

ACHIEVING SERVICE EXCELLENCE THROUGH MYSTERY SHOPPING

Norlia Goolamally

Open University Malaysia
nolee@oum.edu.my

Hii Yah Mee

Open University Malaysia
yahmee@oum.edu.my

Muzliati Ahmad Murad

Open University Malaysia
muzliati_am@oum.edu.my

ABSTRACT

To stay at the forefront of the education industry, OUM stays motivated and strong with a refreshed and revived #DareToDream motto. Over the past few years, we have realised our goal and made it happen through various reengineering developments either structurally, technologically or physically to remain fit for purpose for the future. However, in this age where there is intense competition in the education industry, to function like before is no longer sufficient and appropriate. Thus, OUM takes a step back and proactively makes an effort to ‘understand and listen to the voice of the students’ through Mystery Shopping. This paper will present the results of the mystery shopper programme conducted at OUM. For this pioneer project, the research team has selected at random OUM students to serve as mystery shoppers since they are familiar with the academic environment and their expectations may be more in line than an outside shopper. The measurement instrument consists of 50 items based on five constructs. The questionnaire was developed based on a six-point Likert scale from Strongly Disagree to Strongly Agree and followed by open-ended questions for shoppers to give comments and suggestions. Data analysis showed that the average mean score for the five categories are in the range of 4.77–5.01. Although results are on the high side for most items, there are some items in each of the five constructs which require attention. Mystery shopping is an accurate and efficient and effective method to gain in-depth knowledge of customers’ satisfaction and it should be part of the university’s strategic activity.

Keywords: *Mystery Shopping, Feedback, Continuous Improvement, Strategic Activity*

INTRODUCTION

At our institution, our learners are our customers and we need to find out whether they are receiving top quality service and are satisfied with the interactions they have with our staff. This aspect is often overlooked as the university is busy with administrative processes. The countless interactions learners have with university staff outside the class can have extreme effects on learner experience. Such interactions can affect his or her view of the experience, thereby making him or her either likely or less likely to recommend the university to others. Good interpersonal communication and high service standards are therefore the means to ensuring learner satisfaction.

But how do we attain service excellence? Our customer is the focus in our business but measuring customer satisfaction through survey questionnaires is quite inadequate to understand our customer's expectations and perspective. In this current situation, it is insufficient to have information of service excellence in processes and provision of services only. To be a leader in open and distance learning (ODL), it is important to think differently and to create distinction from the other players by focusing on customers' experiences. In today's society, services become more important and customer plays a major role in the running of any business. Customer would like to experience excellence in the quality of products, quality processes and quality systems. Now, the current development in strengthening the organisation is to broaden our mindset further that is to focus and build quality relationships with the stakeholders outside of these boundaries (Dale 2003). This is a method to build competitive advantage among the other players of ODL.

The ODL market should be driven by customer's expectations and experiences and other methods of measuring satisfaction.

In any organisation, quality is observed in the product, process and system. This is a strategy to achieve organisational quality (Dale 2003). However, the current trend is to build good relationships with stakeholders and to pay more attention to existing customers. There are various reasons why companies put so much emphasis in building customer relationship. In developed countries, customers play important roles in services, furthermore strong customer relationships are becoming the only way to compete in many business sectors.

The latest ISO 9000:2000 standard includes a drive towards more customer orientation (ISO 9000 2000). However, in practice it means more often a kind of basic survey to gather customer feedback data through satisfaction scores that are seldom used for organisational development or improvement. From the perspective of the quality award models or business excellence models there might be more attention to the overall process of why customer satisfaction measures are in place, how they are executed in relation to other activities and how they are used to develop organisational improvement (EFQM 2004; NIST 2004). A far more challenging focus is to go beyond customer satisfaction and develop excellent customer experiences according to the ideas described by Pine and Gilmore (1999). A far more challenging focus is to go beyond customer satisfaction and develop excellent customer experiences according to the ideas described by Pine and Gilmore (1999).

Organisational change should then be driven by a broader focus on customers' expectations and multiple ways of measuring customers' satisfaction. The case of a service company in The Netherlands (a temporary employment agency) illustrates the way to service excellence as an organisational change process. The case supports the need for a broad focus on measurements in order to be able to monitor and to direct organisational changes. Customer satisfaction data based on surveys are needed; however, they will not be sufficient for continuing the change process over time. To achieve that, other measurements like mystery shopping may give more stimuli to change. Therefore, this research argues that mystery shopping can be a useful instrument in addition to the more often used survey methods.

