



13th
ANNUAL
MYSTERY
SHOP

Rutter's Cleans Up

Why Scott Hartman and his team deserve this year's win **P. 30**

Scott Hartman (left),
Jere Matthews, Derek Gaskins
and Mindy Torney at
Rutter's in Anville, Pa.



At Rutter's, everyone pitches in to provide customers with a clean shopping experience, including head honcho Scott Hartman (foreground).



Rutter's Cleans Up

In a first-time win, the Northeast c-store chain with dairy roots leads a record-breaking mystery shop

BY SAMANTHA OLLER AND GREG LINDENBERG

PHOTOGRAPHY BY MATT ROTH

How close can a c-store retailer get to delivering a perfect customer experience? Based on results of the 2017 CSP/Intouch Insight Mystery Shop, pretty darn close.

The 11 participating retailers are already highly focused on creating five-star customer experiences and operations. That said, “that best-in-class group really stepped up the numbers,” says Cameron Watt, president and CEO of Intouch Insight Ltd., Ottawa, Ontario, which has partnered with CSP on the annual mystery shop since its inception 13 years ago.

The cumulative score hit an all-time high this year of 93.4%. The top five overall brands—Rutter's Farm Stores, Kwik Trip,

QuikTrip, Rotten Robbie and RaceTrac—scored above 94%.

Rutter's Farm Stores, however, earns special recognition for its record-breaking score of 99%. While the chain dominated in store cleanliness and many customer-service measures, its performance on the whole broke the mystery-shop mold.

"To score 99%, they stepped it up everywhere," says Watt. "It's almost perfection."

For York, Pa.-based Rutter's Farm Stores, which has 67 stores in Pennsylvania, clinching the win can be credited to the hard work of its employees—and its DNA in the dairy business.

"We're an old company and have literally been selling milk for 96 years," says Scott Hartman, president and CEO. "The culture of dairy is cleanliness and sanitation, because you just can't afford not to have a clean, sanitized dairy."

Rutter's scored 100% in pump-island and exterior cleanliness, and more than 99% in interior cleanliness.

The retailer credits much of this performance to following procedure. Since 2009, Rutter's has trained all store employees in HACCP food-safety protocol.

It also scored the highest cumulative score for the coffee bar and second-highest for fountain, keeping the area clean and equipment operational.

"Keeping more than 60 stores clean is challenging in itself, but it's a gratifying challenge," says Jere Matthews, vice president of operations. "One of the biggest challenges with that is finding a lull in customer traffic when you can clean the various areas."

Rutter's also cleaned up in customer service. The chain finished second, just behind Kwik Trip, in a covert audit that



Take It From the Top

SCOTT HARTMAN is president and CEO of Rutter's Farm Stores.

with one element as their guiding light.

"People are our focus inside the plan: how we hire the best people, retain the best people, build bench strength," he says.

Rutter's measure of employee fit: simply liking people, a quality Hartman finds more powerful in shaping customer service than experience or skills.

"If they don't pass the people-person test, they shouldn't be on our team," he says.

Those who do find

"If they don't pass the people-person test, they shouldn't be on our team."

plenty of opportunities for recognition, including being named team member of the month. Hartman takes these winners out for lunch every quarter. Rutter's also rewards top-performing employees with a trip to the annual NACS Show.

Hartman also expands his senior management team's perspective with trips

to help them learn from retailers in other countries. For 2017, the 16-member team will visit Scotland.

"We're constantly benchmarking when we travel," he says. "We bring back pictures from retailers, try to focus on what they do best, their strengths and how we emulate that to improve in different areas."

Company culture at Rutter's is driven from the top. Twice a year, Scott Hartman oversees strategic planning. In the process, he and his team engineer the company's growth trajectory for the year and decades ahead,



A Career People Person

MINDY TORNEY is a store manager in Rutter's hometown.

"I want them to come back to my store, so that means do whatever I've got to do."

Along the way, she has won restaurant manager and store manager of the year awards—a company first.

Torney's favorite part of the day is when she comes into work, before the break of dawn, to cheer up customers.

