

Guidelines
for Mystery Shopping

Europe - Updated August 2011

Applicable in
Europe, Africa, Asia Pacific, Latin America Regions

GUIDELINES FOR MYSTERY SHOPPING

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1. LEGAL ISSUES & MYSTERY SHOPPING

All MSPA members must comply with the appropriate data protection, privacy, legal, social, tax and ethical issues applicable to each country in which they are conducting mystery shopping programmes, wherever the country of origin of the agency may be.

As an example, privacy laws are generally more stringent in Europe than in North America region, where capture and reporting of names is largely authorised.

Therefore these guidelines do not currently apply in the North American region.

2. OVERRIDING PRINCIPLES OF MYSTERY SHOPPING

The Mystery Shopping Professionals Association (MSPA) is dedicated to improving service and promoting excellence in the mystery shopping industry. A fundamental aim of the Association is to ensure that standards are maintained.

To improve the value, reputation and to stimulate the use of mystery shopping services, it is important that information about mystery shopping services is accurately communicated to the business community and to the public, whilst complying with applicable government laws, regulations and ordinances.

These Guidelines should be read in conjunction with the MSPA Ethics Code and be applied in relation to the relevant National laws and regulations of the country of operation. The main aim of these Guidelines is to promote professionalism in the conduct of mystery shopping, to ensure quality for clients and consistency amongst MSPA members.

MSPA Guidelines can be either binding or advisory.

2.1. Binding Guidelines

Binding Guidelines are mandatory for all MSPA members and for sub-contractors used by them. They are indicated in this document by the words “shall” or “must”. As stated in the Code of Ethics, a breach of a Binding Guideline will be treated as a breach of the Ethics Agreement. The consequences of such a breach include disciplinary action including potential exclusion from the MSPA.

2.2. Advisory Guidelines

Advisory Guidelines are not mandatory for either members or their subcontractors. They are indicated in this document by the word “should”, and indicate desirable, but not mandatory behaviours.

For more information about the Guidelines, please contact a member of the respective MSPA Regional Board.

3. DEFINITION OF MYSTERY SHOPPING

Mystery shopping can be defined as...

The use of individuals trained/briefed to experience and measure compliance or any customer service process, by acting as potential customers/actual customers and in some way reporting back on their experiences in a detailed and objective way.

Mystery Shopping is above all a tool to assess the quality of service, organisation and management, rather than a market research technique. Mystery shopping generally reviews how staff perform against pre-determined standards during an interaction with a customer.

Mystery Shopping is also often used to determine exclusively objective facts such as...

- Proper placement of point of purchase materials,
- Store traffic patterns,
- Consumer product placements and...
- Price checks.

3.1. Ethical Principles

- The objective of a mystery shopping project should be to provide management information on processes and/or quality of service, in order to aid re-training plans and improvements in service. The objective is to increase customer satisfaction, advocacy and loyalty.
- Mystery shopping reports must not be used as the sole justification for dismissals or reprimands.
- Any mystery shopping agency must ensure that their client is aware of the provisions made in these Guidelines and obtain agreement that both parties accept them as the basis for the project.
- Advisory - It is recommended that these Guidelines be attached to proposals and contracts, or provided via a link to the corresponding section of the MSPA website.

- All work must be conducted within the law (social, tax, data protection etc) of the country where the fieldwork is being conducted, regardless of the country of origin of the agency. (See 'Legal Issues' Part A).

3.2. Technical Principles

- **Scope:** Mystery shopping projects have no universal requirement for a minimum sample size that is representative of the entire population. In this respect Mystery Shopping differs from Market Research where a more formal requirement to create a truly representative sample exists.
- Mystery Shopping **objectively** records a client's service delivery. Therefore the scope must particularly include a variety of conditions of client experiences, but which might not be strictly representative.
- **Advisory:** A client's business should be mystery shopped multiple times. If possible, mystery shops should be conducted at different times of the day and/or week to ensure coverage of different trading conditions. In addition samples should take into consideration relevant variable types as geographic location and/or size of outlet.
- **Validity:** The validity of any study depends on the design and execution of the shopping scenarios used. Scenarios should be...
 - relevant
 - credible
 - ethical
 - practical
 - safe for the mystery shoppers
 - and ...objective.
- To be **relevant**, the shopping scenario must be designed to test the specific sales, service or operational behaviour that is the topic of study. The scenario should consider the training or instruction staff has been given on how to deal with a situation so that, when delivered credibly, staff should be able to deliver the desired behaviour. The study can then test the extent to which this is the case.