LITERATURE REVIEW

Mystery shopping has been used extensively in a variety of industries, including the medical, retail, hospitality, and tourism fields, among others. Further, over the last 20 years, it has received greater attention in the literature. Topics have ranged from the development of programs to the recruiting of shoppers to measuring the effectiveness of programs. The following section summarizes some of the key articles published in the business, hospitality, and tourism literature during this time.

A few case studies of different companies in different industries are reported in the literature. For instance, Van Der Wiele, Hesselink, and Van Iwaarden (2005) reported on the use of mystery shopping to evaluate services in a Dutch employment agency; Pinar, Eser, and Strasser (2010) reported on the use of mystery shopping to evaluate the quality of services in Turkish banks; Mattsson (2012) discussed the use of mystery shopping in the Business-to-Business (B2B) sector in Sweden; Hapenciuc, Stanciu, and Costea (2014) used mystery shopping to measure speed, accuracy and politeness of travel agents in Romania; and Granatino, Verkamp, and Parker (2013) used mystery shopping to measure employee engagement and customer-service performance in a health care setting. Results consistently showed the benefits of mystery shopping across industries and settings while also evaluating costs and other considerations.

Mystery Shopping in the Air Force Bases

Mystery shopping was recommended due to the increase emphasis on the customer in the U.S. Air Force (Beck, Lalopa and Hall 2003). The authors designed and tested a program at Wright-Patterson Air Force Base. The program included: marketing materials, recruiting materials, evaluation forms, training program, shopping schedule, program budget, recognition program, and other administrative requirements. The emphasis was on the recruiting and training of shoppers, which included the development of a training guide, training sessions and a recognition program for employees who were identified as top performers. The program was piloted using 36 shoppers who conducted 43 visits. The researchers then assessed the effectiveness of the program based upon feedback from the shoppers. The authors made several recommendations for improvement including recruiting, training and recognition. The authors deemed the program a success and one that equipped the base with tools for improving customer service.

Mystery Shopping in Service Delivery

The role of mystery shopping and its relationship with service delivery was studied by Wilson (1998). The author interviewed managers of mystery shopping programs in four different industries, as well as directors of four market research agencies that commissioned mystery-shopping services. Specifically, the author sought to explore “the reasons for using mystery shopping as a measure of service performance; the procedures used to ensure the objectivity and reliability of mystery shopping research; and the use made of mystery shopping data and the manner in which this data is communicated to service personnel”. The interviews revealed that mystery shopping is likely to continue as a measure of service quality but that it may be complemented with other measures such as recording technology and operational data. The author concluded by suggesting that standards constantly be reviewed and updated for maximum effectiveness.

Finn and Kayande (1999) conducted a psychometric study of mystery shopping in order to determine the effectiveness and generalizability of the data in two subsequent studies. In the first study, the authors used an adapted SERVQUAL instrument to conduct mystery shop visits to three coffee shop outlets. A total of 45 reports were used in the analysis. A customer survey was conducted simultaneously in order to compare results. An analysis of the mystery shopping data showed sources of variance to include outlets by shoppers, random error, and the outlets themselves. Comparisons suggest that mystery shopping was more cost effective (when achieving a comparable g-coefficient) than was conducting customer surveys. The authors then conducted two follow-up studies, using secondary shopping data. They concluded that while mystery shoppers can produce highly reliable data, in a cost efficient manner, they suggested caution in relying too much on individual reports. Instead, they strongly suggested using aggregated data from multiple reports.

Mystery Shopping in Hotels

Beck and Miao (randomly selected hotels from a hotel database and surveyed general managers and controllers of those hotels about their mystery shopping practices and the perceived effectiveness of their programs. It was determined that the majority of hotels had mystery shopping programs in place, conducted their programs quarterly (or more often) and contracted the services out to specialized firms. The authors reported that “The two primary purposes of mystery shopping revealed in this study are to evaluate service quality and monitor cash handling and asset control procedures”.

Mystery Shoppers in Restaurants

One hundred and eighty three responses from managers from a variety of restaurants to determine their perceptions of the effectiveness of mystery shopping were analyzed (Su and Tsai 2014). It was determined that: (1) most mystery shopping programs were implemented to measure service quality; (2) most shoppers hired were hired through Sustainability 2015, 7 12284 corporate offices; and (3) most visits are conducted on a monthly basis.

