



Why have a Mystery Shopping Program?

Understanding and meeting customers' expectations is good for business. A mystery shopping program is the only way that you can reliably find out if what your customers expect and whether you are meeting this expectation. Most people, when they think of a mystery shopping program, think of checking to see how a customer was greeted in a retail outlet. But it can – and should – be so much more than that.

YOUR CUSTOMERS' EXPECTATIONS

Your customers come to your business expecting a certain product, service and experience. That's your brand promise. Knowing and meeting these expectations every time means your customer will keep coming back, so it's important to know how your business measures up.

It's not as easy as sending in a random shopper with a list of questions to answer. The program must be designed competently by a company with an extensive knowledge of mystery shopping, an understanding of cognitive psychology and excellent skills in research design and statistical analysis. This combination is rare; many mystery shopping companies are set up and run by ex-retail people without these skills, and this leads to mystery shopping information of limited use and questionable accuracy.

Mystery Shopping programs can get you invaluable information, or they can get you completely useless and unusable information. It's all in the way the program is designed and set up. Our report 'What Can Go Wrong and How to Fix It' goes into some common problems and solutions.

NOT JUST CUSTOMER SERVICE

Customers expect more than just great customer service; their customer experience encompasses everything from the time they first contact your business until they leave. And this determines what their future behaviour will be: whether they return and what they tell friends, family and colleagues. Simply asking customers if they are satisfied is no predictor of future behaviour. Studies show that 80% of customers who claim they are 'satisfied' do not return to the business.

WHAT CAN MYSTERY SHOPPERS CHECK?

Good mystery shopping programs don't just check customer service. It's the whole customer experience including:

- Service
- Product (quality, placement,
- Stock (range, choices, levels)
- Ambience
- Value for money
- Experience
- Unexpected
- Future intentions

HOW TO GET THE MOST OUT OF MYSTERY SHOPPING

The more ways you use information from your mystery shopping program the better the return from your investment. Here are some ways :

EMPLOYEES

- 1) **Improving Employee Performance.** Motivating staff and building employee loyalty is an excellent way to use your mystery shopping program. Employees who feel valued and recognised go that extra step, and, in turn, create loyal customers.
- 2) **Measuring Training Effectiveness.** Training is a significant investment. But how do you know if it's effective? By having mystery shopping evaluations before and after training you can determine what worked and what didn't, and you can 'tweak' your training program for maximum effectiveness.
- 3) **Employee Motivation.** If your employees know that a mystery shopping program is in place they know that *any* customer could be the mystery shopper. They will be more aware of customer service and treating *all* customers as mystery shoppers, lifting the overall standards.
- 4) **Employee Opinions and Feedback.** Employees are in touch with your customers, and can provide great information about what affects them and their changing tastes and needs. Your mystery shopping company should provide a channel for 2-way communication as well as publishing results online. Employees can be encouraged to provide suggestions and ideas about your business, and they are empowered by having their voices heard.

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COMPETITION

- 5) **Competition Monitoring.** You may know your competitors, but using mystery shopping gives a whole new dimension. Mystery shopping can be used to find out what they are offering to their (and your) customers. Sending in the same shopper with the same briefing and questionnaire gives a great snapshot on how you measure up to your competitors from your customer's point of view.

LEGAL COMPLIANCE

- 6) **Discrimination.** Discrimination against, or differential treatment of, customers on the basis of gender, ethnicity, age, disability and other criteria is illegal. Mystery shopping programs can be designed to test this. By sending in 2 shoppers of different age / gender / ethnicity / etc, but with the same scenario you can get a true picture of whether your business complies with anti-discrimination or other legal compliance issues.
- 7) **Compliance.** Some products and services are restricted in who they can be provided to, for example some financial product, or alcohol and tobacco. Mystery shopping is the only way to find out if your front-line staff comply with legal requirements.

MARKETING

- 8) **Loyalty programs.** How often do your staff offer information and recommend that customers join the loyalty program? What is the difference in sales if its offered 100% of the time, or just 20%? Mystery shopping data, linked to sales data can help you find out.
- 9) **Identify Patterns and Trends.** There will be patterns and trends in your mystery shopping data – but can you easily identify them? Trends can vary from basics like improved frequency of upselling to changes in customer expectations. Online reporting with analysis and graphing tools make it easy.
- 10) **Market Research.** Traditional market research can be expensive and (depending on how it is designed) quite ineffective. Exit surveys, though popular, have been shown to be quite misleading in determining customer opinions and behaviour. By using mystery shopper who are your customers or meet your customer profile you can combine market research and mystery shopping.
- 11) **Reseller checks.** If you are relying on a reseller or retail outlet to sell your product how do you know they are doing the right thing? What if they are not giving the right information? Or not recommending your products? If your resellers are recommending other products over yours, and giving yours a bad rap, don't you want to know about it? Mystery shopping can let you know exactly how your resellers are representing and recommending your products.

