. True North Energy	97.0%
4. Kwik Trip	96.0%
5. Maverik	95.0%
Average	95.2%

Brian Trout of Yesway says, "We have shift routines that periodically get employees out of the store and into the lot. Empty the trash, make sure the receipt paper is working, get cigarette butts off the floor that customers throw out, make sure that we don't have weeds growing, etc." The mystery shop is not the only yardstick Yesway uses. "We have processes and procedures, and district managers follow up with our managers," Trout says. "They review their business planning activities to make sure it's incorporating **how the store looks** from the customer's point of view."

Restrooms

1. Loop	100%
2. Rutter's	100%
3. Chevron	98.3%
4. QuickChek	95.0%
5. RaceTrac	94.4%
Average	94.0%

A Closer Look: Staying Hungry

In addition to its c-store research, Intouch Insight also conducts covert audits of quick-service restaurants (QSRs). It provides a valuable opportunity to see how c-stores stack up against the QSR competition.

This year, not only did c-stores outperform QSRs in the mystery shop, but they also slightly widened the gap year over year. The only categories where c-stores scored lower than QSRs were suggestive selling, the presence of electronic ordering options and receiving a courteous greeting or acknowledgement from staff. C-stores even scored higher than QSRs when it came to cashiers asking or talking about loyalty programs.

At Rutter's, customers may move to a different line, depending on what they are buying, to cut down on **wait times**. "Lottery customers peel off to specific lines for lottery," says Jere Matthews of Rutter's. "Fleet customers peel off to another line, so their transactions can be handled through a dedicated POS that helps in moving them through the line quickly."

Customer service is a "tough part of the business, especially with high turnover and hourly staff," says Bailey Lyden, vice president of retail for **True North Energy** LLC, Brecksville, Ohio. "That's why we try to make sure our leadership is reinforcing a 'customer first' vision."

Overall, Lyden says consumer expectations are higher across all retail brands, from c-stores to Starbucks to Apple. That's why the 110-store chain developed a "white glove" cleanliness program and "customer first" service program to complete the customer experience. "The bar is raised," he says. "We have to make sure our industry [reaches] those kinds of benchmarks."



Traffic bustles inside and on the forecourt of Rutter's store in Loganville, Pa.

Overall (Covert) Mystery-Shop Performance

1. QuikTrip	95.7%
2. Kwik Trip	92.0%
3. Yesway	91.1%
4. Chevron	90.7%
5. True North Energy	88.6%
C-store average	89.9%
QSR average	86.7%

Wait Time

1. QuikTrip	97.3%
2. Chevron	95.8%
3. True North Energy	95.8%
4. Kwik Trip	95.3%
5. Yesway	94.6%
C-store average	94.7%
QSR average	89.6%

Courteous Greeting

1. Yesway	84.8%
2. QuikTrip	80.6%
3. Kwik Trip	73.3%
4. True North Energy	72.8%
5. Chevron	70.8%
C-store average	67.7%
QSR average	79.8%

At Salt Lake City-based **Maverik**, employees are trained to think beyond the "Golden Rule" of treating others the way they wish to be treated. "We call it the Titanium Rule," says Danielle Mattiussi, vice president of retail operations for the 310-store chain. "The Titanium Rule is to treat others better than they expect to be treated, and we take that approach with employees, with one another and with customers."

The Titanium Rule also motivates employees to **improve store experiences**. Maverik has a bonus program in which individual stores compete with themselves. Every employee is challenged to beat the store's overall performance from the previous year. If they do improve, every employee in the store can earn a bonus.

Would You Recommend This Store to Others?

1. QuikTrip	98.5%
2. Kwik Trip	93.3%
3. QuickChek	90.7%
4. Maverik	89.3%
5. True North Energy	89.3%
C-store average	90.6%
QSR average	82.0%

Customer experience management software



Be one step ahead of your customers and your competitors



Learn more at intouchinsight.com/cx