Reset and Revive:

A Comprehensive Guide to Relaunching Your Mystery Shopping Program for CX Excellence

Introduction

The 2020s have been challenging for retailers. From pandemic upheaval to high inflationary pressures and tight labor markets, we know that many retailers have had to compromise programs, cut operational initiatives, and reduce budgets.

Returning to business as usual continues to be a challenging journey, and many programs have yet to be restarted. However, did you know that mystery shopping can be crucial to your business?

A **mystery shopping program** is a powerful market research tool to measure and improve your customer experience. After all, happy customers are the basic building block for any business. Stopping mystery shopping programs has left many retailers falling behind their competition because they lack key operational and CX data needed to help keep customers happy and satisfied, **so they come back.**

Why is mystery shopping data important for today's retailers?

Companies that use mystery shopping see an **average growth of over 10%**[1]

61% of customers have switched brands due to poor customer service[2]

32% of all customers would stop doing business with a brand they loved after **one bad experience**[3]

90% of Americans use customer service as a factor in deciding whether or not to do business with a company[4]

[1] MSPA
[2] Microsoft - https://cloudblogs.microsoft.com/dynamics365/bdm/2018/08/30/now-available-the-2018-state-of-global-customer-service-report/
[3] PWCt - https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/future-of-customer-experience.html
[4] American Express - https://www.business2community.com/customer-experience/personalization-and-customer-experience-strategies-for-success-02330244

Why should you restart your mystery shopping program?

Mystery shopping involves sending everyday people, aka mystery shoppers, to visit stores and businesses undercover to assess the quality of service they receive. This can include evaluating store cleanliness, staff friendliness, wait times, product availability, and much, much more. By doing this, you can gain valuable insights into customer experience and identify areas for improvement.

As the competition for consumers' business continues to heat up, it is crucial for retailers to have access to the data they need to make informed decisions that will give them a competitive edge. Mystery shopping data can help brands understand not only whether their employees are adhering to brand standards, but also how those standards compare to those of the competitors.

Mystery Shopping Key Benefits:

- **Ensure adherence to operating standards**

- **Identify skill gaps so you can improve workforce training**

- **Align operating standards to customer expectations**

- **Increase the ROI of new initiatives launched in the field**

Do you like what you see but are not sure how to get started?

Restarting a Mystery Shopping program can be an overwhelming task but fear not – we're here to assist!

During the time since many retailers shelved their mystery shopping programs, customer expectations have evolved, and the competitive landscape has shifted. To navigate these changes, we suggest starting with a strategic **Discovery Phase.** Focus on your brand and a few of your key competitors. This will give you a solid foundation so you can review and benchmark your performance in the market.

Here are three essential questions to consider when planning the discovery phase.

What has changed? Adapt your program to post-pandemic shifts in operations, customer interactions, and business models.

What remains the same? Analyze consistent elements for relevant data on your brand against competitors.

What's essential for our business? Focus on key aspects of the customer experience for optimized results.

Once you have the answers, you can move on to implementing your Mystery Shopping program. Leave the daunting task of implementing the program to us at Intouch Insight; we are here to provide you with dedicated support every step of the way.

Make 2024 the year when your customers leave the competitors for your brand.

Getting the Most out of Mystery Shopping in 2024

1. Maintaining excellent customer service standards.

Simply put, a business without customers won't survive. You need to maintain excellent customer service so you not only have customers, but they come back and, better yet, recommend your business to others. Mystery shopping can help identify areas for improvement and also highlight what is working well.

Here is an example: In a study conducted by our team, we found that in 35% of visits to 5 major retailers, our shoppers received no assistance in the store aisles. With this information in mind, the retailers could implement new policies and tools to ensure customers get help every time in every location. Mystery shopping allows you to objectively measure the service being delivered across your locations and your competitors in order to identify strengths and proactively address weaknesses.

2. Maximize ROI of promotions:

Retail brands invest a significant amount of money in new product launches and special events. It is crucial to ensure that these initiatives generate maximum return on investment. One effective way of gaining quick insights on any overlooked issues at the store level during such promotional or special events is mystery shopping.

