

Beyond mere measurement

Most retailers agree that customer retention is the key to improving share of market. Most also agree that quality customer service is the key to customer retention. But opinions differ on how to measure and improve customer service. Survey methodologies offer a number of ways: intercepts, telephone surveys, in-store comment cards and interactive voice response (IVR). Of necessity, these surveys are often brief and can therefore capture only a few key measurements of service. In addition, respondents who take part in these surveys can be either very disgruntled or wildly satisfied. But most customers fall into the wide gap between those extremes.

Mystery shopping fills that gap. However, companies that use mystery shopping only as a measurement are only using half the tool. To maximize the value of mystery shopping, retailers should use results to devise and implement strategies that improve their level of customer service.

Two nationwide clients of our firm, Customer Perspectives, exemplify the diverse ways in which mystery shopping can be used to improve and enhance, rather than just measure, customer service.

Case study: a bridal store

The bridal customer is unique. She is shopping for apparel for a very important day - either her own wedding or that of a close friend or relative. Weddings are brimming with emotion and stress, much of it focused on appearance and detail. The planning process can take months, even years. Bridal store employees are trained to take all this into account and provide service that makes their customers feel special and important, in keeping with the importance of the big day.

A leading nationwide bridal store has teamed up with our firm to design a mystery shopping program that dovetails with the bridal store's overall customer service evaluation efforts. The shopping reports are used as the basis for tutorials that are given once a

Retailers use mystery shopping to improve - not just measure - customer service



By Judith Ann Hess

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month to all employees. Employees are engaged in role-playing and brainstorming activities with the goal of continuously improving customer service. Quarterly, the mystery shopping results are combined with responses to customer survey cards to produce a customer service scorecard. This scorecard measures how well expectations are being met, how store traffic is being managed, and what kind of first impressions are being created.

The management team of the bridal store feels the mystery shopping reports are particularly useful at measuring the customer's first impressions of the store and what factors make her decide if she'll return. As one executive notes, the typical bridal shopping experience is quite lengthy – sometimes as long as two years. Mystery shopping reports allow management to identify missed opportunities during a customer's initial visit – unlike customer service survey cards, which are sent to registered customers and focus only on the actual shopping experience. When viewed over time, trends and patterns emerge and can be addressed by the retailer. For example, because of frequent reports of long waits for service, management now instructs employees to encourage customers who call for directions and/or store hours to set up mid-week appointments to avoid the usually high traffic on Saturdays.

This retailer uses mystery shopping as an integral part of an overall customer service evaluation program that trains and rewards employees for outstanding performance. It also provides management with a customer's perspective of

their total shopping experience.

Case study: a swimwear store

A nationwide swimwear client has been using mystery shopping as part of its customer service program since 1999. Its corporate trainer says, "With a corporate office in Florida and stores nationwide, we feel this is the best opportunity we have to view the level of customer service we are providing our clients. We are able to identify staffing issues and training opportunities through the shops."

The retailer has over 30 stores nationwide. Staff varies from five to 15 employees per store, depending on sales volume. Individuals are not targeted for evaluation. Rather, random shops are performed with the expectation that the majority of the staff will be shopped over time.

"We have a strong customer service and sales focus," says a member of the firm's management team. "Our non-negotiable sales standards have been incorporated into the shop. These standards are very basic, such as greeting every customer as they enter the store and bringing additional items to the fitting room. The shops are a great training tool for us."

The company offers a reward of \$100 for every perfect mystery shop. On average, between five and 10 rewards are given out every month.

The mystery shops are taken into consideration for performance reviews and additional points are added for perfect shops. The district manager reviews the shops with the store manager, who then discusses the shop with their employee. The shops are tracked on a spreadsheet.

Compliance on the non-negotiable sales standards is also tracked and weighted to be 50 percent of the shop score. Management has seen consistent, company-wide improvement. For example, in the past, as peak season approached, a decline in service was noted as busy employees tried to handle more than one customer. That specific selling situation was targeted and employees now have the tools to cope with several customers at once.

The mystery shopping program reinforces the company's training program. Employees receive thorough training on service expectations during their first few days on the job. Those first few days are spent role-playing with the trainer. Customer service expectations are explained and employees must demonstrate their understanding of the expectations before they are allowed to assist customers on their own.

Management believes this integrated approach serves both the employee and the customer well. By rewarding positive behavior and identifying training needs, the mystery shopping program ensures customer service remains at the top of the list for all employees at all times.

Improve, not just measure

These two firms demonstrate just a few of the ways clients have been successful in using mystery shopping as a tool to improve customer service. The dozens of other ways that mystery shopping can be used to grow market share through enhanced customer service are limited only by your imagination. | Q