

Putting the “Filling Up Your Hearts, Too” Declaration into Practice at Service Stations

The Cosmo Oil Group works to realize all aspects of the “Filling Up Your Hearts, Too” Declaration to provide service stations that customers prefer.

The slogan “Filling Up Your Hearts, Too” represents the Cosmo Oil Group’s mission to earn the trust of local communities and be a corporate group that customers prefer. As part of its policy to put this slogan into action at Cosmo Oil service stations throughout Japan, the Group promotes its “Filling Up Your Hearts, Too” Declaration by providing support to employees to raise their awareness of comprehensive corporate social responsibility (CSR), and to assist them in pursuing customer satisfaction and enhancing competitiveness. In the previous year’s report, Mika Takaoka, a professor at the College of Business at Rikkyo University, kindly shared her opinions on the Group’s activities. For this report, she visited a Cosmo Oil service station to observe firsthand the status of the Declaration, now in its third year.



From left to right: Masahide Masumoto (from the Sales Support Department’s Sales Promotion Group, Cosmo Oil Co., Ltd.), Akito Tsukazawa (manager of Kita-Kanto Company’s Yoshioka Self-Service Station, Cosmo Oil Sales Corp.) who guided the visit, and Mika Takaoka (professor, College of Business, Rikkyo University)

Enhancing CSR, Customer Satisfaction, and Competitiveness at Cosmo Oil Service Stations

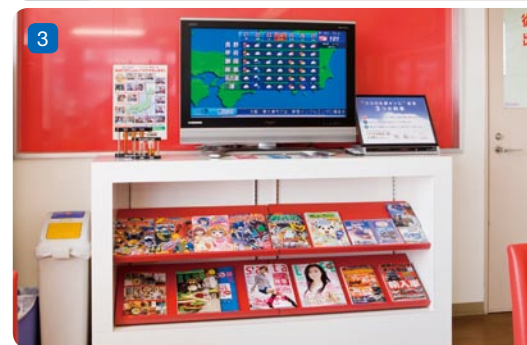
Fiscal 2009 marks the third year since Cosmo Oil launched “Filling Up Your Hearts, Too” Declaration activities in fiscal 2007. These activities are founded on three pillars: dedication to CSR as a responsible member of society by managing the environment, ensuring safety, and protecting personal privacy; promotion of the Three Promises of the “Filling Up Your Hearts, Too” Declaration to increase customer satisfaction; and raising the competitiveness of Cosmo Oil service stations through improvements in the SSNV index.

The Cosmo Oil Group regularly assesses the progress of these activities through three activities at service stations: conducting CSR evaluations of compliance with laws and regulations; having service evaluations by external organizations posing as customers to check staff attitudes and responses at service stations; and following up on actual improvements made on the SSNV index. Cosmo Oil supports participating service stations’ Declaration activities by holding regional training sessions and meetings based on the Action Program, as well as by distributing manuals and checksheets. Since fiscal 2008, the Group has commended service stations that achieve high marks in all three of the above areas with the “Filling Up Your Hearts, Too” Award for Excellence, and is focused on expanding activities and further motivating staff.

Cleaning Up for Customer Comfort

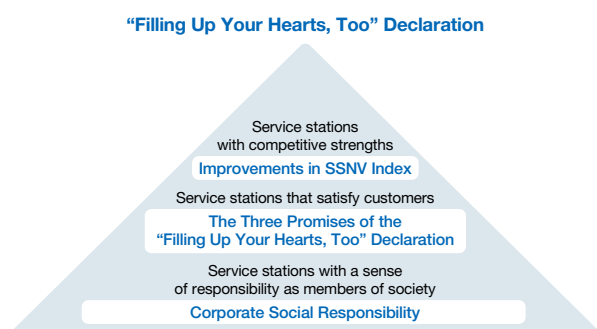
In fiscal 2008, nine service stations across Japan that have endorsed and participated in the “Filling Up Your Hearts, Too” Declaration campaign were presented with the Award for Excellence. One of these stations was the Yoshioka Self-Service Station of Cosmo Oil Sales’ Kita-Kanto Company, located in the Kitagunma district of Gunma Prefecture. The visit was made to this service station to observe firsthand how it puts initiatives into action.

The Yoshioka Self-Service Station opened in April 2004 in the town of Yoshioka in Gunma Prefecture. The surrounding area features large home centers, cafes and day-trip spa facilities, and attracts crowds of shoppers on holidays and weekends. Competition with nearby service stations is fierce, and the Yoshioka Station has faced problems such as low sales of car care services in recent years. When Akito Tsukazawa was appointed as manager in April 2008, he began by having all employees uphold the Three Promises of the “Filling Up Your Hearts, Too” Declaration, including greeting customers with a smile and cleaning up the facility, in addition to CSR activities. He particularly put emphasis on thoroughly cleaning the service station.