By sending shoppers to the field, you can quickly detect any issues and identify areas where operations are not up to standard, for example missed signage or low or missing inventory.
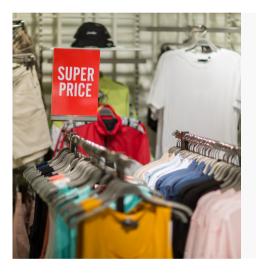
76% of consumers are more inclined to purchase from brands that offer personalized interactions, underscoring the critical role of tailored experiences in driving **customer loyalty and business growth.**

The retail industry is undergoing a significant transformation driven by technology and evolving consumer behaviors. The rise of digital commerce, mobile and social shopping, self-serve kiosks, Electric Vehicle (EV) technology, AI and hyper-personalization, and even metaverse experiences, is intensifying technology adoption in the retail sector, and mystery shopping can be of significant help in ensuring smooth digital and in-person experiences.

No matter the technology you are implementing, mystery shopping allows you to evaluate whether or not the tech-enabled experiences are having the intended impact on your customer's experience. When launching a new program, make sure to collect real operational data from the field to ensure your implementation is a success!
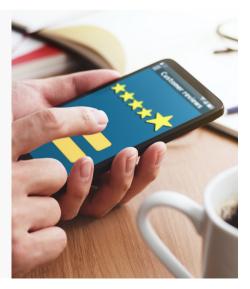
Trends Retailers are Talking About

AI in Retail

Retailers are leveraging predictive AI algorithms for customer preferences, inventory optimization, and pricing strategies. AI-powered chatbots provide personalized customer service. Mystery shoppers can evaluate these AI implementations for their effectiveness and helpfulness to customers.

The Metaverse

Retailers are exploring the metaverse to create immersive shopping experiences, utilizing its technical features. Mystery shopping in the metaverse assesses user experience, product presentation, and virtual service quality. This approach is crucial for refining virtual strategies and enhancing customer engagement.

Augmented Reality

Bridging the physical and digital worlds, retailers use augmented reality to elevate customer experiences. Mystery shopping evaluates the effectiveness of AR features, like virtual try-on experiences, enhancing customer interaction and optimizing AR services in retail.

Employee retention

Mystery shopping is a helpful tool for businesses, especially in the retail industry, to retain employees. It identifies training opportunities and recognizes excellent employee performance. This helps to improve their skills and job satisfaction and promotes a culture of appreciation and retention.

Social Commerce

Retailers are embracing social media platforms to blend shopping with social experiences. Mystery shopping can help ensure these new social experiences are meeting brand standards and can identify points of friction in the experience. This trend highlights the evolving landscape of online retail, where social interactions and commerce converge.

In 2023, a staggering 67% of employed job seekers plan to quit, underscoring a critical need for businesses to address workplace satisfaction.

Conclusion

The current retail landscape is highly competitive. Restarting mystery shopping programs is, therefore, imperative for brands seeking to thrive in the current landscape.

Restarting your <u>mystery shopping program</u> will allow you to:
- Identify where your locations are failing to meet brand standards,
- See how your competitors are performing compared to your locations,
- Take strategic action to improve key aspects of your locations' performance,
- Track the impact of these initiatives over time

Implementing a strong mystery shopping program requires careful planning, execution, and analysis. Partnering with an experienced mystery shopping provider can streamline the process and ensure the program's success. With a comprehensive understanding of your customers' experiences, you can make informed decisions that enhance your business's reputation, drive growth, and exceed customer expectations.

At Intouch Insight, we specialize in helping multi-location retailers run mystery shopping programs based on the latest industry best practices. Our team of experts has over 40 years of experience and can guide you through the process of restarting your program. We offer a suite of solutions that will give you instant access to all your data and a vast network of shoppers. Intouch Insight is the most technologically advanced mystery shopping provider in North America, specializing in delivering deep insight to help our clients drive immediate and impactful action.

Our goal is to help you achieve operational excellence so you can exceed customer expectations, strengthen your brand reputation, and improve financial performance.

Let's get to work!

Contact us today to discuss how we can help you reclaim your edge.

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Explore Mystery Shopping

Get an Instant Recommendation using our self-assessment tool