- To be **credible**, the scenario must be realistic, in that it represents natural consumer behaviour in the market concerned and that it can be enacted convincingly by the mystery shopper. However, while mystery shoppers must be thoroughly briefed, they must not appear too slick or over-rehearsed, or the staff may guess that the mystery shopper is not a real customer, compromising the value of the study.
- As a general rule, the **scenario** itself should be straightforward, so the mystery shopper can easily understand and apply it. Detailed briefing should focus on how to handle follow-up questions, thus providing convincing 'depth' to the role. In addition, mystery shoppers should fit the profile of appropriate purchasers, and have a level of familiarity with the product field that is appropriate to the scenario that they are required to follow.
- To be **ethical**, the client's own staff must be advised that their performance may be checked from time to time through mystery shopping. Where regulatory bodies or sub-contractors intend to use mystery shopping, they must ensure that the party to be checked understands that this method of appraisal will be used, and advise its staff accordingly.
- Staff may be advised by newsletter, by the company website or by any other means. With competitor organisations such advice obviously cannot be given but the competitor staff or organisation must not suffer any detrimental effect (see section 1.2) as a result of a mystery shopping exercise.
- To be **practical** from the evaluation viewpoint, simplicity, brevity, and keeping the assignment appropriate ensures experiences are correctly reported. It should be borne in mind that mystery shoppers have to remember their answers until they are out of sight of staff, and the assessment should therefore be realistic in length and complexity.
- **Scenarios** used for mystery shopping must be safe in that neither the client's staff, nor the mystery shoppers must be asked to do anything illegal or anything that puts them under any kind of risk (e.g. locality, disability, gender, ethnicity). Care must also be taken to protect mystery shoppers from any

adverse implications of carrying out an evaluation (e.g. personal safety, effect on credit references).

- The **questionnaire** that the mystery shopper completes should be focused on objective questions, with the majority aimed at gathering factual information. The primary aim should be to document precisely what happened at the point of contact, rather than how the mystery shopper feels. Objectivity will also help ensure consistency across all of the evaluations conducted. However, some subjective ratings, such as the perceived confidence of staff and the mystery shoppers overall satisfaction with the way their enquiry was handled, may be included and can be useful when interpreting the results. It is recommended however that any subjective questions are clearly defined, remain limited in number, and that the client is made aware of the limits of all the subjective elements within the questionnaire and subsequent results.

4. GUIDELINES

4.1. Mystery Shopping One's Own Organisation

4.1.1. Staff Communication

- All staff must be informed that their organisation is subject to, or intends to undertake, mystery shopping.
- The objectives and intended uses of the results of such initiative must be made clear to staff. If reporting is likely to be at individual branch or store level or individuals will be named or recorded by video or tape, this information must be provided (where appropriate within the boundaries of individual country legislation).
- If bonus programmes are to be based, wholly or partly, on mystery shopping programmes this must be made clear to the staff.
- Communication can be via employee contracts or staff handbooks or by other means as long as it is made directly to the staff members. Details need not be given on when exactly the review will take place, exact details of aspects to be covered, or the types of mystery shoppers to be used.

Advisory - but recommended

- *Informing staff of the types of elements to be covered.*
- *Informing staff of reporting formats and channels of communication.*
- *Informing staff of the basis of mystery shopper recruitment, briefing etc.*
- *If a pilot test (baseline measurement) is to be carried out before the main mystery shopping programme commences, it is recommended that the relevant staff should be informed. However, if this is not practical, the staff members must not be identified in the pilot test results.*

4.1.2. Staff Identification

- Names of staff members or identities through video, tape etc can be revealed as long as appropriate communication to this effect has been given (see above) and providing it is in accordance with individual country legislation. Clearance from unions or staff organisation representatives should be sought in such cases.
- Disciplinary action should not be taken solely on the basis of mystery shopping results. The aim of mystery shopping should be to increase customer service levels and develop staff through training and motivation.
- Where videos and/or tape recordings of individuals are held, as much information as possible about the future use of the data must be given, in particular...
 - *When they are to be used*
 - *To whom they are likely to be shown*
 - *For what purposes they are likely to be used*
 - *Where the data is to be kept and for how long*
- To protect individual staff members, restrictions on the future use of the data must be included in either the terms and conditions, or the contract between the mystery shopping provider and the client.

