

Spies Among Us

That person behind you at the bar or in the bank just might be taking notes

By Dave Demerjian, Globe Correspondent | May 20, 2007

The waitress arrives with two plates of food and places them on the table. Lynn Larsen smiles, says thanks, and waits for the server to disappear toward the kitchen.

Once she's gone, Larsen begins speaking into a small microphone clipped to the inside of her shirt and connected to the recorder hidden in her purse:

"Food delivered approximately 15 minutes after our order was placed," she says softly. "Tea set-up was cleared, but dishes were placed on the table without waitress knowing who ordered what."

She glances around to make sure no one is listening. "Both meals look nice, though neither has been garnished. Salad is attractive, with two crostinis on a bed of romaine lettuce, five slices of chicken, and a small container of dressing."

For Larsen, a 41-year old Jamaica Plain resident, it's just another night on the job. She's part of a small army of spies posing as normal customers in restaurants and bars, retail stores, hotels, banks, and spas all over Boston. These secret shoppers -- known also as mystery shoppers or spotters -- ask questions and make observations, then compile their findings into detailed reports that rate everything from the cleanliness of bathrooms to the honesty of bartenders to how well servers know the specials.

In the highly competitive service industry, these reports can be a vital tool for weeding out bad employees, rewarding good ones, and measuring customer service.

Tom Mills, who owns Service Sleuth, a shopping service based in Taunton, and serves as president of the Mystery Shopper Providers Association, North America, says there are some 300 shopping companies across the country, ranging from one-person operations to industry giants like GfK, a global research group that reports having conducted more than 2 million "shops," or clandestine service reports.

Mills estimates the number of mystery shoppers working in Massachusetts at 7,500, conducting 6,000 to 8,000 shops in the Boston area each month. He describes the Hub as a major mystery shopper market that would rank even higher if not for New Englanders' fierce brand loyalty to local and regional chains.

"Here in Boston, more than other areas, we stay true to our Dunkin' Donuts and our other hometown places," he says. "Mom and pops and smaller chains don't usually spend as much on mystery shopping as big companies do."

Many businesses decline to comment on whether or not they use mystery shopping services. One exception is Olympia Sports, with a store in the Prudential Center and two in Cambridge, which confirms it has had a program in place for 15 years. Others that have used such services include Staples, Yankee Candle, and Au Bon Pain, according to Mills and confirmed by other sources.

Arlington-based QACi provides mystery shopping to Boston-area bars and restaurants, and is in many ways typical of other companies in the industry. QACi maintains a database of several thousand mystery shoppers, all independent contractors. They sign up for jobs by logging into the company's website, and are not allowed to visit the same establishment within a three-month period. "If they did a lunch in May, they have to do a dinner in June," explains James Anas, 50, who founded QACi after years managing restaurants in Boston and other markets.

Anas's shoppers download specific instructions for each assignment. "We might suggest a role play to see if the servers are doing a good job selling dessert, or if they understand the wine list," he explains. "It all depends on the clients' needs."

Shoppers make careful observations during each shop. These are compiled into reports that provide both numerical scores based on yes/no responses to certain questions and more detailed comments.

"What happens when a customer asks for a place to plug in his cellphone or complains that he can't read the menu because the dining room is dim?" Anas asks. "This is the level of information I expect."

Shoppers submit receipts in order to be reimbursed for each shop, and after their reports are reviewed and edited, they're posted online where they can be accessed by clients.

Peter Christie, president of the Massachusetts Restaurant Association, says that in an industry where customer service can make or break businesses, smart managers understand that the findings from these reports can serve an important purpose. "Customers have very specific expectations when they go out to eat," he explains. "A manager who understands these expectations will often use shopping services as a management tool."