"Normally I'm in a good mood and everyone else is kind of grouchy, so they're getting coffee, heading to work," she says. "I brighten their day a little bit

when I see them.

"I want them to come back to my store, so that means do whatever I've got to do, whether that's being friendly, helping pump gas, carrying product out to their car, asking how their weekend was."

In Rutter's fun, fast-paced and competitive environment, Torney feels like she has found a career. "It's fulfilling," she says. "I can provide for my family and do something I love to do."

Mindy Torney is the case-book example of the ideal Rutter's store manager. "She's a happy person, No. 1, and No. 2, she's someone who likes people," says Matthews.

In the past 16 years,

Torney has worked her way up from store team member to manager of the Rutter's location near York College of Pennsylvania.



The Voice of the Customer

DEREK GASKINS is chief customer officer of Rutter's Farm Stores.

and power in shaping the brand," says Gaskins. "For all of the marketing touch points I manage and oversee, my challenge is to make sure that the customer is always first and I'm thinking through the endgame."

That includes working closely with his team members—vice president of operations Matthews chief among them—as he rolls out new store programs. "He's telling me the implications on his team and the labor in the

store. They then carry my marketing message to reach the end consumer so that we can drive the process and the business forward," Gaskins says.

While his team does segment customers by demographics (millennial, soccer mom, etc.), it also considers their

behavioral needs and how they are met by different categories.

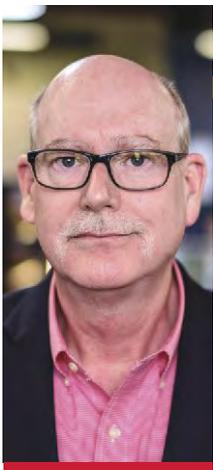
"Instead of just thinking about millennials or Gen X, I can start thinking about people seeking energy and how we meet those needs with the products we sell," whether it be with coffee, energy shots or energy drinks, he says.

"Their behaviors and need states may be different, but my marketing and branding ... have to go through that lens."

"My challenge is to make sure that the customer is always first."

At another retailer, Derek Gaskins' title might be chief brand or marketing officer. But in Rutter's "customer-centric" culture, the title reflects his main priority.

"It's the customer who wields influence



Mildly Obsessed With Mops

JERE MATTHEWS is vice president of operations for Rutter's Farm Stores.

"If a customer comes in to a store thinking they want to buy food, and goes to the restroom first and it smells clean and fresh, they're going to have a higher propensity to make a purchase," he says. The opposite, of course, is also true.

Matthews is a details man, down to finding the very best mops

for Rutter's to clean its floors. After evaluating several models, he chose what Gaskins describes as "some of the best mops in the world." The stores use two types of Rubbermaid microfiber mops: one with tubular fibers for the foodservice area, and one with string fibers for the retail area.

Rutter's has also in-

troduced a "two-bucket" system for mopping, with one bucket holding clean water and the other dirty water "so that you're not putting dirty water back on the floor when mopping," Matthews says.

While this focus on mops may seem obsessive, the payoff is big if it helps Rutter's stand out. "If your store is much cleaner than the rest," Matthews says, "then you will differentiate yourself from the rest of the pack."

In its pursuit of cleanliness, Rutter's uses "some of the best mops in the world."

"Restroom cleanliness is one area that I take personally," says Jere Matthews. That's because he sees how much it influences the customer experience—specifically in foodservice.

Intouch Insight conducted at the chains. It scored highest in cashiers who appeared happy to serve customers. This metric is new to the CSP mystery shop, and very telling.

"If a customer thinks the person across the counter was happy to serve them, that correlates to customer satisfaction," says Watt.

Rutter's strong performance in this area is a result of its focus on hiring people pleasers. The screening process begins with a one-on-one interview and continues during new-hire orientation. Trainers evaluate a recruit's body language, such as their eye contact, as well as how social they act with others in the class.

"It's an attempt to determine if it's a real happy or a fake happy, because obviously our customers will know if it's a fake happy," Matthews says.

Rutter's believes in keeping its employees satisfied. Its starting wage is \$10 per hour, which Hartman describes as very competitive for central Pennsylvania.