4.1.3. Staff Attempting to Identify Mystery shoppers

- The organisation using mystery shopping should show employees the benefits of the technique and how to use the results. This ensures that spotting mystery shoppers becomes less important.
- Staff should be made aware that 'mystery shopper spotting' is not acceptable, since there is the possibility of annoying genuine customers and bringing the project into disrepute within the organisation.

- Procedures may need to be put in place to ensure that mystery shoppers are not harassed, particularly where video recording allows staff to observe customer actions.

4.1.4. Commission Based Staff

- When evaluating staff whose income is commission based, the length of time the mystery shopper will spend with the member of staff should be recognised. Provision of compensation for potential loss of commission may be considered.

4.1.5. Website Evaluations

- Mystery shoppers must be made aware that their identity may be revealed when personal information is used to make online purchases during mystery shopper assessments.

4.2. Mystery Shopping Competitor Organisations

- Guidelines differ depending on whether a product or service is purchased at the time of the mystery shopping contact. The distinction between a purchase and a non-purchase is very important.

Non-purchase

When no purchase is to be made the following apply:

- Since staff at competitor organisations cannot be warned that mystery shopping will be taking place, their identity should not be exposed either by reporting at individual level or by the use of recording equipment, such as videos or tapes.
- The length of time spent with a staff member should be reasonable depending on the nature of the market and the type of enquiry. The time

should be kept as short as possible and should not utilise the competitor's resources in any way other than a normal customer enquiry.

- The frequency of assessment of any one outlet/centre should be considered in relation to the whole organisation and particular individuals must not be mystery shopped too frequently.

Purchase

When a purchase is made the following apply:

- Staff should not be identified, either by reporting at individual level or by the use of recording equipment, such as videos or tapes.
- The mystery shopper must not suffer any detrimental effect by purchasing a product or later cancelling an order that has been made (e.g. their credit referencing status).

4.2.1. Telephone Evaluations of Competitor Organisations

- Staff members should not be identified.
- Tape-recorded conversation should not be provided to the client's organisation.
- The preparation of any paperwork, by the competitor organisation, following the call should be kept to a minimum and reflect a normal transaction.
- The evaluation should not specifically require a follow-up call to be made to the mystery shopper.
- The average length of time spent actually with a staff member should reflect a normal transaction in the relevant market.
- Mystery shopping should not be used to block competitor customer queues, e.g. overwhelming competitor call centres.

- Mystery shoppers should be made aware that their identification could be revealed if the telephone receiver has caller identification technology.

4.2.2. Face to Face Evaluations of Competitor Organisations

- Staff members should not be identified.
- Videotaped or tape recorded observations should not be provided to the client's organisation. (See 'Legal Issues' section).
- The preparation of any follow-up paperwork by the competitor organisation should be kept to a minimum and reflect a normal transaction.
 - ✦ *The evaluation should not specifically require a follow-up call to the mystery shopper.*
 - ✦ *The average length of time spent actually with a single staff member should reflect a normal transaction in the relevant market.*
 - ✦ *Time spent by the mystery shopper observing or auditing does not count towards the time spent with a staff member. However this activity should not unduly disrupt the customer flow or staff member activities in any way.*
 - ✦ *Ideally the mystery shopper should make a purchase that reflects the type of business of any given outlet e.g. petrol from a petrol station rather than a key ring.*

4.2.3. Postal, Fax and E-mail Evaluations of Competitor Organisations

- Staff members should not be identified and material copied and used as part of any report should be anonymous, e.g. forms bearing staff names, email addresses etc.

- The nature of the enquiry should not be such that an undue amount of time or effort responding will be necessary.
- The enquiry should not require a long stream of replies.

4.2.4. Website Evaluations of Competitor Organisations

All the points raised in section 1.2 must be adhered to plus:

- Mystery shoppers must be made aware that their identity may be revealed if personal credit cards are used to make online purchases.

4.3. Mystery Shopping Client's Agents or Distributors

4.3.1. Mystery Shopping Client's Agents or Distributors

- If the staff to be mystery shopped are formally advised by their employer that their service delivery will be checked, and if the objectives and intended uses of the results of such initiatives have been made clear to staff, the project can be conducted as if on one's own Organisation.
- If both these actions have not been undertaken the study must be conducted as if on a Competitor Organisation (i.e. individual identities must not be exposed).