But customer service is just one part of the mystery shopper pie. "The largest part of my business is cash management," says Anas, who conducts "bar shops" to ensure that liquor sales are entered correctly. "It's not as simple as confirming that the bartender took the money and placed it in the register. It's about verifying that he's ringing in the proper item every time, and that the receipt he lays down each time a drink is ordered is accurate. And you need to observe it all while pretending to stare at the TV."

Service Sleuth's Mills has sent underage shoppers to try to buy liquor, staked out franchised restaurants to ensure that accurate customer numbers were being reported to headquarters, and compared prices marked on shelves with those ringing up at registers. Mills says that it's common for smaller outlets with limited internal resources to also hire shopping services to evaluate competitors.

But he says that mystery shopping isn't just about ferreting out bad employees. "Retailers battle every other store in the mall for customers, but they also compete for employees," says Mills. "Rewarding your best people can help you retain them."

Rick Segel, a retail specialist and author of "The Retail Business Kit for Dummies," agrees.

"If you focus on sharing the negative, people will resent you," he says. "But tell people what they are doing right, and they'll repeat that behavior again and again."

It works for Dependable Cleaners, a dry-cleaning chain with 17 locations, four of them in Boston. Mystery shoppers visit each store monthly, measuring appearance, service, and product quality. Different custom questions, such as "did the employee ask if I needed anything mended?" are worked into monthly surveys.

Dependable rewards stores and individual employees who achieve certain scores on these reports, but chain president Christa Hagearty prohibits her managers from using the information negatively.

"If an employee is screwing off, there should be other signs," she says. "The reports should not be a tool for punishing workers." Dependable sees secret shopping as a major part of its ongoing customer satisfaction effort, even posting details of the program on its website.

Mills of the mystery shoppers group says that while Massachusetts is one of 12 states with a "two party" consent law that requires employers to notify workers before audio or video taping them, they are under no legal obligation to inform employees that a shopping program exists.

"Because the mystery shopper is simply observing employees, rather than taping them, privacy issues don't really come into play," says Timothy Cutler of Cutler P.C., a law firm that specializes in employment and business law.

What makes a good mystery shopper? Anas says the best notice both small details and the big picture. "They focus on their own experience, but also notice when something's going wrong at the next table," he says. He likes hiring those with previous food service experience, as well as journalists, who he says ask detailed questions and take careful notes.

Amy Zintl, owner of Norwell-based ServiceSense, believes that almost anyone can learn to shop a mass-market restaurant or retailer, but for higher end services like spas and fine dining, finding qualified shoppers is tougher. "It's more difficult to differentiate between a good massage and a bad massage if you've never gotten one before," she says. "And that unfamiliarity is often reflected in the report."

Mills says stay-at-home moms often work as mystery shoppers, drawn by the flexible hours. "It's a good way to make some money while the kids are at school," he says. Eighty percent of shoppers in the shoppers' group's database are female; close to 30 percent are between 31 and 40.

Zintl says that people who become interested in mystery shopping because they think it will be easy and fun often find themselves disappointed.

"People think it will be a blast," she says. "But if they're doing the job right, it's actually a lot of work."

Lynn Larsen agrees. "You need to pay attention to everything that's happening, to ask the right questions and do the role - play properly," she says. "Not to mention that when it's over, you need to transcribe your notes and write a good report."

For Larsen, who has completed nearly 60 shops for QACi over the past five years, there have been some bumpy moments.

"I was once waited on by a guy that I used to work with, and he was honestly one of the worst servers I've ever had," she says. "I felt horrible about it, but I had to write a pretty bad report."

Anas recalls once reading a report where a shopper asked the waiter to describe the soup of the day. The waiter's confident response? "Soup du jour."

But the people doing the spying also slip up sometimes. Anas once had to fire a shopper who sucked down two large drinks during a bar shop. "They were big," he says. "Each probably contained four shots of liquor."

And Zintl recalls a shopper who became so relaxed during a spa assignment that she strolled out without paying for her treatment. "It was an honest mistake, but it was still kind of awkward," she says. "The concierge had to chase her down the street."

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