A factor analysis revealed that managers perceived mystery shopping to be most effective in the areas of “product quality standards,” “service skill standards,” and “asset control.” The authors concluded that “Chain restaurants still need to consider... Mystery shopping may not be the perfect means of assessing quality within a franchise system, but it remains an effective method of helping franchisees the minimum levels of service quality required by franchisors”.

The literature suggests that mystery shopping is used as a means of measuring and maintaining quality standards in a variety of industries. It continues to be used in the hospitality and tourism industries, as evidenced by several studies conducted in hotels, restaurants, and tourism organizations. They can be effective (and cost efficient) provided that companies plan the programs adequately. Among other things, companies should consider what to measure, how to measure it, frequency of visits, recruiting, selection and training of shoppers, compensation, and dissemination of information. The literature provides recommendations in managing each of these facets. Hotel and restaurant companies, in particular, can benefit greatly from these programs.

A company’s goals often aim to train its employees to consistently deliver quality services. Concurrently, mystery-shopping measurement has been used effectively to objectively evaluate whether employees follow the visions of a company’s quality service. Areas that are often measured during a mystery shopping visit include the condition of the driveway, condition and lighting of the parking area, lighting and general maintenance of the front area, security, pavement surface, landscapes, outdoor signage, clear direction, accessibility, the cleanliness of the foyer and the lobby, timely assistance, greeting manners, friendless and professionalism of staff and managers, effectiveness of greeting and serving procedures, and quality of services throughout the visit.

Mystery shopping visits can also determine if there are visible and clear exits, functional facilities, and instructions about what should be done in case of fire and other emergencies. Studying various measurements of quality of service in the hospitality and tourism industries has attracted notable attention in the literature.

Types of measurements have included focus groups, on-site audits, continued employee training and development programs, customer comment cards, hard copies of questionnaires, online surveys, benchmark analyses, and mystery shopping approaches. Based on the outcome of a mystery shopper’s observation and experience, a hospitality business may consider establishing training strategies to ensure that the quality of services meet and/or exceed company policies and standards. For example, a ringing phone needs to be picked up within seven seconds, a front-door greeting needs to be performed within seven seconds, the waiting time for check-in and check-out should not exceed five minutes,

a staff member cannot pass a guest without greeting them, and staff members should assist customers in a pleasant voice and with professional manners.

METHODOLOGY

The mystery shopper programme was conducted in 2018 to find out whether our learners experienced positive and productive interactions with our staff. We also wanted to know whether we are doing things right according to university standards.

Our research team randomly selected 13 learners to become mystery shoppers as they are already familiar with the academic environment and their expectations would be more relevant than those of external mystery shoppers. They were trained on what to do via telephone discussions and provided with a step-by-step procedure on how to conduct the mystery shopping programme. The areas taken into account are the parking area, facilities and general maintenance, cleanliness of the foyer and lobby areas, Internet accessibility, greeting manners, timeliness of assistance, friendliness and professionalism of staff and quality of services.

A 44-item survey questionnaire focusing on four criteria was developed. The measurement is based on phone etiquette, support services, employee attributes, building and facilities. The items were constructed based on a six-point Likert scale ranging from “1 = strongly disagree” to “6 = strongly agree”. The survey questionnaire was uploaded in Google Form for the purpose of scoring by the mystery shoppers.

The mystery shoppers conducted on-site visits, telephone conversations and online interactions targeting various departments such as Admission and Records, Learner Services Centre, Group Account and Finance, and Assessment and Examination Division. Their on-site visits included five Klang Valley Learning Centres: Kuala Lumpur, Sri Rampai, Bangi, Petaling Jaya and Shah Alam. After the interactions, the learners filled in a survey questionnaire and submitted it to the research team.

FINDINGS AND DISCUSSION

The data collected was analyzed using MS Excel. There were no missing data in the analysis process. Descriptive statistics were presented in Table 1, Table 2, Table 3 and Table 4.

Table 1 shows the distribution of scores for the 12 items in phone etiquette. On a 6-point Likert Scale, the mean score for phone etiquette is 5.30.

The mean score for the 10-item at LC Facilities is 5.35 as shown in Table 2. In this construct Wi-Fi connectivity showed the lowest mean of 4.54. This shows that our learners are maximizing the usage of the Wi-Fi connectivity; however, the institution will need to look into this matter to improve the situation.

