

## intelligence vault MARKET RESEARCH TOOLS

### how to do mystery shopping

~ Mark Healy / Partner / Torque

Ever apply for a job you weren't sure you really wanted? Do up a resume, sweat the cover letter, follow up, go through the interview process? Just to kick the tires – look around the office and meet some people? You figure the worst that comes of it is you meet some new contacts and learn something about an organization you didn't know much about already. You've just been mystery shopping, consciously or unconsciously.

So what is mystery shopping? It's one of a number of powerful tools in your market research toolkit is what it is. It's an opportunity to get out and experience, directly, what customers experience during their research, browsing, purchase and post-purchase processes. Maybe your customers. Maybe your competitors' customers. One thing's for sure – it's a vital part of any real market research exercise – could you thoroughly understand a market situation without seeing it/feeling it/experiencing it live? And it's inexpensive and straight-forward, if you know what you are doing.

First, some definitions. Mystery shopping goes by a lot of other names, although each refers to a slightly different beast:

- *Competitive Intelligence* - incorrectly in this case, as CI is its own discipline, where mystery shopping can be a component
- *In-field Research / In-field Observation* - normally means there is no engagement with other humans
- *Shop-alongs / Walk-alongs / Ride-alongs* - necessarily implies live interaction with customers, but may not engage sales reps, etc.

The first question, when it comes to mystery shopping, is why do it in the first place? There are a hundred good reasons to do this regularly, as a business owner, or as a marketing/sales manager. But the USDA Grade AAA Prime motives revolve around customer, competitive and channel research and insights.

- *Customer* - you want to understand the customer experience you deliver
- *Competitive* - you have assumptions about your competitors' products or retail environment which you want to confirm or dispel
- *Channel* - you seek clarity on how your channel partners are representing your brand and products

You can probably think of others specific to your situation.

Can mystery shopping be done in a B2B environment? Yes, although it is very cumbersome to carry out within your own B2B business development process, so when it occurs it is almost always a major component of a competitive intelligence gig. It's tricky, it has moral and ethical rules and constraints attached to it, and it can be very time consuming. We lose deals at the eleventh hour once-in-a-while where I wonder if we had just been mystery shopped, and it drives me nuts since so much time is invested in services pitches. For the purposes of this discussion, let's stick to a B2C environment, like a retail store or a restaurant or an e-commerce portal – where the rules of engagement are much cleaner.

So, the second question about mystery shopping is – what are you looking for. The answer should be – everything. That can be a lot to take in, though. I usually bucketize what I'm investigating into three areas:

1. The arena
2. The products
3. The people



**Bucket 1: The Arena**

Let's start with the arena. The field of play. The context for the situation. I try to observe and capture as much as possible about the environment, whether it is a big box store or a fast food outlet. Size, colours in use, construction and decorating materials used, signage, marketing messages displayed, music playing in the background, volume of ancillary noise, smells in the air, lighting, aisle width and traffic flows including entrances and exits, line length at cash/check out, and cleanliness are all valuable to note. Details really matter here, as everything can have an effect on sales.

**Bucket 2: The Products**

When it comes to products, there are fairly obvious attributes to record: brand, product size and format, packaging, pricing, model numbers, any promotions or special offers, and ingredients/features if appropriate. But just as important can be contextual product traits, such as placement on the shelf and in the store, or on a website, placement relative to other similar and dissimilar products and brands, and on-premise and point-of-purchase displays and materials.

**Bucket 3: The People**

Most important is observation and engagement with, if possible, people. I love watching how people shop, and discovering their decision making criteria and processes. I did a study a couple of years ago on magazine buyers in grocery stores. How complicated can that be you ask? Turns out it was fascinating. The location of the rack in the store was crucial – had to be line-of-sight from a high traffic aisle to attract browsers. And people would walk up only to be overwhelmed by the colours of the different titles, seen as one giant blurred mosaic from 6-20 feet away – so the insight there was divided racking and title repetition helped people consume information, select and ultimately purchase. Just as important is observing and engaging with staff and on-premise reps, who contribute greatly to the experience via their interactions with customers, and with each other. You can learn a lot by asking a sales rep a bunch of dumb questions.

Which brings us to 'how'. How is mystery shopping actually carried out? There are two scenarios possible:

1. The mystery shop is 'blind', i.e. no one knows you are there or what you are doing
2. The mystery shop is 'green lit', i.e. you are there with full knowledge of the management/staff

In scenario A, there is a spectrum of approaches, ranging from behaving like a standard shopper (go through the experience like anyone else would) to more aggressive techniques such as timing elements on a stop watch to writing notes on a pad or in a BlackBerry to snapping pics on a cell phone camera (this is normally against regulations, by the way – tread very carefully here). Scenario A can be stressful, and it normally helps to pick on a number of locations, focusing on different things (products, people, etc.) in each location. I was once kicked out of drug store in California for 'loitering' – I was actually standing around counting customers coming in and out of one of the departments. Good times.

In scenario B, a much preferable situation, you have free reign to set as much context with reps and customers as you like before engaging them in a mini interview or 'shop along', in addition to all the observation you want to conduct. I usually choose to set maximum context, challenging people to be part of the process and help solve the problem I'm tackling with me. People are smarter and more observant than you might guess, and can often offer up insights you'd never get by simply walking up and launching into some questions. In any event, here you have the opportunity to get past 'what?', and onto 'how?' and 'why?' This is where you're going to find out from a rep that even though product X has the lowest price, no one buys it because the reps won't recommend it – or that shoppers order nothing off the value menu because it is 'plain and ugly'.

If you run and/or market for a B2C company, and you haven't spent any time in the field lately, it won't be a waste of time for you.



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