It also believes in promoting from within and providing a career path for its employees. About 95% of Rutter's store managers started at the company in a different role.

As Rutter's grows beyond its Pennsylvania borders—with plans to open its first stores in Maryland and West Virginia in 2017—it will assign current supervisors to act as store managers at the new sites, exporting the company culture.

"They can carry the flag with them as we grow out to these new places," says Hartman.

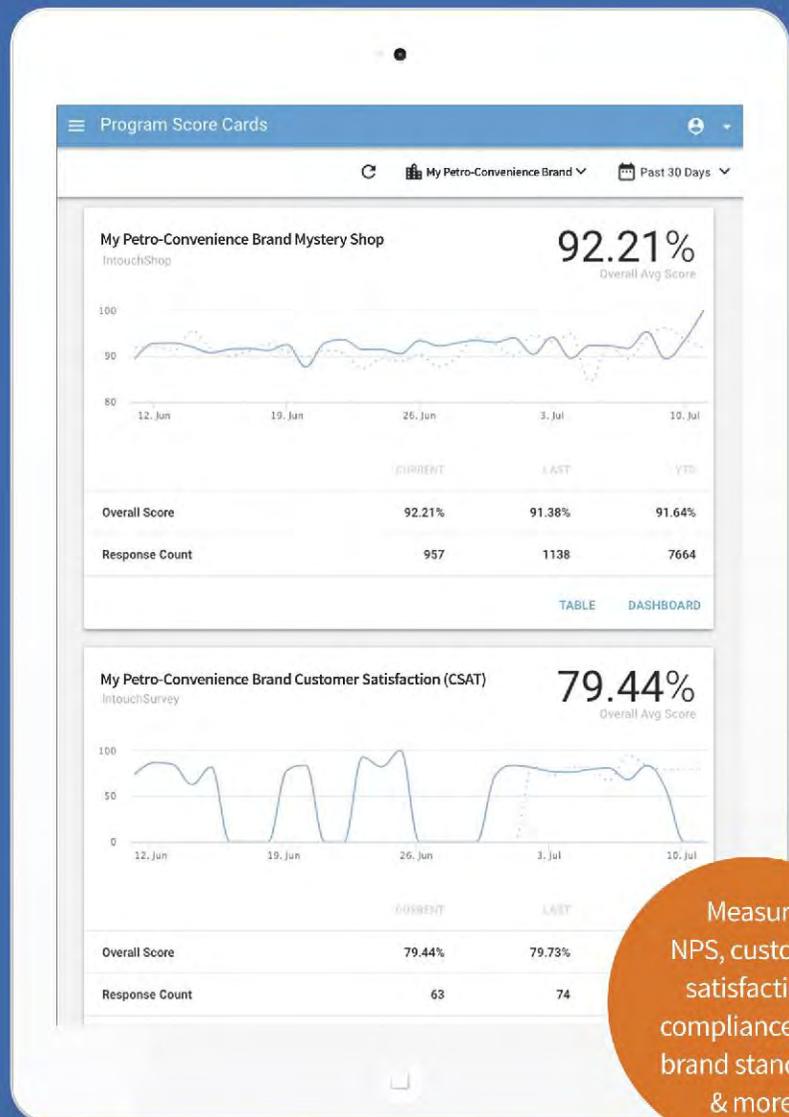
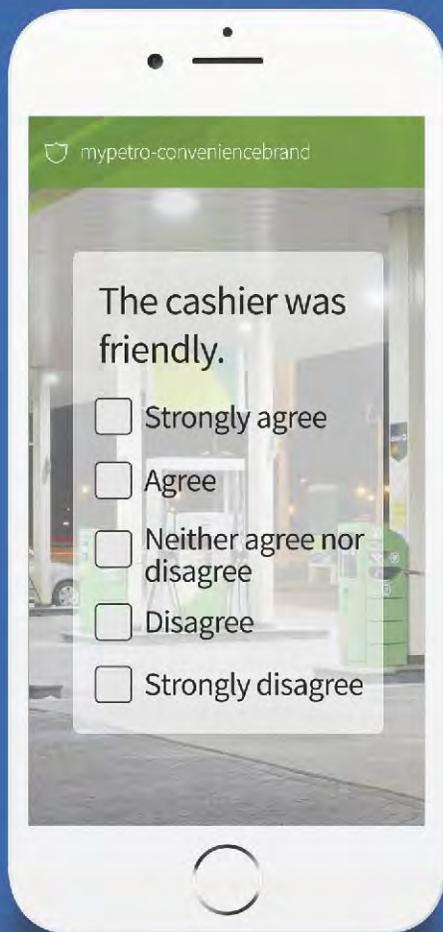
After almost reaching perfection, does Rutter's see an opportunity for growth and improvement in the years ahead?