Table 3 presents the distribution of scores for the 8 items in LC Building. The mean score for the building is 5.38. Most of the shoppers agree that the building is well maintained and organized. Table 4 shows the 14-item on LC Employee Attributes. The mean score is 5.10. In this construct, there were 3 items showed the lowest mean of 4.92, which are item 2, 11 & 13. This shows that our learners expected high interpersonal relationship with the staff attending to them. The radar diagram in Figure 1 reveals all three construct Facilities, Building and Phone etiquette scored approximately a mean value of 5.30, except for Employee Attribute (mean value of 5.10). Our employees at the learning centres have been trained in many areas including marketing, product knowledge, problem solving, customer engagement and improving customer satisfaction. However, from the radar diagram, the assumption

that can be made of the low mean value for employee attribute is due to the high expectation of the learners. Our learners are working adults; they expected more personal interaction with the employee.

Table 1: Mean Scores for Phone Etiquette

	Scale	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree	Mean
		1	2	3	4	5	6	
Phone Etiquette (12 Items)	1				2	4	7	5.38
	2	1	2			5	6	5.08
	3			1	1	5	6	5.23
	4				2	6	5	5.23
	5			1	1	5	6	5.23
	6					8	5	5.38
	7					9	4	5.31
	8				1	4	8	5.54
	9				1	7	5	5.31
	10			1	1	5	6	5.23
	11				2	5	6	5.31
	12					8	5	5.38
Mean for PE								5.30

Table 2: Mean Scores for LC Facilities

	Scale	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree	Mean	
		1	2	3	4	5	6		
LC – Facilities (10 Items)	1	Toilets					7	6	5.46
	2	Tutorial rooms			1	1	3	8	5.38
	3	Prayer room					4	9	5.69
	4	Resource centre				1	4	8	5.54
	5	Computer lab					7	6	5.46
	6	Wi-Fi connectivity			1	5	6	1	4.54
	7	Updated computer system			1	1	6	5	5.15
	8	Office operate during published working hours					6	7	5.54
	9	Programme information is obtainable			2	1	2	8	5.23
	10	Environment favourable for study				2	3	8	5.46
Mean for Facilities								5.35	

Table 3: Mean Scores for LC Building

	Scale	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree	Mean	
		1	2	3	4	5	6		
LC – Building (8 Items)	1	Wall are clean and maintained					6	7	5.54
	2	OUM logo is easily spotted and maintained					4	9	5.69
	3	Availability of parking area				1	8	4	5.23
	4	Entrance hall is neatly organised			1	1	5	6	5.23
	5	Arrangement in entrance hall is welcoming			1	2	5	5	5.08
	6	Lobby area is organised and not cluttered		1		1	4	7	5.23
	7	Front desk is clean and tidy				1	3	9	5.62
	8	Notice board are maintained with current information				2	3	8	5.46
Mean for Building								5.38	

Table 4: Mean Scores for LC Employee Attributes

	Scale	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree	Mean	
		1	2	3	4	5	6		
LC – Employee Attributes (14 Items)	1	Appropriate attire					8	5	5.38
	2	Greeted promptly			1	2	7	3	4.92
	3	Friendly greeting				1	9	3	5.15
	4	Courteous				3	6	4	5.08
	5	Enthusiastic			1	1	7	4	5.08
	6	Seriousness			1	1	7	4	5.08
	7	Confident to give feedback				2	8	3	5.08
	8	Good administrative knowledge				3	4	6	5.23
	9	Good product knowledge				2	7	4	5.15
	10	Professional communication				2	7	4	5.15
	11	Creates a comfortable session			1	2	7	3	4.92
	12	Build understanding of the enquiries				2	7	4	5.15
	13	Reasonable time taken to resolve enquiries				3	8	2	4.92
	14	Pleasant closure of meeting			1	2	4	6	5.15
Mean for Employee Attributes								5.10	

