

# Krispy Kreme Japan sweetens the customer experience + improves business outcomes

## CHALLENGE

- 10 years after their launch in 2006, Krispy Kreme Japan modified its growth strategy of opening new stores to instead focus on CX improvements to existing locations
- Mystery shop program provided limited CX insights

## INSIGHT

- Launched an enterprise-level CEM program that provides real-time data for immediate action
- Research showed customer satisfaction + average spend were higher with service standard execution
- Employees were more likely to execute service standards when they asked customers about loyalty membership

## CHANGE

- Prioritized “Asked if a Loyalty Member” among service standards
- Created interactive training modules specific to driving rewards app membership
- Implemented CEM scores into the overall company strategy

## OUTCOME

- 7-ppt increase in Overall Satisfaction
- Consecutive YOY sales increases
- 4X increase of loyalty app membership



Known for its iconic Original Glazed Doughnut®, Krispy Kreme has been a popular sweet treats and fresh coffee destination in the United States since 1937. In 2006, the brand launched in Japan, where it now operates 45 locations. Today, with more than 1,400 global stores in 33 countries, Krispy Kreme continues its mission to “make the most awesome doughnuts on the planet every single day.”

## THE CHALLENGE

There was massive buzz when Krispy Kreme launched in the Japanese market in 2006. Almost a decade later, as the hype had started to fade, the brand reviewed its growth strategy and decided to focus on improving the customer experience (CX) at existing locations rather than opening new stores. By addressing gaps in CX (particularly at bottom-performing stores), they hoped to increase customer loyalty and become a long-time-loved brand in Japan.



Limited by a mystery shop program that couldn't provide continuous CX measurement, the brand sought out a customer experience management (CEM) partner that could deliver real-time feedback and actionable insights.

## THE INSIGHT

In 2016, Krispy Kreme partnered with SMG and launched their CEM program—capturing real-time feedback on location-level experiences and gaining insights that gave their field teams the tools they needed to take quick action.

Initial research uncovered customer satisfaction and average spend were higher when associates followed through on two specific service standards:

1. Mentioned a campaign/promotion
2. Explained products/services

Further analysis showed employees were more likely to execute these service standards when they asked customers about their loyalty program, Krispy Kreme Rewards. In order to have the most impact on customer satisfaction, the brand prioritized its efforts toward driving membership and promoting their new loyalty mobile app.

“Our partnership with SMG has allowed us to learn from customer feedback and uncover insights that have helped us improve our customer satisfaction and same-store sales company-wide. In combination with real-time reporting and intuitive technology, SMG's team of experienced professionals help us continually improve our customer experience and drive business results.”

### TAKAKO WAKATSUKI

President and CEO  
Krispy Kreme Doughnut Japan Co., Ltd.



## THE CHANGE

To focus on ramping up loyalty membership and increasing usage of the Krispy Kreme Rewards app, the leadership team took the following steps:

- Demonstrated the link between Overall Satisfaction and loyalty membership to the field teams and prioritized driving app usage
- Added “Asked if a Loyalty Member” question to CX survey to identify stores that were falling behind on their goals and encourage them to make improvements
- Created interactive training modules on the app and encouraged employees to provide feedback on the user experience

More broadly, Krispy Kreme Japan also took measures to incorporate the CEM program as an integral part of its company strategy in the following ways:

- Sharing monthly survey results company-wide to enhance employee awareness of scores and areas for focus
- Implementing scores as a personnel evaluation metric
- Including scores in evaluations for biannual best location award
- Using results to advise the development of employee training and success metrics



## THE OUTCOME

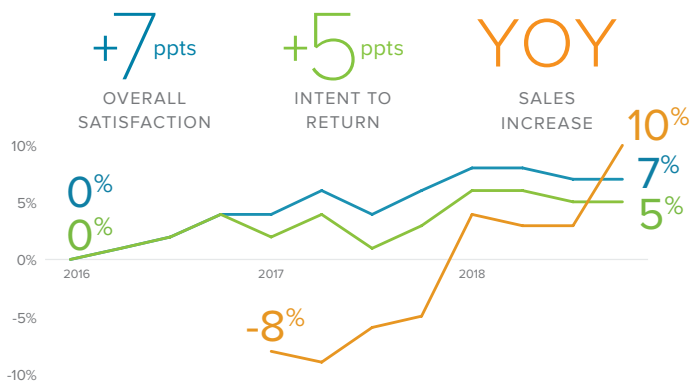
The efforts paid off, with a 4X increase in app membership and improved customer satisfaction of Krispy Kreme’s key service standards.

- Products/Services explained +10ppts
- Mentioned Promotion/Campaign +7ppts
- Asked if Loyalty Member +21ppts

In conjunction with improved service standard scores, Krispy Kreme Japan saw an increase in customer loyalty measures and comp sales growth.

FIGURE 1

In correlation with the increase of service standard scores, loyalty measures and comp sales have also improved.



By investing in a CEM program that combines platform technology and professional services, Krispy Kreme Japan has the tools to act quickly on customer feedback. Through analysis support, insight delivery, and strategic guidance, they were able to transform their business—leading to higher customer loyalty and improved financial performance. ●

When you're smarter about your customers, you can drive changes that boost loyalty and improve business performance. Learn more about [SMG's CEM offering](#).



### About Service Management Group

SMG inspires experiences that improve people's lives. We are a catalyst for change, providing actionable customer, patient, and employee insights that boost loyalty and drive business outcomes. Our unique model puts a dual focus on platform technology and professional services—making it easier to collect, analyze, and share feedback and behavioral data across the enterprise. To learn more about our customer experience management, employee experience, and brand research solutions, visit [www.smg.com](http://www.smg.com).