



You've Been Shopped.....

July 2011

THE SITUATION

Andrea is a cashier at a supermarket that is part of a national grocery store chain that focuses heavily on customer service as a competitive differentiator in the food retailing market. She works in a store that is located in a quiet, suburban neighborhood of Denver, Colorado. She is a hard worker, and prides herself on delivering excellent customer service while supporting the other associates in the store as much as she can. She was personally trained by the store manager on what the expectations are for her role and is familiar with the company expectations of her performance. She knows that she needs to greet each customer, to physically help them to find the items that they are looking for, to make farewell comments and to offer the customer help with their bags out to their car. Andrea also knows that her company uses mystery shoppers. She and the other employees have been given a 2 page document that lists the specific characteristics that the shopper looks for in the evaluation.

By the large number of questions they ask, the terminology they use and the thoroughness of their shopping, Andrea can usually spot the mystery shoppers not long after they enter the store. She also knows that they come 1 -2 times each month and that this particular store is due for a "shop".

Walking into the store is a female shopper, who is not a familiar face in this small neighborhood store. The customer asked Andrea several very specific questions and looked directly at her name tag. She also looked carefully around all parts of the store as soon as she walked in. Andrea suspects that this person is mystery shopper with a firm hired by the corporate headquarters.....

BACKGROUND

Mystery Shopping is a form of observational market research conducted in a disguised fashion by either internal or external persons. Mystery shopping has been in existence in the U.S. for at least 70 years. Mystery shoppers pose in a "stealth-like" fashion to assess the business operations of a client, with the goal of not being detected to obtain true feedback on how a business and its staff actually treat a customer at their location. The shoppers may take photographs, purchase products or services, return a product or ask questions to sales representatives. The overseers of the mystery shopping processes often use evaluative criteria provide by the clients and then they develop checklists that they provide to the shoppers.

Demand for mystery shopping has grown and during tough economic times, clients have used this resource more intently in order to keep market share and to stay competitive. This type of observational research is used extensively in restaurants, banks, supermarkets, auto repair shops, clothing stores, gas stations and movie theaters. The results are used to measure

customer service, store cleanliness, product and service quality and conformance to standards, as well as other evaluative criteria that might be client specific.

Many retail businesses have seen their market share drop as larger, big box stores have come into their markets. Many businesses cannot compete with the lower prices that stores like Wal-Mart sell their products for, so as a result, they have chosen to stay competitive by achieving higher customer service. The corporate statements for many of these retailers include phrases about meeting or exceeding customer expectations which appear in either their mission or vision statements.

HOW MYSTERY SHOPPER DATA IS USED AT THIS PARTICULAR STORE

Retailers use the data from these shops to provide feedback to individual stores on what aspects of customer service that they did well and how they might improve their service. In some businesses, the feedback is used as a key indicator for determining management bonuses at both store and regional levels. At Andrea's store, a good "shop" would lead to a big cookout for all employees at the grocery store, as well as a gift card for \$50. If the shopping score is an "excellent", all the employees in that store would get a deluxe cook out. She would also get recognized at the next staff meeting by management, and her evaluation would be posted in the store break room for all the other employees to see. Andrea would like to move up into management, and she knows a good score would help her. Andrea is working on her business degree and would like to become an assistant at this store upon graduation and possible move up further into store management.

ANDREA'S CHOICES

Andrea is friends with some of her co-workers and knows that if her teammates score well in this "shop", that this will help them, too. In addition, she likes her new manager...her old manager was too directive and punitive and this manager really wants the store to perform well and cares about the employees.

After Andrea talked with the customer, she was sure that this person was a mystery shopper. What she should do?

1. Should she go out of her way to perform exceptional customer service with this "shopper" so that she can impress store management once they get the report?
2. Should she notify all her teammates over the store intercom system? Perhaps she should just notify the teammates that she is friends with that she can trust? Or should Andrea not tell anyone at all that she thinks the mystery shopper is there?
3. What if she told only her manager and warned him so that he could make sure everyone is at their posts and ready to answer any questions?

Considering the practice of mystery shopping in general:

4. Should mystery shopper data be used for evaluative purposes? Should the data only be for positive reinforcement or learning?

5. And if behavior is modified because an employee suspects that they are being "shopped", then is it really a valid measurement tool?

EPILOGUE

Andrea decided to call all the members of the team at the store, except the manager, over the store intercom system. She warned them that the mystery shopper was there and reminded them of the importance of the store performing well. The store performed well in the "shop" and was given a cook-out. Andrea received the \$50 gift card.

She was promoted to assistant manager before getting her degree. Once she was in management, she trusted the training and management processes better and felt that the mystery shopping technique was an effective gauge to measure conformance to company standards. When she saw mystery shoppers in the future, she did not warn the employees anymore.

Andrea also decided that she did not want a career in store management for a grocer. She has decided to finish her marketing degree and to work in a different field.

SOURCES

Peter Guerney, Quirk's Market Research Review, February 2002

Carolyn Brown, Inc. Magazine, October 11, 2010