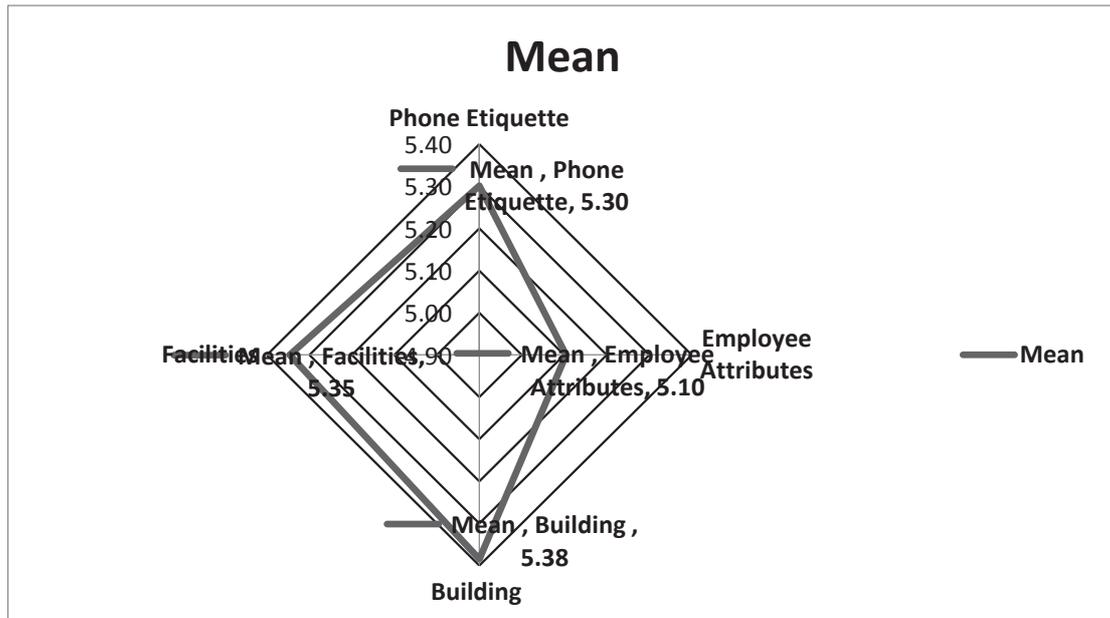


Figure 1: Summary Scores for the Four Criteria

CONCLUSION

The Mystery Shopper programme has been an effective tool to gain in-depth knowledge of our learners' perception of our service delivery. The information received can also help us improve our training processes as it has identified areas where employees require more motivation and skills to provide better services.

The survey findings also highlighted the critical areas for improvement, namely:

- (a) Staff product knowledge
- (b) Staff knowledge of administrative procedures
- (c) Wi-Fi connectivity
- (d) Maintenance of toilets
- (e) Technicalities in answering phone calls.

REFERENCES

- Beck, J., & Miao, L. (2003). Mystery shopping in lodging properties as a measurement of service. *Journal of Quality Assurance in Hospitality & Tourism, 4*, 1–21.
- Beck, J., Lalopa, J., & Hall, J. (2003). Insuring quality service: Training mystery shoppers. *Journal of Human Resources in Hospitality & Tourism, 2*, 41–56.
- Donna, G. (1998). *Constructing an effective mystery shopping program*. Retrieved from <http://www.quirks.com/articles/a1998/19980108.aspx?searchID=147373962>
- Finn, A., & Kayande, (1999). U. Unmasking a phantom: A psychometric assessment of mystery shopping. *Journal of Retailing, 75*, 195–217.
- Granatino, R., Verkamp, J., & Parker, R. S. (2013). The use of secret shopping as a method of increasing engagement in the healthcare industry: A case study. *International Journal of Healthcare Management, 6*, 114–121.
- Hapenciuc, C. V., Stanciu, P., & Costea, M. (2014). Integration of the SAP concept in the employee assessment of travel agencies in Suceava County through mystery shopping. *Journal of Tourism – Studies and Research in Tourism, 17*, 22–29.
- Mattsson, J. (2012). Strategic insights from mystery shopping in B2B relationships. *Journal of Strategic Marketing, 20*, 313–322.
- Pinar, M., Eser, Z., & Strasser, S. (2010). Using mystery shopping to compare the service quality of banks in Turkey. *Journal Services Marketing Quarterly, 2010, 31*, 1–26.
- Su, C., & Tsai, C. (2014). The implication of mystery shopping program in chain restaurants: Supervisors perceptions. *Journal of Foodservice Business Research, 17*, 267–282.
- Van der Wiele, T., Hesselink, M., & van Iwaarden, J. (2005). Mystery shopping: A tool to develop insight into customer service provision. *Journal Total Quality Management & Business Excellence, 16*, 529–541.
- Wilson, A. M. (1998). The use of mystery shopping in the measurement of service industry. *Service Industries Journal, 18*, 148–163.