- 1 Tsukazawa talks about activities at Yoshioka Self-Service Station with Professor Takaoka, pointing out that “Making our customers feel comfortable is a top priority.”
- 2 Only service stations presented with the Award for Excellence are allowed to display this special “Filling Up Your Hearts, Too” Declaration. Nine Cosmo Oil service stations across Japan have received this honor.
- 3 Guest rooms provide customers with a place to wait while their cars are washed or serviced. These rooms are regularly cleaned, and offer magazines and other amenities to create a space where customers can relax in comfort.

▶ Diagram of the “Filling Up Your Hearts, Too” Declaration



▶ Three Promises of the “Filling Up Your Hearts, Too” Declaration

- Promise 1 Comfort**
Cosmo Oil service station outlets will be clean and customers will be greeted with a smile.
- Promise 2 Peace of mind**
Cosmo Oil service stations will offer quality assured products and services.
- Promise 3 Trust**
Cosmo Oil service station staff will be responsible for their answers to customers’ queries.



- 1 The gas pump hose is straightened and the nozzle is wiped after use for the next customer's convenience. Tsukazawa points out, "Ultimately, these details also help maintain the station's thorough cleanliness."
- 2 Employees at Yoshioka Self-Service Station offer to clean windshields while customers pump their own gas. They also clean ashtrays and check tire pressure free of charge to increase opportunities to engage with customers.
- 3 Building trust by communicating with the customer leads not only to car wash and wax sales, but also to orders for statutory vehicle inspections and other services.

Tsukazawa explains, "Besides the basic points covered in the Three Promises, such as daily cleanings of guest rooms, gas pump areas and restrooms, I stressed to all service station employees that they make a habit of checking and cleaning station facilities after customers have used them. In addition to cleaning guest rooms and restrooms, this also includes wiping smudges off of gas pump touch panels, straightening twisted gas pump hoses and handling other details that enhance customer comfort. Making sure the customers who visit our service station feel comfortable is fundamental to all the services we offer. Our employees focus on cleaning from the time we open to the time we close, and whenever a staff person notices that an area needs cleaning, he or she immediately attends to it."

Serving Customers' Needs and Improving Performance

Although the Yoshioka Station is self serve, station employees never fail to approach each customer with a smile and greeting. According to Tsukazawa, "Some of our customers forget whether their gas cap is on the left or right side of the car. Some are not familiar with how the gas pumps work. Our employees direct customers to the right spot at the gas pump and take that opportunity to find out if they can help in any other way."

These efforts by service station employees to foster communication with customers have increased the number of station regulars, which has in turn led to an increase in car wash and oil change sales. Tsukazawa says, "What is more important than making that sale is providing the advice that our customers are looking for so they can enjoy a safe and comfortable drive. We show our customers how dirty their oil is so that they understand that an oil change is necessary before we do it. This results in these customers coming back to us for service."

These initiatives have built trust with regular customers and led to an increase in orders for statutory vehicle inspections, which is the ultimate car care that service stations provide. Following a campaign by Cosmo Oil Sales' Kita-Kanto Company, the number of orders at the Yoshioka Self-Service Station reached 73 during March 2009, 3.5 times higher than the 20 inspections carried out during the same month of the previous year. The Station attends to approximately 6,000 vehicles per month, of which about 200 require the inspection, assuming a rate of one in 30. This means that more than one in three customers seeking the vehicle inspections in March 2009 entrusted Yoshioka Self-Service Station to provide the service.

In addition to the basic items laid out in the Three Promises of the "Filling Up Your Hearts, Too" Declaration, the station manager and all employees at the Yoshioka Self-Service Station have steadily improved performance by focusing on the customer's perspective to provide the services that he or she actually needs. It is this same philosophy that guides all Cosmo Oil service stations in their daily activities for ensuring customer comfort, peace of mind and trust.

Staff Voice



The Three Promises of the "Filling Up Your Hearts, Too" Declaration were not created merely out of some kind of initiative. These promises represent the basic responsibilities of each employee as a member of the service industry. We are, however, human, so we might lose some of our energy toward the end of busy holidays or on extremely hot days, for example. To counter this, we work to enhance communication between employees by holding more frequent meetings, and to maintain a high level of motivation among our entire staff.

Akito Tsukazawa

Manager, Yoshioka Self-Service Station, Kita-Kanto Company
Cosmo Oil Sales Corp.