"We scored 99%," Hartman says with a smile. "Clearly there's 1% there."

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Inside the Mystery Shop

OVERALL SCORES



OVERALL BRAND PERFORMANCE

Rutter's	99.0%
Kwik Trip	96.4%
QuikTrip	95.0%
Rotten Robbie	94.4%
RaceTrac	94.2%
Overall	93.4%

Brands shopped

BRAND	NUMBER OF SHOPS*
Rutter's	65
Kwik Trip	100
QuikTrip	106
Rotten Robbie	21
RaceTrac	95
Parker's	48
United Pacific	100
Enmarket	42
Family Express	64
Kum & Go	104
Maverik	100

The 2017 mystery shop was conducted through unannounced, overt audits from April 24 to May 31. They took place between 9 a.m. and 5 p.m. any day of the week. Intouch Insight also conducted a separate covert audit focused on customer service.

Rutter's follows a cleaning task list for store interiors and exteriors broken down by shift and employee. Once the team member completes all tasks on the list, they sign the task sheet. "When the manager ... finds an issue, they can hold that employee accountable," Matthews says. "It's a good teaching moment."

Over the past year, **Kwik Trip** has converted its paper-based cleaning checklists to electronic versions accessible via iPads. "It's all online, so the district leader can pull it up to make sure store employees are completing it properly," says Greg Olson, head of retail operations for the La Crosse, Wis.-based chain.

"It is very bright and is very clean," said one shopper at **United Pacific**. "It did not remind me of a restroom in a gas station but more like a bathroom in a home."

Pump island

Rutter's	100%
Kwik Trip	97.0%
Rotten Robbie	95.2%

Exterior

Rutter's	100%
Rotten Robbie	98.4%
United Pacific	98.3%

Interior

Rutter's	99.2%
QuikTrip	95.7%
Kwik Trip	95.3%

Restrooms

Kwik Trip	97.5%
Rotten Robbie	97.5%
Rutter's	96.7%

"The store was exceptionally clean, considering it was along a major highway," said a shopper at **Rutter's**.

Rutter's has buttons in its restrooms that customers can activate if there is an issue; it also monitors social media and its mobile app for customer feedback on cleanliness. "These are passive means that are not confrontational, but I think customers are much more willing to engage through those mediums to share feedback, whether it's good or bad," Gaskins says.

* The number of sites shopped for each retailer were chosen based on chain size.

ROTTEN ROBBIE'S FOUNTAIN OF CLEANLINESS AND FRIENDLINESS



In this year's mystery shop, Rotten Robbie was the only chain to score 100% overall in the fountain category, mastering machine and area cleanliness, keeping supplies fully stocked and all beverage flavors on the machines operational.

But Tom Robinson, president of Robinson Oil Corp., Santa Clara, Calif., humbly dismisses the distinction.

"Our intention is to do well in every category. The reality is that the fountain is right next to the coffee," he says. "In both instances, we're trying to keep it wiped up, keep it clean, make sure the coffee is made.

"There's a lot of classic blocking and tackling, and sometimes you tackle better and sometimes you block better."

The challenge in any category, he believes, is, ironically, the customer. "If you happen to come in, and I've cleaned it, and you don't mess it up, it stays clean," he says. "Or, conversely, if you come in and you use it, it's going to be a little bit messier."

Rotten Robbie scored just behind Rutter's in the coffee bar overall, racking up 100% scores for keeping the area clean and fully stocked.

