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The last word most diners want brought to mind while at a restaurant is mystery, but the high-end Palm Restaurant Group has embraced the concept.

Not, of course, in terms of "mystery meat"—the 28-restaurant chain has built its reputation on high-quality steaks—but with mystery shopping, which Director of Training Debbie Fox calls "crucial to anyone working in the restaurant business today."

With the continued emphasis towards customers sharing their dining experiences with more than just friends and family (as evidenced by restaurant-centric Web sites and blogs, as well as the growth of such guidebooks as Zagat Survey, now tracking thousands of eateries in 70 major markets worldwide), Fox feels that getting feedback directly from diners is a key component in ensuring the Palm brand remains fresh and relevant. In addition, the mystery shopper program helps the Palm "maintain our standards of service so we can provide our guests with an exceptional dining experience," she says.

The Palm uses mystery shoppers to rate its restaurants on such criteria as quality of food, helpfulness/friendliness of staff, and cleanliness. Each restaurant is shopped monthly. "We put great emphasis on manager presence—personalized service—in the dining room, in addition to the dining experience in terms of food, service, and hospitality at the door, at the bar, and at the table," she says.

The Palm works with outsource vendor Speedmark Information Services to provide the secret shoppers ("they must earn enough that they could afford to dine at the Palm, and have enough dining experience so that they can understand our food and service," Fox says), as well as an online system that tracks results. She can log on to Speedmark's Web site and get reports on the monthly performance of an individual restaurant or the entire chain. The system allows Fox to edit such items as location-specific details on an individual restaurant. "This way we can track if the reservationist asked if the guest wanted a reservation confirmation," Fox explains, "or if they asked if this was a first-time visit, or a special occasion."

The system generates a color-coded report that each store's general manager can review online to see what the progress has been in such categories as sales, manager presence, culinary quality, and sanitation. A green report is good, while yellow or the dreaded red indicates there's room for improvement. As an incentive, the chain offers a quality bonus to each Palm that maintain a certain score. Likewise, the chain gives low scorers extra attention from regional managers and the training department. "This is to offer support so they can improve and excel in food, service, and hospitality—and ultimately in sales," Fox says.

Last March the chain handed out special \$150 gift certificates usually reserved for dissatisfied customers to the mystery shoppers. Managers, aware of what those gift certificates usually mean, might or might not treat the presumably hard-to-please customers with extra kindness. "I was very nervous about it," Fox admits, "but overall it was a great experience. We actually had several of our managers call us to specifically ask what the customers' bad experience had been, and what else they could do to rectify it."

While mystery shopping is just one component in the Palm's continuous customer satisfaction program, Fox says it is an invaluable tool. "We've had our best average guest-satisfaction score ever over the past month, at around 95 percent, in large part due to the mystery shopper program," she says. "And satisfaction usually translates into increased sales."