- 12) **Price Checks.** You can keep tabs on the pricing of your products in various outlets, and also your competitors' products.

CUSTOMER INTERFACE

- 13) **Phone checks.** If your customers deal with your business by phone, either wholly or as a starting point do you know how your customers are treated when they phone? How often they get put on hold? How long it takes to get through? Was someone able to answer their query? Mystery shopping can check exactly what treatment your customers get.
- 14) **Email Checks.** Most companies have a 'contact us' form on their website, but statistics show that most don't manage it well. Customers usually get a bounceback ('we have received your email and will be in contact....') which is about as satisfying as 'please hold, your call is important to us'. And as well received. Few companies respond within the time stated. Web stats may tell you the average time to reply, but they won't tell you how satisfied your customer was with the reply. Did they get the answer they needed? Or did they read the response, give up, and move to a competitor? Only an independent mystery shopping program can find out
- 15) **Website Checks.** Most people today shop online, and it's growing fast. Customers who buy from stores usually do their 'homework' on the Internet first so your website is important. The experience must be positive or they will simply click - and buy - elsewhere. You probably measure visitors to your site, where they go, how long they stay, 'Abandoned Cart' statistics and conversion rate. But while your web stats can tell you *how* your business is performing they can't tell you *why*. Only getting real customer feedback on whether they find it easy to get information on your site and to buy from you will do that. You are not going to get that information from your web stats only by a mystery shopping program.
- 16) **Home deliveries.** There may be a huge difference between what leaves your premises and what the customers receive. We've all had the disappointing home deliveries: the drooping flowers, the cold soggy pizza, the badly-packed goods, the wrong items. Shadow Shoppers can take photos of the delivered goods and include them in their report so that you can see what they actually received. Of course they report on everything else about the delivery as well, so you get a very clear picture of your customer's experience.

INTEGRATION

- 17) **Integration with systems.** For maximum benefit, program findings should be integrated with results obtained from other information sources such as complaint rates, revenue per square foot, customer satisfaction and competitive surveys. There should be a continuous linking of facilities, systems and procedures with service standards, staff performance, training and reward mechanisms.

AVOID UNWANTED PUBLICITY

Getting on the front page for the wrong reasons is a business nightmare. If you only look for the expected you're missing out on vital information. If your questionnaires don't have the question 'Did anything unexpected happen that you think we should know about' then maybe you should rethink your mystery shopping company. Some of the unexpected we have found have been:

- Health risks: Fat dripping off the ceiling into salads.
- Safety risks: Someone taking photos through a hole in the fence at a child care centre.
- Discrimination risks: A salesperson who could not look at the customer's face, only her cleavage!
- Publicity risks: A bank salesperson who told a customer to go elsewhere as 'they had plenty more customers'

A well-designed mystery shopping program can identify these before they hit the press. After all, wouldn't you like to know about them before anyone else?

CUSTOMER RESEARCH INCLUDED

The best mystery shopping programs have built-in customer research. If your shoppers are selected to demographically match your customers then they are your potential customers – or are already customers. Finding out what they think of your business, not just that particular experience, gives you context for the program.

THE IMPORTANCE OF DEMOGRAPHICS

If a shopper is not aware of your company, and does not have a brand expectation then you will get only the most basic information. A well designed mystery shopping program lets you know 2 things crucial to your business:

- How your actual standards compare with your company standards
- How your company standards are viewed by your customers

Simply finding out what a random shopper experienced at your business may answer (1) partially, but (2) not at all. If the shopper has not been selected to match your customer profile, they may have a set of expectations that is quite different to your real customers, so asking them what they thought and if they are 'satisfied' has rather limited relevance. Basing business decisions on data collected this way is extremely risky.

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For example, if a 20yr old shopper, whose experience of fine dining was limited to McDonalds, went to check out a 5 star restaurant the quality of the information would be very poor. Conversely, a shopper used to fine dining, who never ate fast food might be quite horrified their McDonalds experience.

If a mystery shopping company has 'career' shoppers, a 'small pool of trained / expert shoppers' or posts their jobs on a website for 'first in best dressed' then beware. You should treat any mystery shopping information as (at best) irrelevant and (at worst) actively harmful. Information obtained from a company that does not individually assign demographically-matched shoppers should be treated with caution.

IT'S THE ONLY WAY YOU WILL EVER KNOW

Mystery shopping is the only way you can get a true picture of what your customers experience. An ongoing evaluation program is necessary no matter what size or type of business you are. If you don't have a mystery shopping program, or if you have one that isn't giving you information that really helps your bottom line, then you need to rethink. Knowing what your customers want, and knowing that you are giving it to them, consistently, every time every place is what keeps them coming back.

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