But Robinson is most concerned with how his employees treat customers. The company does its own mystery shopping, which Robinson said is focused "more on friendliness than cleanliness."

The goal is to reward employees for being friendly—"more carrot than stick," he says. "We focus on the person. We can tell if the person is friendly or not. If they're not, it's their own fault, vs. a light being out or the restroom being clean. That may

"If the employee is not friendly, it's their own fault, vs. a light being out."



Rotten Robbie stays on top of fountain with "classic blocking and tackling."

or may not be directly related to that particular person."

For the Rotten Robbie program, an employee must do more than greet the customer, smile, make eye contact and say "Thank you." To get the maximum reward, an employee must also make the customer aware of promotions: "two-fors" for example, such as two energy drinks for \$3. "We felt that was good customer service too," Robinson says.

Rotten Robbie also managed to provide good customer service quickly. The chain scored highest in the covert audit on the acceptability of its wait times.

Managers at Rotten Robbie are compensated with monthly bonuses that are in part based on housekeeping and restrooms. But more important, Robinson says, is that companies do better in all aspects of running a store when there is less turnover. "Generally, our turnover is lower than average," Robinson says.

Rotten Robbie also scored well in the restroom categories.

"Back in the old days, gas station restrooms were outside," he says. "We realized a long time ago that restrooms needed to be inside. That's not any new magic: When they are inside, they are maintained a lot better."

FIRST ON FOUNTAIN

Rotten Robbie led the mystery-shop pack on fountain.

Was the fountain-drink machine and area clean?

Rotten Robbie	100%
QuikTrip	98.1%
Kwik Trip	96.0%

Were all flavors on the fountain-drink machine operational?

Rotten Robbie	100%
Rutter's	98.5%
RaceTrac	96.8%



Inside the Mystery Shop FOODSERVICE

COFFEE

Was the coffee area clean?

Rotten Robbie	100%
Rutter's	98.5%
United Pacific	97.2%

Was all coffee equipment operational?

Rutter's	100%
Enmarket	100%
Family Express	98.4%

SANDWICH COOLER

Did the sandwiches look appealing (fresh and attractively presented)?

Family Express	100%
Parker's	100%
QuikTrip	100%
Rutter's	100%

Were the sandwiches within their expiration date?

Enmarket	100%
Family Express	100%
Rotten Robbie	100%
Rutter's	100%



Combo deals are one way chains such as Kum & Go can easily upsell without upsetting customers.

“Everything was clean, well-stocked and appealing,” said one shopper at **RaceTrac**. “I would think nothing of getting coffee at this location. I did and it was fresh, hot and pleasing.”

Rotten Robbie scored below average in the presence and promotion of combo deals, and that’s because it does not have a big foodservice focus. “Because there are lots of good, stand-alone foodservice options, and the fact that we don’t have large properties, I think we’re always going to be below average compared to some other areas in that category,” says Robinson. “We are definitely a more fuels-dependent region.”

Was the sandwich cooler clean?

Family Express	100%
Rotten Robbie	100%
United Pacific	100%

Was the temperature in the sandwich cooler within the range of 32 F to 41 F?

United Pacific	97.0%
Rutter's	96.9%
Enmarket	94.6%

One area in which the mystery-shop retailers have room for improvement: keeping coolers at the right temperature. Dairy coolers were within the recommended temperature range at less than 92% of visits. “If you’re sitting at 97%, 98%, we could debate whether we’re good enough, but when we’re sitting at 92%—I don’t think there could be debate that’s good enough when it comes to food safety,” says Watt of Intouch Insight.

COMBO DEALS

Did this location have food combo deals?

Maverik	100%
Rutter's	100%
Kum & Go	99.0%

Was there any promotion material for the food combo deals in the store?

Maverik	100%
Family Express	100%
United Pacific	100%

“If you start with the premise ‘We don’t want to suggestive sell but compete with QSRs for share of stomach,’ having combo deals and having them well-articulated on POS and easy-to-view signage makes sense,” says Watt. “Effectively, you’re doing an upsell without having to talk to anybody.”

(See next page for more suggestive-selling insights.)



