

Guidelines
for Mystery Shopping

Updated August 2011

Applicable in
The North America Region

MSPA ADVISORY GUIDELINES ON MYSTERY SHOPPING IN THE UNITED STATES AND CANADA

Originally adopted 2004, by MSPA North America Board of Directors, Revisions *approved by MSPA North America Board of Directors, July 2011*

INTRODUCTION

The Mystery Shopping Providers 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 by its members. To improve the value, reputation and stimulate the use of mystery shopping services, it is important that information about mystery shopping services is accurately communicated to both the business community and the public at large, while 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 relevant country, state, province and local laws/regulations. The main aim of these Guidelines is to promote professionalism in the conduct of mystery shopping and to ensure consistency amongst MSPA members. MSPA Guidelines are directed toward members, (members should notify any sub-contractors rendering services to adhere to the guidelines), to identify actions or procedures that should be followed by members. Recommendations within this document referencing how members should behave in certain ways are advisory only. For more information about the Guidelines, please contact a member of the MSPA North America board.

Definition of Mystery Shopping

Mystery shopping can be defined as: A discipline that engages individuals, who are informed about proper procedures, to observe and document whether these procedures are performed as a means to measure the customer service process. This is accomplished by acting as a potential or actual customer and in some way reporting back on the experiences in a detailed and objective way.

Underlying Principles of Mystery Shopping

Ethical Principles

Mystery shopping is a business information tool. The objective of a mystery shopping program should be to provide management with information on adherence to processes and compliance with pre-determined standards of staff performance and/or quality of service. This information should assist in the development of plans for coaching and training, service improvements, and hence result in an overall improvement in customer satisfaction.

Such projects should not be used as the sole reason for dismissals and reprimands but can be used as part of an appraisal process. It is recommended that any organization executing these programs should ensure that its client is aware of the provisions made in the “Guidelines” and obtain agreement that both parties accept them as the basis for the project. All work should be conducted within the law of the jurisdiction where the fieldwork is being conducted.

It is advised that client's educate their staff that their service delivery, and the performance of the company's processes and procedures, may be observed from time to time through mystery shopping, point of purchase audits, product audits, price checks, benchmarking, and other forms of compliance

assessment. This can be in the form of a newsletter, as a part of the employee handbook or on the company website.

Technical Principles

For studies to be valid they should adhere to some basic technical principles that cover relevance, credibility, practicality, safety and objectivity.

Relevance: To be relevant, program objectives should be outlined and the scenario should be designed to test designated sales, service and/or operational behaviors. The study can then test the extent to which the company's performance mirrors its stated and/or intended practices.

Credibility: To be credible, the scenario should be realistic, in that it mimics natural consumer behavior in the market and can be enacted convincingly by the mystery shopper. While mystery shoppers should be thoroughly briefed, they should appear as the average customer and not draw attention to themselves in any way. As a general rule, the scenario should be straightforward, so the mystery shopper can easily comprehend the required actions. 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 role they are initiating. The study should also take into consideration the distribution of evaluations as it relates to time of day, week and season, since this can have an impact on the overall evaluation.

Practicality: To be practical the evaluation should be as simple and brief as possible to ensure better accuracy. Mystery shoppers are required to remember their answers until they are out of sight of staff, and the evaluation should therefore allow for this fact. This of course does not apply to announced audits, scenarios where the shopper is revealed or where technology can aid in the capture of information.

Safety: Regardless of the scenarios used for mystery shopping assessments, they should be safe in that the mystery shoppers are not asked to engage in illegal activities (unless endorsed by authorities in a "testing" environment) or be involved in situations that put them under any physical risk (e.g. locality, disability, gender, and ethnicity). Care should be taken to protect mystery shoppers from any adverse implications of carrying out an evaluation (e.g. personal safety, effect on credit references).

Objectivity: The questionnaire that the mystery shopper completes should be focused on objective questions, with the majority aimed at gathering factual information. The primary aim is 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 all subjective questions are clearly defined and that the client is made aware of all the subjective elements within the questionnaire and subsequent results.

GUIDELINES

Clients Mystery Shopping Their Own Organization

Recommendations Regarding Staff Communication

All staff should be informed that their organization is subject to, or intends to undertake, mystery shopping. The staff should be educated regarding the objectives and intended uses of the program results. If reporting is likely to be at an individual branch or store level or if individuals will be named or recorded by video or audio tape, this information should be provided (where appropriate within the boundaries of country, state, province legislation). If bonus programs

are to be based, wholly or partly, on mystery shopping programs this should be disclosed to the staff. Such communication can be distributed via employee contracts, staff handbooks or by other means directly to the staff members. If a pilot test is to be implemented with a small number of mystery shopping contacts before the main mystery shopping program commences, it is recommended that the relevant staff be informed.

