



# Guidelines for Mystery Shopping Research

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## **Introduction**

These Guidelines interpret the MRS Code of Conduct (revised 2010) and provide additional best practice guidance. Unless otherwise stated, Guidelines are not binding. Their aim is to promote professionalism in the conduct of research.

Research is founded upon the willing co-operation of the public and of business organisations. It relies on the confidence of those involved that it is conducted honestly, objectively, without unwelcome intrusion and without harm to respondents. Its purpose is to collect and analyse information and not to create sales or to influence the opinions of anyone participating.

Every respondent must be assured that research projects are carried out in strict accordance with the Code of Conduct and that their rights of privacy are respected.

Rules from the Code of Conduct applicable in each section of this document are stated in the shaded boxes. These rules are binding on MRS members and MRS Company Partners and breaches may result in disciplinary action. The guidance that follows the rules provides interpretation and additional best practice. Members and Company Partners are reminded that this document is designed to complement the MRS Code of Conduct and should not be consulted in isolation.

As specified in the Code, it is the responsibility of the researcher to keep abreast of any legislation which could affect research with employees and to ensure that all those involved in a project are aware of and agree to abide by the MRS Code of Conduct.

This material is provided for information only. It is not legal advice and should not be relied upon as such. Specific legal advice should be taken in relation to specific issues.

## **The Principles of the MRS Code of Conduct**

These are the principles of the MRS Code of Conduct:

1. Researchers shall ensure that participation in their activities is based on voluntary informed consent.
2. Researchers shall be straightforward and honest in all their professional and business relationships.
3. Researchers shall be transparent as to the subject and purpose of data collection.
4. Researchers shall respect the confidentiality of information collected in their professional activities.
5. Researchers shall respect the rights and well being of all individuals.
6. Researchers shall ensure that respondents are not harmed or adversely affected by their professional activities.
7. Researchers shall balance the needs of individuals, clients, and their professional activities.
8. Researchers shall exercise independent professional judgement in the design, conduct and reporting of their professional activities.
9. Researchers shall ensure that their professional activities are conducted by persons with appropriate training, qualifications and experience.
10. Researchers shall protect the reputation and integrity of the profession.

## **Definition of Mystery Shopping**

Mystery shopping can be defined as the use of individuals trained to experience and measure any customer service process, by acting as potential customers and in some way reporting back on their experiences in a detailed and objective way. It differs from other research techniques in that the evaluator does not declare his/her presence and the respondent is unaware at the time of the interaction that it is in any way different from a normal customer contact. Ideally results from this technique should be used more for directing training and for rewards schemes rather than for disciplinary purposes.

## **Respondents in mystery shopping**

Under the MRS Code of Conduct a Respondent is any individual or organisation from or about whom data is collected or is approached for interview. In mystery shopping, information may be collected about individual employees, subject to the restrictions laid down in the Code and in the Data Protection Act 1998. They should therefore be considered to be Respondents when interpreting the rules of the Code.

## **Interpreting the Code in mystery shopping**

Special care should be taken in interpreting the code in the context of mystery shopping as an interaction will not usually mirror a traditional research interview. Where it is necessary to inform respondents of collection of personal data for example this will have to be done well in advance of the mystery shopping exercise, as opposed to the beginning of the interaction. Please refer to the guidelines that follow for further information

**When researchers use the mystery shopping technique for non-research activities (e.g. investigatory journalism) researchers should also refer to the separate binding regulations *Using Research Techniques for Non-Research Purposes*.**

Definitions from the MRS Code of Conduct:

### **Client:**

Client includes any individual, organisation, department or division, including any belonging to the same organisation as the Member, which is responsible for commissioning or applying the results from a research project.

### **Company Partner:**

An organisation with MRS Members that has signed the MRS Company Partner Service Quality Commitment which applies throughout the organisation.

**Identity:**

The identity of a Respondent includes, as well as his/her name and/or address, any other information which offers a reasonable chance that he/she can be identified by anyone who has access to the information.

**Interview:**

An interview is any form of contact intended to obtain information from or about a Respondent or group of Respondents. This can involve passive as well as direct contact.