For the 2017 mystery shop, Intouch Insight conducted two audits. The overall ranking is based on the announced, overt audit that focused mainly on cleanliness, food safety and related factors. A second, covert audit evaluated the retailers on customer service. The source for all data below is the covert audit, unless otherwise specified.

Inside the Mystery Shop

CUSTOMER SERVICE

Were all on-duty employees wearing a uniform, including a nametag?*

Kwik Trip	100%
QuikTrip	100%
Family Express	98.4%

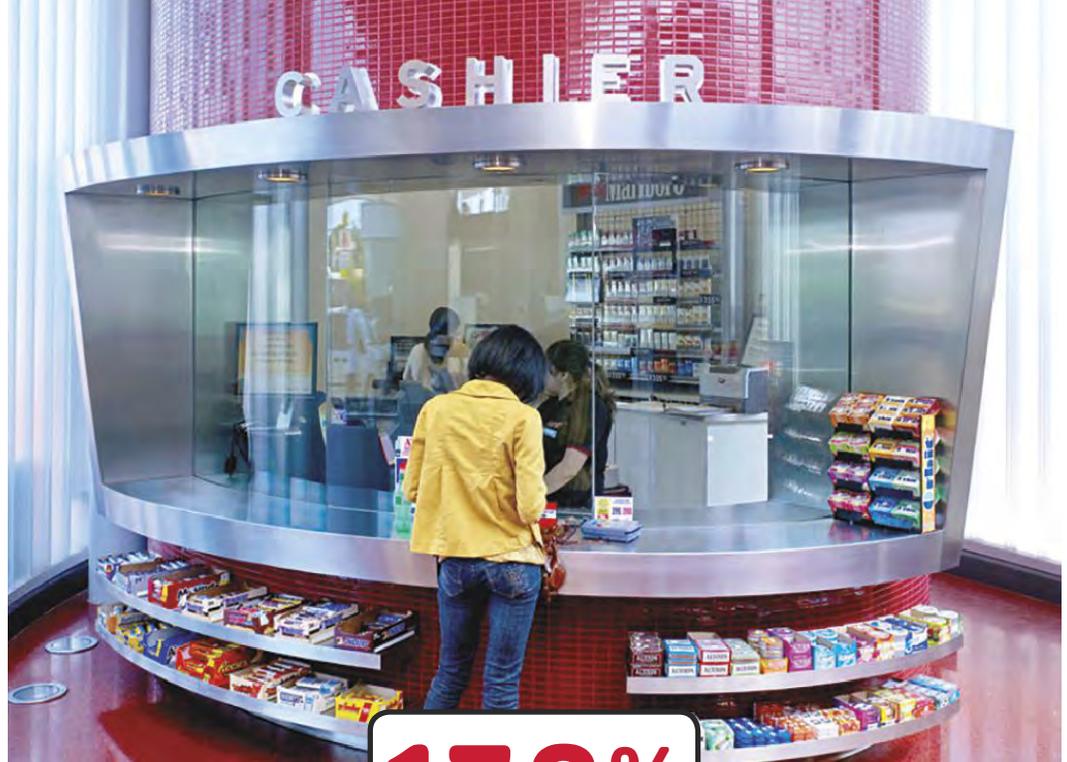
Was the wait time acceptable?

Rotten Robbie	98.5%
Maverik	96.5%
Kwik Trip	96.3%

Was the cashier courteous?

Kwik Trip	97.5%
Rutter's	96.6%
United Pacific	95.3%

* Overt audit



United Pacific ranked high in employee courteousness, a powerful differentiator.

17.8%

Overall score for suggestive selling

Suggestive selling is not a popular practice at the chains participating in the mystery shop. Many discourage it, concerned it will slow down service and annoy customers. But Watt disagrees: "The concept of suggestive selling doesn't make people upset or slow them down if it's strategic, relevant and it's right there."

DO N'T: Ask everyone, every day whether they'd like to buy a candy bar.
DO: Ask customers if they would like to buy a lottery ticket if the jackpot has hit \$100 million.