(See preceding sections for details once the decision regarding the type has been made.)

4.4. Mystery Shopping by Regulatory and Other Bodies

- Where regulatory bodies or sub-contractors intend to use mystery shopping to examine service levels, they must ensure that the party to be mystery shopped understands that this method of appraisal will be used, and advise staff that they might be identified during the course of the exercise.
- If these actions have not been undertaken the study must be conducted as if on a Competitor Organisation i.e. individual identities must not be exposed.

- If the contract between the two parties states that mystery shopping will be used by way of evaluation, staff within the organisation must be informed of this fact. Where this has happened, any project can be conducted as if on the client's own organisation.

(See preceding sections for details once the decision regarding the type has been made)

4.5. Publishing Data in the Public Domain

Background

Competitor Mystery Shopping projects, benchmarking and market competitor studies are used by many Mystery Shopping providers as a very useful tool for marketing and brand building, and finally increasing the awareness and image of mystery shopping.

The media use this tool too, most of the time to benchmark competitors in B2C (business to consumer) service provision and to collect data to support press articles.

This kind of project must be done in a professional and reliable manner. Care must be taken to follow the MSPA Guidelines for data publishing in order to maintain the reputation of your company and of mystery shopping as a technique.

Care must be taken to ensure that participating individuals are not identified by name or by description in published data.

The objective of publishing such studies must be focused on building a positive attitude towards mystery shopping as a valid technique and on building a positive attitude towards the MSPA.

Findings should concentrate on improvement rather than focus on the providers of poor service.

Remember to check your local data protection legislation and Mystery Shopping governing bodies and associations for best practice at all times.

The Guidelines for publishing data differ according to who is the owner (copyright holder) of the study data or information:

4.5.1. Mystery shopping initiated by your company

a. Actions before commencing the study

- Clearly define the study objectives and the technical specifications: timescales, method, scope (why such scope was chosen), methodology used (scenario, number of visits/calls, etc);
- Send a letter summarising these topics to the organisations you intend to mystery shop;
- Correspondence should cover the following:
 - *Objectives,*
 - *Technical specifications,*
 - *Benefit to those surveyed,*
 - *Opportunities (if applicable) to co-fund or syndicate.*

b. Actions after data analysis and prior to publication

- Create a press release (use the help of communication/PR agency if these skills do not exist in your business);
- The press release must contain the following:
 - *Who is the initiator/owner of the study,*
 - *Confirmation that the study was conducted by a MSPA member company,*
 - *Confirmation that the study was conducted under the MSPA Ethical Guidelines,*
 - *Technical specifications of the study as above:*
 - ❖ *goals, timetable, method, scope, which companies were surveyed, methodology used (scenario, number of visits/calls etc),*
 - *Short explanation of what mystery shopping is:*
 - ❖ *main principles of method such as objectivity, etc. as you define them,*
 - *Presentation of the findings you want to be revealed and published,*
 - *Improvements that ensue from the findings.*

c. Key guidance for the preparation of reports

- Ask all participants for their agreement before publishing any data. This can be done by phone, email, letter or face to face;
- It is recommended to provide all aggregated results of the ranking to media organisations only in cases where all participants have agreed to publish;
- If there is no agreement from all the participating companies in the study:
 - *It is safer not to provide a full report to the media (or else on the member's own judgment and risk),*
 - *Instead, in order to reveal the positive nature of this initiative, it is recommended to provide only the TOP 3 (or maximum 5) performers with company names listed in the ranking;*
 - *The remainder of the ranking should not show the names of participating companies, just the score. (E.g. BANK 1 - 90%, BANK 2 – 86%, BANK 3 – 84%, X – 82%, X – 76%, etc);*
- The list of the rest of the participants should be provided separately from ranking results;
- Reveal results by main service/criteria/elements that were measured within the study (e.g. queue time, greeting, clarification of needs, sales skills, communication skills, closing the sale, farewell, price or similar). Results can be presented graphically or listed in the text;
- In all cases (except price checks where range of unit values may be required and may already be public), reveal only aggregated results, i.e. an overall result derived from a minimum of 2 surveys per evaluation, as, by so doing, the individual participant (employee) may never be able to be identified;
- Ensure you include short description of your company and the MSPA.

d. After the study is completed – making the most of your findings

- Send a letter to the participating organisations mystery shopped (as a reminder of your first letter) with a similar release to that used for the media;
- Offer the full report free or for a charge, a meeting to explain the findings to generate business opportunities and more extensive studies to position them in their market;

- Remember, no competitor confidential information can be revealed in the full report;
- To overcome this, you may choose to produce a benchmarking report that compares one participant's result to the aggregated average of others.

e. How to help the media write things you want to be written!