**Interviewer:**

Person involved in the collection of data.

**Member:**

A Member is an individual who has been admitted to membership of the MRS in one of the four categories set out in Article 3 of the Articles of Association (i.e. Nominated Members, Full Members, Associate Members, and Affiliate Members).

**Publication:**

The communication of information to the public.

**Research:**

Research is the collection and analysis of data from a sample or census of individuals or organisations relating to their characteristics, behaviour, attitudes, opinions or possessions. It includes all forms of market, opinion and social research such as consumer and industrial surveys, psychological investigations, qualitative interviews and group discussions, observational, ethnographic, and panel studies.

## 1: Planning the mystery shopping exercise

When planning a mystery shopping exercise, researchers should be aware of the ethical, technical and legal problems that may arise.

### ***The Rules***

- A1 Research must conform to the national and international legislation relevant to a given project including in particular the Data Protection Act 1998 or other comparable legislation applicable outside the UK.
- A3 Members must act honestly in dealings with Respondents, Clients (actual or potential), employers, employees, Sub-contractors and the general public.
- A10 Members must take all reasonable precautions to ensure that Respondents are not harmed or adversely affected by their professional activities
- B4 Members must take reasonable steps to design research which meets the quality standards agreed with the Client.
- B8 The anonymity of Respondents must be preserved unless they have given their informed consent for their details to be revealed or for attributable comments to be passed on.

**Comment:** *Members should be particularly careful if sample sizes are very small (such as in business and employee research) that they do not inadvertently identify organisations or departments and therefore individuals.*

### **Guidance**

1. To be ethical, and to accord with rule B8, **informed consent** means that the client's own staff must have been advised that their service delivery may be checked from time to time through mystery shopping. Where regulatory bodies or sub-contractors intend to use such projects to examine service levels provided, they must ensure that the contracted party understands that this method of appraisal will be used, and advise its staff accordingly. This could be in the form of a newsletter or on the company website. With competitor organisations such

information cannot be conveyed and so personal information about employees cannot be collected. Additionally, the competitor staff or organisation must not suffer any detrimental effect as a result of a mystery shopping exercise.

2. To be relevant, the scenario must be designed to test the specific sales or service behaviour that is the topic of study. Think of the training or instruction that staff have been given on how to deal with a situation and come up with a scenario that, when delivered credibly, should result in staff delivering those desired actions. The study can then test the extent to which this is the case.
3. To be credible, the scenario should be realistic, in that it mimics natural customer behaviour in the market concerned and can be enacted convincingly by the mystery shopper. While mystery shoppers must be thoroughly briefed, they must not appear too slick or over-rehearsed. Overly sophisticated scenarios can result in the staff guessing that the mystery shopper is not a real customer, compromising the value of the study. As a general rule, the scenario itself should be straightforward, so the mystery shopper can easily grasp it, with the detailed briefing focusing on how to handle follow-up questions, so providing convincing 'depth' to the role. In addition, mystery shoppers should fit the profile of appropriate customers, and have a level of familiarity with the product field that is appropriate to the role they are playing.
4. It is important to ensure that visits and/or telephone calls are made at an appropriate spread of different times and locations, or that visits and/or telephone calls are made at the same time if the project methodology so requires (such as for bench marking). It could be expected that the time taken to speak to a member of staff, and possibly the service received, might be affected by the time of day, week or season when the research scenario takes place.
5. To be practical from the evaluation viewpoint, simplicity, brevity, and keeping the assignment appropriate ensures experiences are correctly reported. It should be borne in mind that mystery shoppers may have to remember their answers until they are out of sight of staff, and the research should therefore be limited in length and complexity to allow for this fact.
6. Whatever scenarios are used for mystery shopping, they must be safe in that the mystery shoppers are not asked to do anything illegal or that puts them under any physical risk or threatens their personal safety e.g. locality, disability, gender, ethnicity. Care must be taken to protect mystery shoppers from any adverse implications of carrying out an evaluation e.g. personal safety, effect on credit references.



7. The questionnaire, evaluation forms or similar that the mystery shopper completes should be objective, with the majority of questions focusing on 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 useful when interpreting the results.

