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**Mystery shoppers help stores keep tabs on service Take note, retail workers:  
Sometimes the customer might be something more**

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Karen Jenkins may have looked as if she were interested in buying CDs when she walked into Scooter's music store in Wilmington a couple of months ago, but she had other motives.

She was there undercover to evaluate customer service at the store. Did the store's employees greet her? Were they willing to help her find specific CDs? Was the person behind the counter courteous? Did the staff look and act professionally?

Jenkins is a mystery-shopping consultant. She owns one of the few locally based mystery-shopping companies in the state. Hired by companies that want to determine the quality of their customer service, mystery shoppers pose as customers and report back on their experiences.

"We are not in there to zing people," Jenkins said. "It's to look at the areas of improvement and opportunity."

Thirty years ago, there were few companies that used mystery shoppers to assess their customer service. Today, corporations as diverse as Boscov's, McDonald's and WSFS Bank use mystery shopping to help evaluate their employees' interactions with customers.

"Mystery shopping is really more focused on the customer experience," said Jeff Hall, president of Dallas-based Mystery Shopping Providers Association. "It can provide very

detailed experience to the company regarding each of their stores, having to do with what the customer sees and hears."

More businesses are seeing a link between customer satisfaction, brand loyalty and the bottom line.

The importance of having satisfied customers has helped propel mystery shopping into an estimated \$1.5 billion industry that employs 1.5 million shoppers in the United States and 250,000 in other countries, according to the mystery shopping association.

"We use them to really check up on our service delivery," said Joan Sullivan, spokeswoman for WSFS Bank, which has an exclusive regional agreement with its mystery shopping company.

Even as more businesses use mystery shoppers, industry experts say customer service across all industries is deteriorating. They contend that not all companies use mystery shopping correctly, and those that do cannot expect it to be the cure-all for their customers' woes.

"Mystery shopping is a very important piece of the puzzle," said Peggy Morrow, author of "Customer Service: How to Do It Right!" "You need customer feedback, but you also need several forms of it."

### **Looking for part-time work?**

Mystery shopping has been used in this country for more than 50 years, but its origins are unknown.

Some say the first shoppers were former police officers who monitored stores for theft by customers and employees. Others say that it started by owners of gas stations who hired people to check restrooms at service stations to make sure they were clean.

Mystery shopping has evolved into a sophisticated research tool. Mystery shoppers often are given brief orientations by their employers and the managers of the businesses they are going to visit on what to look for.

Large mystery-shopping companies often depend on a network of shoppers who join databases through the mystery-shopping association. Others cultivate a list of people on their own.

The typical mystery shopper today is a college-educated female between the ages of 30 and 55, Hall said. Many of these women work part time, averaging about six to 10 assignments a month. Their pay ranges from \$10 to \$50 an assignment.

In some cases, the shoppers are compensated by their experience. Someone evaluating workers at a ticket stand outside a Broadway show may get a free ticket in lieu of payment.

Some companies, like Boscov's, conduct their own mystery shopping.

"We get a report card for each location," said Ed Elko, senior vice president of human resources. The department store chain has about 30 mystery shoppers visit each store annually.

Stacy Estle, 34, who has worked at Boscov's for 15 years, said she usually can't spot a mystery shopper. So she tries to be pleasant all the time.

"I treat everybody the same," she said.

Retailers have started demanding more from mystery shoppers. In response, many specialize by industry, write more detailed evaluations or document their observations using hidden cameras.

Mystery shoppers must be increasingly subtle to remain undetected. Employees easily identify those who act predictably, asking too many pointed questions or inspecting bathrooms they never use.

The industry has tried to set minimum standards for mystery shoppers. The mystery shopping association now offers certifications. Some 23,000 have been "silver" certified for participating in an online course, and more than 2,000 took part in a daylong workshop for "gold" status.

"It is making it more competitive," said Ed Simon of Milford, who has been a mystery shopper since the late 1990s. "Some mystery shopping companies will send you out on a test assignment to see how well you write, how attentive you are. Some reports are just checklists - yes, no and just comments - but others are narratives."

### **One piece of puzzle**

But even with trained mystery shoppers, many companies have not been able to overcome customer dissatisfaction.

John Goodman, president of TARP, a customer care research firm in Arlington, Va., said companies must be willing to take the comprehensive approach to resolving their customer service problems.

"You need a combination of consumer surveys, complaint handling systems and mystery shopping," Goodman said. "All three of those need to be put together to get the voice of the customer."

He said only a third of companies use such a comprehensive approach. The remaining two-thirds aren't willing to pay for the other elements.

In addition to using the best tools to improve their customer service, Goodman said companies should review their policies.

No matter how nice the customer service representative is, if the policy is bad, the customer is going to be dissatisfied. For example, if a company has a policy of no returns under any circumstance, customers won't be happy.

### **A TARP study found that**

20 percent of customer dissatisfaction is caused by employee actions, while 40 percent is due to corporate products and processes that have an unpleasant surprise for the customer. Customer mistakes or incorrect expectations account for another 40 percent of customer dissatisfaction.

### **Free service for small stores**

While customer service is a challenge for most retail businesses, it is even harder to tackle for small businesses where there is high turnover and that cannot afford to hire mystery shoppers or consultants.

Jenkins, of Wilmington, who launched the Seer Group in December, said her home-based, mystery-shopping consulting business, wants to help small- and medium-size businesses in Delaware and the Philadelphia area realize the value of improving their customer service.

Since December, she has offered her services for free to several small businesses, including Hanifa's Kitchen in Wilmington and Scooter's.

"It would be expensive for a small business," said Stanley Atkinson, owner of Scooter's, who was impressed by the thoroughness of the report on his business.

"It is really a great benefit," he said. "As a small business, it is really hard to monitor when the owner is not in if someone is doing something that is not correct."

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## **DEMYSTIFYING MYSTERY SHOPPING**

What mystery shoppers pay attention to when visiting a retailer:

- Do employees greet and thank customers?
- Do employees introduce themselves?

- Do employees inform customers about specials or sales?
- Do employees cross-sell products?
- Are employees dressed appropriately?
- Are the tables, floors and restrooms clean?
- How long does it take to get served?

**If you are interested in becoming a mystery shopper:**

- Never pay to be put on a list; it's probably a scam.
- Have access to reliable transportation.
- Meet deadlines.
- Be prepared to work evenings and weekends.
- Develop skills in writing and observation.
- Get access to the Internet.
- Join an industry association.

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