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## Shopping for a Mystery Shopper

Choose wisely, and you can learn a lot about your business.

By Eric Goodwin

The hospitality industry is arguably one of the most competitive and mercurial service industries around. Many of the dynamics that make a restaurant a destination—and fuel repeat business—involve a range of subjective factors that can be very difficult to evaluate and quantify. Mystery shoppers can help measure your customers' "experience."

Mystery shopping firms grew out of awareness that to succeed in a service-based economy, managers had to develop better ways to measure and evaluate their employees' behavior and their customers' experience. The adage "what gets measured gets done" absolutely applies to the hospitality industry. If you don't have a way to measure your service delivery, you don't really know if you're doing it well. Every manager involved in the hospitality industry knows this and understands the potential value of gathering this kind of information.

Mystery shopping can be an extraordinarily useful tool in this industry, but choosing the right mystery shopping firm is essential. Following are 10 critical points you must consider in selecting a firm that can orchestrate a mystery shopping program that works.

**1. Look for hospitality industry expertise** to better ensure your program's quality and effectiveness. Find a firm that has demonstrated expertise in the hospitality industry. If the people setting up your mystery shopping program have had direct and meaningful managerial experience, it's more likely that the program you orchestrate together will be on target.

**2. Look for local market area expertise** because what works "uptown" may not work "downtown." Find a firm that knows your specific market area and can bring to the table direct knowledge about the consumer dynamics in your area or areas. The effectiveness of a mystery shopping program often hangs on the aptness of what you seek to measure as well as the quality of the mystery shoppers. A local presence and associated knowledge can make an enormous difference in the managerial utility—and success—of a program.

**3. Know what you want to get out of the program** or find a firm that can help you do this. As important as it is to bring your ideas and needs to the discussion table, if you have points 1 and 2 covered, the firm you work with should be able to help you effectively hone your ideas and suggest other data collection options that you may not have thought of before.



SPIES: Mystery shoppers can provide valuable, objective feedback on more than service.



Having trained bartenders pose as guests can result in more useful evaluations.


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The construction of the questionnaire itself—the questions to which you want your mystery shoppers to respond—is a good example of how important this point can be. Developing it requires considerable skill to yield meaningful and quantifiable data. It's another place where a firm's experience in the hospitality industry can be indispensable.

**4. Find out who the "shoppers" are** and be sure the firm that can match the shopper with the shop. Depending on what you are seeking to study and evaluate (see point 5), the mystery shoppers themselves are critical to the success of your program. For some programs, ordinary folks are exactly what you need. But other types of shops may require that the shoppers fit a particular demographic profile, or even be workers in the hospitality industry. For example, if you want to study employee behavior at your bar, shopping your bar(s) with mystery shoppers who are bartenders improves the quality of the information.

It's also important to find out if the firm has shopper coverage in your area, particularly for a long rotation program. You don't want the same people evaluating you too frequently. This diminishes data's value over time.

**5. Find out what types of "shops" are available** and how flexible they might be to meet your needs. There is no template for a mystery shopping program, especially in the hospitality industry. A mystery shopping firm should invite you into the process to ensure it will meet your data collection and management needs.

While most mystery shopping firms will be able to help you orchestrate something as general as a "dining experience" shop, the firm you work with should be able to help you study and evaluate much more specific areas of your business, like cash handling at your bars, your takeout business, kitchen health code compliance, safety and sanitation issues, handicap accessibility, employee feedback and more.

You should also be able to request that shops be conducted on specific days (and within specific timeframes) or on particular employees.

Finding a firm that can respond to your total data collection and management needs is indispensable to knowing where your business is now, where you need to improve and how to track improvement over time.

**6. Understand how the firm charges**, because surprises are unpleasant! While the overall cost of a mystery shopping program varies depending on what is being studied, the number of sites and the profile of the mystery shopper, it is important that you understand other hidden fees. I remember being stung many years ago by a hefty "setup" charge that I wasn't anticipating. Other additional costs might involve changing question sets; report customization or even whether reports are faxed, e-mailed or snail-mailed. It's also important to work with a firm that is very clear about how the shoppers are paid and how the shopper profile requested can impact your cost.

**7. Understand any contract requirements** and don't sign up for something you don't need. Some mystery shopping and market research firms have a "minimum commitment" that may or may not make sense, depending on the size of your operation and what you are looking for. This is one factor that has kept mystery shopping programs out of reach for many smaller businesses that may only have a few locations. If you are a smaller business, find a firm that doesn't require you to sign up for a program you don't want or need (and possibly can't afford).

Contracts can be helpful in clarifying expectations, responsibilities and costs, but don't sign a contract without reading it carefully or having an attorney review it.

**8. Reporting is essential** and should be flexible and customizable. One of the things that always frustrated me when I used mystery shopping to study my restaurants was how data was actually collected and reported, and the apparent inflexibility of the reporting function itself. The firm you work with should be able to customize reports to your specifications and collect and save data over time to allow a true aggregate analysis.

Ask the mystery shopping firm to show you sample reports and what options are available. Demand more detail, if you want it. Request organizational and aesthetic adjustments so that the reports you receive can be integrated into your company's overall management reporting portfolio. A mystery shopping firm should be able to provide you with clear, attractive reports.

This may seem like a no brainer, but the firm you work with should also have some kind of clear quality control system in place before sending a report to you. That means verifying reported data with receipts

and handling shopper follow-up when necessary.

**9. Ask about schedules and timing** so you get what you need, when you need it. Don't forget to ask about, and get in writing, the anticipated turnaround time to set up a program and begin receiving reports. Some flexibility may be necessary, but you don't want to learn, after the fact, that the data you need now won't actually be coming your way for several months. The firm you work with should also be able to provide you with existing reports and data on call in real time. Ask about the firm's policies regarding access to your data, and how you can get it anywhere-or anytime you need it.

**10. Service is fundamental** because we're all in the service industry. It's perhaps a subtlety, but I don't know how many times I've worked with a vendor that may provide a great product, but was very difficult to deal with when I had a question or problem. You know how important the customer experience is for your business. The mystery shopping firm you work with should understand this imperative as well and treat you accordingly. Remember, in the service industry, and life in general for that matter, it's not really "the problem" that's key here. It's how one responds to it. Ask for references, and call them.

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