## 2: Types of Mystery Shopping

### A: Own Organisation

#### **The Rules**

B15 If there is to be any recording, monitoring or observation during an interview, Respondents must be informed about this both at recruitment and at the beginning of the interview.

**Comment:** This does not include monitoring (listening to but not recording) telephone interviews for the purpose of quality control where interviewers have been informed that such monitoring takes place

B16 Members must not knowingly make use of personal data collected illegally.

*Comment: The objective of a mystery customer research project is to provide management information on processes and/or quality of service, in order to aid training and retraining plans, improvements in service and hence increase customer satisfaction etc.*

*For mystery shopping exercises the 'Respondent' will be a staff member who is subject to the mystery shop and as such there are different levels of allowable disclosure and data usage.*

B43 For mystery shopping of a Client's own organisation, Members must take reasonable steps to ensure that:

- the Client's employees have been advised by their employer that their service delivery may be checked through mystery shopping; and
- the objectives and intended uses of the results have been made clear by the employer to staff (including the level of reporting if at branch/store or individual level); and
- if mystery shopping is to be used in relation to any employment terms and conditions, that this has been made clear by the employer.

- B45 Where there is mystery shopping of Client’s agents or authorised distributors (as well as any organisations which are responsible to a compliance authority), Members must ensure that:
- the employees to be mystery shopped have been advised by their employer and/or/regulator that their service delivery and/or regulatory compliance may be checked by mystery shopping; and
  - the objectives and intended uses of the results have been made clear by the employer and/or regulator (including the level of reporting if at branch/store or individual level); and
  - if mystery shopping is to be used in relation to an employment/contractual/regulatory terms and conditions this has been made clear by the employer and/or regulator.

### **Guidance**

1. B15 means, in relation to mystery shopping, employees can be notified of mystery shopping exercises in advance in employee contracts, staff handbooks, bespoke communications, circulars or newsletters. Details need not be given on when exactly the review will take place, exact details of aspects to be covered, or the types of mystery shoppers to be used. In accordance with B15, employees must be informed at this time if any form of recording will be used.
2. Employees should be informed of the types of elements to be covered, reporting formats and channels of communication, and basis of mystery shopper recruitment and training.
3. Names of staff members or identities through visual or sound recordings etc can be revealed as long as appropriate communication as to this effect has been given (see above). Clearance from unions or staff organisation representatives should be sought in such cases.
4. In accordance with the Data Protection Act 1998, where visual or sound recordings of individuals are held, as much information as possible about the future use of the data must be given, in particular:
  - When they are to be used

- To whom they are likely to be shown
  - For what purposes they are likely to be used
5. To protect the individuals, and in accordance with the Data Protection Act 1998, restrictions on the future use of the data must be included in either the terms and conditions, or the contract between the researcher and the client.
  6. Procedures may need to be put in place to ensure that mystery shoppers are not harassed.
  7. The organisation should show employees the benefits of the technique and how to use the results to encourage acceptance of, and engagement with, the process.
  8. When evaluating staff whose income is commission based (automotive, financial services, etc); consideration should be given to the length of time the mystery shopper will spend with the member of staff or provision of compensation for potential loss of commission.

## B: Competitor Organisations

### ***The Rules***

B44 Since competitors' employees cannot be advised that they may be mystery shopped, Members must ensure that their identities are not revealed. Members must ensure that employees are not recorded (e.g. by using audio, photographic or video equipment). This applies in all instances where employees cannot or have not been advised that they could be mystery shopped.

### **Guidelines**

1. The length of time spent with a staff member should reflect the market and the type of enquiry. The time should be kept as short as possible and should not be seen to waste the competitor's resources in any way other than a normal customer enquiry might do.
2. The frequency of assessment of any one outlet/centre should be considered in relation to the whole organisation and particular individuals must not be targeted such that it disrupts or slows normal business.

