Mystery shopping

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Mystery shopping is a tool used by market research companies as a tool to measure quality of retail service. Companies send mystery shoppers to 'act' as shoppers or to legitimately shop in return for some combination of cash, store credit, purchase discounts, or the goods or services purchased. Instructions to mystery shoppers can include a script of behavior, questions to ask, complaints to give, purchases to make, and measures to record, such as time it takes to receive attention from an employee or receive a service, or the responses given to questions.

Mystery shopping is also known as:

- Secret Shopping
- Experience Evaluation
- Mystery Customers
- Spotters
- Anonymous Audits
- Virtual Customers
- Employee Evaluations
- Performance Audits
- Telephone Checks

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[edit] Purpose

The purpose behind the concept of Mystery Shopping is to allow businesses to gain improved customer insight into how the customer service related functions of their business are performing, and utilize the information gathered as part of performance management and service improvement initiatives.

[edit] Background

Mystery shopping began in the 1940s and as a mechanism to measure employee integrity. Tools used for mystery shopping assessments can range from simple questionnaires to complete audio and video recordings. The Internet has provided a medium for mystery shopping online. Many mystery shopping companies are completely administered through the Internet, allowing potential mystery shoppers to use the Internet to register for participation, find mystery shopping jobs and receive payment.

[edit] Methodology

When a client company comes on board with a company providing Mystery Shopping services, a survey model will be drawn up and agreed to which defines what information and improvement factors the client company wishes to measure as part of the mystery shopping process. These are then drawn up into survey instruments and assignments that are allocated to shoppers registered with the mystery shopping company in question.

Some of the common details and information points shoppers will be looking for include:

- the date and time of the pre-visit phone call
- the name of the store on each side of the store visited
- number of employees in the store on entering
- how long it takes before the mystery shopper is greeted
- the name of the employee(s)
- whether or not the greeting is friendly
- the questions asked by the shopper to find a suitable product
- the types of products shown
- if or how the employee attempted to close the sale
- whether the employee invited the shopper to come back to the store
- cleanliness of store and store associates
- speed of service
- compliance with company standards relating to service, store appearance, and grooming/presentation
Shoppers are often given instructions or procedures to make the transaction atypical to make the test of the knowledge and service skills of the employees more stringent or specific to a particular service issue (known as scenarios). For instance, a mystery shopper at a restaurant may pretend they are lactose-intolerant, or a clothing store mystery shopper could inquire about gift-wrapping services. Not all Mystery Shopping scenarios include a purchase.

From there, the shopper will then submit the data collected to Mystery Shopping company in question. The data is then reviewed and analyzed before quantitative and qualitative statistical [analysis] reports on the data are then returned to the client company that enables measurement against the previously defined criteria.

[edit] Locations

The most common venues to be mystery shopped are retail stores, restaurant, fast food chains, banks, gas stations, car dealerships, apartments, and health clubs. Virtually any context where there is a customer/business interaction is open to mystery shopping, including on-line surveys. More and more companies are beginning to see the value in experience measurement techniques such as mystery shopping, and as such larger organizations such as Hotels, Retail Chains, and even Airlines have engaged companies for these purposes. In the UK, mystery shopping is increasingly used to provide feedback on customer services provided by local authorities and other non-profit organisations (eg Housing Associations).

[edit] Pay

Pay is highly variable, depending on the company facilitating the mystery shop, the experience level of the mystery shopper, availability of mystery shoppers in the area, and shop being tested. Novice mystery shoppers can earn less than minimum wage after accounting for time and cost involved to perform the scenario. Mystery shoppers must read and understand the requirements of the client. Gas mileage to and from the store is not usually reimbursed. Many scenarios involving the purchase and return of an item require the mystery shopper to wait for an uncompensated period of minutes or hours before they can return the item purchased.

In the case of nonreturnable services, such as a meal at a restaurant or an evening's stay at a hotel, mystery shoppers sometimes receive the nonreturnable service as their sole compensation. Reports on restaurant and hotel assignments can be much more detailed than other shopping reports, and can take hours to complete.

[edit] Statistics

The Mystery shopping industry had an estimated value of nearly $600 million in the United States in 2004[1], according to a 2005 report commissioned by the Mystery Shopping Providers Association (MSPA). Companies that participated in the report
experienced an average growth of 11.1 percent from 2003 to 2004, compared to an average growth of 12.2 percent. The report estimates more than 8.1 million mystery shops were conducted in 2004. The Report represents the first industry association attempt to quantify the size of the mystery shopping industry. Similar surveys are available for European regions where mystery shopping is becoming more embedded into company procedures.\[citation needed\]

[edit] Ethics

Mystery Shoppers are always bound by a relevant set of rules or ethics code. The most widely used set of professional guidelines and ethics standards for the industry is ISO 20252[2] - Market, opinion and social research, that was ratified by TC 225 in 2006.

[edit] Fraud

Scams exist that lure unsuspecting consumers into paying money to learn how to become a mystery shopper. Legitimate mystery shopping companies will not require shoppers to pay anything to them in order to be a secret shopper. Scammers, in exchange for a fee, will provide information pertaining to mystery shopping, such as a list of companies offering such work, even though this information is widely available for free on the Internet. There are many Internet discussion groups dedicated to mystery shopper information and opportunities.

There exists another scam that uses mystery shopping as a premise for fraud, where a person is sent a bad check with a request to deposit it into their bank account, wire a portion of the money through a wire transfer company such as Western Union and keep the remainder as a mystery shopping fee, and informed to mail the money immediately as the test is evaluating response time. People who wire the "remainder" discover the check is bad and lose the money they transfer and the wire transfer service fee.

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