Usually the media maintain independence by reserving the right to withhold the final content of their article from you, therefore be careful to ensure you follow the tips below.

- The media is usually more interested in poor results and negative comment - so provide only the information you want or agree to be published;
 - *if you provide more than you intend, such as negative feedback on companies or named persons, and you subsequently ask not to publish something, it may be too late;*
 - *to be on the safe side, create a Q&A sheet before submitting the press release to the media.*
- It creates more value when a short article is written alongside the presentation of the main survey results as this helps to create focus on customer service quality issues, mystery shopping and the like;
- Articles can be written by you or by a journalist, depending on agreement. Be aware that journalists like to take interviews from other contributors e.g. companies that were mystery shopped or people from related trade organisations and controlling bodies;
- Although your company is the owner of collected data from your study, be aware that whatever was given to the media of your choice, may show up in other publications as well. Therefore, be careful and reveal only things that you want to be public;
- As it is your initiative and investment, do not forget to politely remind the media not to interview from or mention your competition in the same article. Practice shows that sometimes it happens;

- Ask for a proof copy of any information to be published for approval prior to publication;
- A copy of any published information should be supplied to MSPA for inclusion on the MSPA website.

4.5.2. Media and other (paying) clients

a. Actions before commencing the study

- Clearly define with the client the study objectives and the technical specifications: timescales, method, scope (why such scope was chosen), methodology used (scenario, number of visits/calls etc);
- Recommend to the client that these objectives and specifications are communicated to the organisations to be surveyed before they are (only in the case where the media is the client).
- Agree on who owns the data and how it can be used.

b. Actions after analysis and prior to publication

- Recommend that the press release or article contains the following:
 - *Who is the initiator/owner of the study,*
 - *Technical specifications of the study as above:*
 - ❖ goals, timetable, method, scope, methodology used (scenario, number of visits/calls etc),
 - *Short explanation of what mystery shopping is:*
 - ❖ main principles of method such as objectivity, etc. as you define them,
 - *Improvements ensued from these findings.*

c. Key guidance in the disclosure of results

- Results for organisations other than those under the control or the management of the client must not enable the identification of individual

participants (e.g. employees). Therefore in this case only aggregated results must be revealed to the client, i.e. an overall result derived from a minimum of 2 surveys per evaluation;

- It is recommended to reveal results by main service/criteria/elements that were measured within the study (e.g. queue time, greeting, clarification of needs, sales skills, communication skills, closing the sale, farewell, price or similar). Results can be presented graphically or listed in the text;
- Make sure MSPA Ethical Guidelines are followed and be careful to check how the client is presenting your name when negative aspects are mentioned;
- Ensure that the information is publicly available for any potential customer (not confidential);
 - *Ask for a proof copy of any information to be published for approval prior to publication;*
 - *A copy of any published information should be supplied to MSPA for inclusion on the MSPA website.*

4.6. Quality Control

- Mystery shoppers must be given sufficient Guidelines and briefing as required by each project.
- The client and agency must agree the following:
 - *Profile of mystery shoppers*
 - *Briefing requirements*
 - *Field monitoring processes*
 - *Quality controls*
- The validation of data must be undertaken by means of computer and/or logic checks plus, where practical, the collection of any documentation confirming the mystery shopping contact.

4.7. Agency Responsibilities to Mystery Shoppers

- It is the responsibility of the agency to ensure mystery shoppers are aware that they may be identified during the project.
- It is the responsibility of the agency to ensure mystery shoppers are aware of any risks involved in any project e.g. credit rating checks.
- It is mandatory that all mystery shoppers shall receive agreed compensation for each project undertaken.
- It is mandatory that all mystery shoppers shall be reimbursed for any pre-authorized purchases made as part of the mystery shopping process.
- It is mandatory that the mystery shoppers shall be informed in writing of the payment processes and timing, and of the consequences of not performing the agreed mystery shopping contacts to the required guidelines, including the consequences of a 'no show' at any of the agreed mystery shopping contacts.