3. Data must be reported at an aggregated level and not at individual contact level.
4. The preparation of any follow-up paperwork by the competitor organisation should be kept to a minimum and reflect a normal transaction.
5. The evaluation should not specifically require a follow-up call to the mystery shopper, unless this is a normal part of the transaction that is the subject of the research.
6. Time spent other than with a staff member e.g. observing or auditing does not fall into this time limit. However this activity should not unduly disrupt the customer flow or staff member activities in any way.
7. Ideally the mystery shopper should make a purchase that reflects the type of business of any given outlet e.g. petrol from a petrol station rather than a key ring.

#### C: Regulatory and Other Bodies

##### ***The Rules***

- B44 Since competitors' employees cannot be advised that they may be mystery shopped, Members must ensure that their identities are not revealed. Members must ensure that employees are not recorded (e.g. by using audio, photographic or video equipment). This applies in all instances where employees cannot or have not been advised that they could be mystery shopped.
- B45 Where there is mystery shopping of Client's agents or authorised distributors (as well as any organisations which are responsible to a compliance authority), Members must ensure that:
- the employees to be mystery shopped have been advised by their employer and/or regulator that their service delivery and/or regulatory compliance may be checked by mystery shopping; and

- the objectives and intended uses of the results have been made clear by the employer and/or regulator (including the level of reporting if at branch/store or individual level); and
- if mystery shopping is to be used in relation to any employment/contractual/regulatory terms and conditions this has been made clear by the employer and/or regulator.

### **Guidance**

1. Where regulatory bodies or sub-contractors intend to use such projects to examine service levels, they must ensure that the contracted party understands that this method of appraisal will be used, and inform staff that they might be identified during the course of the exercise. If these actions have not been undertaken the study must be conducted as if on a Competitor Organisation i.e. information about identifiable individuals must not be collected or processed in any way.
2. If the contract between the 2 parties states that mystery shopping will be used by way of evaluation, staff within the organisation must be informed of this fact. Where this has happened, any project can be conducted as if on one's own organisation.

### 3: Quality Control

#### **The Rules**

A6 Members must not make false claims about their skills and experience or those of their organisation.

A7 Members must take reasonable steps to ensure that others do not breach or cause a breach of this Code.

*Comment: This includes:*

*Members taking reasonable steps to ensure that the people with whom they work (including other Members, non-member research practitioners, colleagues, Clients, consultants, sub-contractors) are sufficiently familiar with this Code that they are unlikely to breach or cause it to be breached unknowingly or unintentionally, and*

*Members with responsibility for implementing processes, procedures and contracts, taking reasonable steps to ensure that they are such that this Code is unlikely to be breached or caused to be breached by others unknowingly or unintentionally.*

B5 Members must take reasonable steps to ensure that the rights and responsibilities of themselves and Clients are governed by a written contract and/or internal commissioning contract.

#### **Guidance**

1. Mystery shoppers should be given the amount of training and briefing required by each project.
2. The client and agency should agree the following:-
  - Profile of mystery shopper team
  - Training and briefing requirements
  - Field monitoring processes
  - Quality control

3. MRQSA/IQCS include elements relating to mystery shopping. These include the validation of data by means of computer and logic checks plus collection of any documentation confirming the contact.

#### **4: Agency Responsibilities to 'shoppers'**

##### ***The Rules***

B46 Members must take reasonable steps to ensure that mystery shoppers are fully informed of the implications and protected from any adverse implications of conducting a mystery shopping exercise.

*Comment: For example, they must be made aware by the Member that their identity may be revealed to the organisation/individual being mystery shopped if they use personal cards to make purchases, loan arrangements etc. and credit ratings may be affected.*

##### **Guidance**

1. It is the responsibility of the agency to ensure that mystery shoppers are aware that they may be identified during the project, For example
  - Mystery shoppers should be made aware that their identification could be revealed if the telephone receiver has caller identification technology.
  - Mystery shoppers should be made aware that their identity may be revealed if personal credit or debit cards are used to make online purchases.
  - Mystery shoppers making multiple visits to a website should ensure that they delete any cookies before connecting to the website. This will reduce the likelihood of identification of the mystery shoppers.
2. It is the responsibility of the agency to ensure that a mystery shopper is paid promptly for all purchases made for any project.