Staff Identification During Mystery Shop

Names of staff members or identities through video, audio tape or other means can be revealed as long as staffs have been informed this may be done (see above) and providing it is in accordance with individual country, state and province legislation. Clearance from unions or staff organization representatives should be sought in cases in which such clearance is appropriate or necessary. Where videos and tape recordings of individuals are held, as much information as possible, about the future use of the data should be given, in particular:

When are they to be used?

To whom they are likely to be shown?

For what purposes are likely to be used?

Where is the data to be kept and for how long?

To protect staff privacy, restrictions on the future use of the data should be included in either the terms and conditions, or the contract between the researcher and the client.

Actions Against Staff

It is recommended that disciplinary action not be taken only on the basis of the mystery shopping program results except in unusual circumstances (such as situations in which public safety is at issue or

for legal compliance). The ultimate aim of mystery shopping should be to enhance training and thus the customer experience in some measurable way.

Staff Attempting to Identify Mystery Shoppers

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 organization. Procedures may need to be put in place to ensure that mystery shoppers are not harassed. It should be suggested to the organization using the mystery shopping that they should explain the benefits of the technique to its employees, and how to use the results, to ensure that spotting mystery shoppers is minimized.

Website Evaluations

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

Mystery Shopping Competitor Organizations

There are some additional guidelines which should be considered when conducting competitive evaluations and they are as follows;

Face to Face Evaluations of Competitor Organizations

Staff members should not be identified, either by reporting at individual level or by use of recording equipment, if the potential exist for any negative repercussions and that if done it does not violate any country, state, province or local laws. The preparation of any follow-up paperwork by the competitor organization should be kept to a minimum and reflect a normal transaction. The average length of time actually

spent with a single staff member should reflect a normal transaction in the relevant market.

Telephone Evaluations of Competitor Organizations

Staff members should not be identified, either by reporting at individual level or by use of recording equipment if the potential exists for any negative repercussions and does not violate any country, state, province or local laws. The preparation of any paperwork, by the competitor organization, following the call should be kept to a minimum and reflect a normal transaction. The average length of time actually spent with a staff member should reflect a normal transaction in the relevant market. Mystery shoppers should be made aware that their identification could be revealed if the telephone receiver has caller identification technology.

Postal, Fax and E-mail Evaluations of Competitor Organizations

Staff members should not be identified, and any material copied and used as part of any report should be made anonymous, (e.g. forms bearing staff names, email addresses etc.) if the potential exists for any negative repercussions and does not violate any country, state, province or local laws. The nature of the inquiry should not be such that an undue amount of time or effort responding will be necessary. The inquiry should not require a long stream of replies to be necessary.

Website Evaluations of Competitor Organizations

All the points raised in this section should be adhered to plus:
Mystery shoppers should be made aware that their identity may be revealed if personal credit cards are used to make online purchases.

Quality Control

Mystery shoppers should be given sufficient guidelines and briefing as required by each project. The client and agency should agree with the following:

Profile of mystery shopper team

Briefing requirements

Field monitoring processes

Quality controls

The validation of data should be undertaken by means of computer and logic checks, plus collection of any documentation confirming the mystery shopping contact.

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 significant, known risks involved in any project e.g. credit rating checks.
- It is recommended that all mystery shoppers receive payment for each project undertaken.
- It is recommended that all mystery shoppers be reimbursed for any pre-authorized purchases made as part of the mystery shopping process. However it is expressly acknowledged that certain situations may make it more appropriate for expenses to be paid from a shopper's fees, provided the shopper is informed of this situation in advance.
- It is recommended that the mystery shoppers be informed of the payment processes and timing, and the consequences of not performing the mystery shopping scenario to the required

standards, including the consequences of a 'no show' at any of the agreed mystery shopping contacts.

- It is recommended that the organization ensure that all mystery shoppers operating as an independent contractor agree to an independent contractor agreement before conducting any work.

LEGAL ISSUES & MYSTERY SHOPPING

All businesses conducting mystery shopping programs should comply with the appropriate data protection, legal, and ethical issues applicable to each country, state, and/or province within which they are conducting mystery shopping programs.

** These revised Guidelines are adopted by the Board of Directors of the Mystery Shopping Providers Association, North America as of July 20, 2011.*