Yoshioka Self-Service Station:

- Opened April 2004
- Site: 2,480 sq. meters, including 8 gas pumps, 1 hand car wash, 1 automatic car wash, and a certified maintenance garage with 2 service lifts
- Staff members: 12 (4 full-time employees and 8 part-time staff)

Cosmo Oil Group Is Taking “Filling Up Your Hearts, Too” Declaration to the Next Level

Service Station Case Study



Launched in fiscal 2007, the “Filling Up Your Hearts, Too” Declaration is in its third year, and Cosmo Oil is focusing on enhancing activities under “Filling Up Your Hearts, Too” Declaration 2009. To gain a firsthand view of such activities, Professor Mika Takaoka of Rikkyo University’s College of Business toured the Yoshioka Self-Service Station. She spoke about her assessment of the Cosmo Oil Group’s activities as a third party and what she would like to see from the Group in the future, with Koji Moriyama, general manager of the Sales Support Department, and Koji Ishimoto, manager of the Sales Promotion Group of the Sales Support Department.

Takaoka: I toured the Yoshioka Self-Service Station and saw just how clean and comfortable a service station it is. I also admired how polite the manager and the rest of the service station staff were when serving their customers. I felt that the entire staff were not only upholding the Cosmo Oil Group’s Three Promises, but had also learned from experience the fundamentals of the service industry, including thinking about what the customer needs at any given moment and delivering that.

Moriyama: We appreciate your kind words. The Yoshioka Self-Service Station is one of nine stations that performed with excellence in fiscal 2008 across all indices covering CSR, customer satisfaction, and competitiveness. In addition to customer satisfaction, the station also performed exceptionally well in environmental management and personal privacy protection.

Ishimoto: Service stations handle gasoline and other hazardous materials, so it is vital that measures to prevent fire, cope with disasters and prevent environmental pollution are strictly enforced. We also have to be careful in handling card enrollment documents and other personal information. That

is why we conduct CSR assessments twice a year.

Moriyama: We are also working to increase customer satisfaction through surveys conducted by external monitors twice a year. To increase motivation, we launched awards for competitiveness and already hold annual ceremonies for service station managers whose stations perform excellently. Attending the awards ceremonies is matter of prestige for service stations across Japan, and this in itself should also motivate service stations in their daily activities.

Takaoka: The first law of service management is “satisfying customers begins with satisfied employees,” so increasing employee motivation with events like these is important. How do you ensure that customer feedback is reflected in the services you provide at the service stations?

Moriyama: We collect all the opinions, suggestions and complaints we receive from customers at the Cosmo Oil Customer Center. The details of this feedback, including how the issue was resolved and by whom and when, is entered into a database and passed on as needed to station employees.

Ishimoto: Of course, we don’t only receive complaints. We also receive a large number of comments thanking us, where customers say, “You gave me the exact advice I needed when my car was acting up and I didn’t know what to do. Thank you!”

Takaoka: Chain service stations run the risk of having their entire brand image affected by good or bad service given at a single station. If a chain is small,

the head office can closely supervise each individual station, but at a nationwide chain this level of monitoring corporate governance is impossible. It then becomes necessary to establish a set of values and a vision that the entire chain shares to form the basis of conduct at each independent station. I see the Cosmo Oil Group’s “Filling Up Your Hearts, Too” Declaration and its list of initiatives as this kind of shared values and vision.

Moriyama: The vision behind the “Filling Up Your Hearts, Too” Declaration has already been integrated across the entire Group. Our next plan of action is to increase the degree of implementation for each specific item it calls for.

Takaoka: Today’s consumers are beginning to consider things other than simply cost and the quality of goods and services when deciding where to make their purchases. For example, they think about environmental impact, corporate management style, and even the personality of a salesperson. I would like to see the Cosmo Oil Group establish these aspects of management even more solidly to provide consumers with more quality options.

Moriyama: We are working not just to boost the level of service at each individual service station, but also to improve services across larger sales areas. Our goal is to further expand our approach in order to establish a brand image that attracts even more customers who know they can entrust the servicing of their cars to a Cosmo Oil service station. We thank you for sharing your valuable insights with us today.



Mika Takaoka

Professor, College of Business, Rikkyo University

Ms. Takaoka received a PhD in Economics from the University of Tokyo’s Graduate School of Economics, specializing in logistics system theory and corporate relations. She has written many books and articles, including *CSR and Corporate Management* (Gakubunsha, co-author) and *Sustainable Lifestyle Navigation* (JUSE Press, editor and contributor).



Koji Moriyama

General Manager,
Sales Support
Department



Koji Ishimoto

Manager,
Sales Promotion Group,
Sales Support
Department