"Lacey was upbeat and outgoing," said a shopper at Kum & Go. "She smiled often and made great eye contact. I appreciate her asking if I was a rewards member."

Employee appearance is a critical element of QuikTrip's operation. "For us, the red shirt with the QuikTrip on front is a matter of personal pride," says Mike Thornbrugh, manager of public and government affairs. QuikTrip even has extra red shirts and khaki pants available in the stores in case employees need another set to change into.

Did the cashier appear happy to serve you?

Rutter's	95.5%
Kwik Trip	94.8%
QuikTrip	94.4%

Was the cashier well groomed?

Rutter's	98.9%
Kwik Trip	98.8%
Rotten Robbie	98.5%

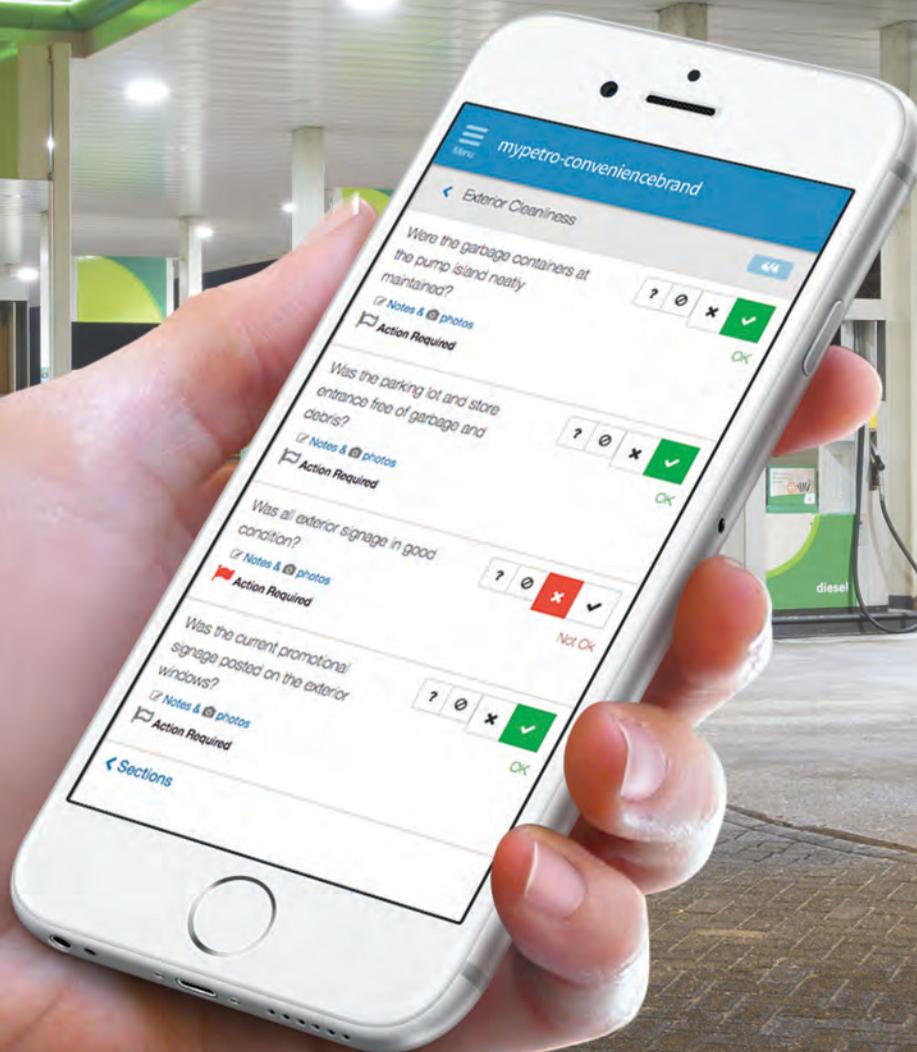
Kwik Trip has clear appearance guidelines for team members. "Our leadership in stores have a standard; they know how they want the team to look," Olson says. That said, the chain is not afraid to tweak its standards to keep up with modern times. "We used to have a very restrictive tattoo policy," he says. "We realized you can't do that. A lot of people who are great have tattoos."

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