

Receipt Surveys vs. Mystery Shopping: Which one gives comprehensive insight into the customer experience?



A Jancyn Evaluation Shops Research White Paper

Introduction:

Meeting customer needs has always been central to any business's success. But companies are facing new pressures to keep up with ever-intensifying customer expectations. If they fail, they risk losing customers to competitors.

According to research from management consulting firm Accenture, customer switching costs businesses around the globe \$1 trillion each year.

Why do customers switch? Sixty-one percent say they stop doing business with a company when they perceive it is no longer "relevant." That means that they feel the business no longer meets their needs. By contrast, 68 percent of customers will recommend businesses they see as relevant to family and friends.¹

It's clear that every company needs to stay "relevant" to its customers. But what does that mean? And how can you maintain your relevance? A recent *Forbes* article offers clarification:

Perceptions of your brand are shaped by the way your company interacts with customers, keeps up with current product or service expectations and whether customers feel truly connected to what you're doing. Managing a brand without considering what your customers want (or more importantly believe) about your brand could put you on a fast track to losing market share at best, vanishing into obscurity at worst.²

Understanding what customers need and fostering a connection to your business are keys to maintaining relevance. You need feedback programs that offer authentic and comprehensive insight into customer perceptions.

Many businesses have adopted survey programs to collect customer feedback. For retail companies, register receipts are a popular feedback gathering method. Those surveys are a solid foundational step—but they have limitations. To understand customers' true feelings about interactions with your company you need a mix of approaches.

¹"1 Trillion at Risk for Companies That Fail to Maintain Customer Relevance," *Accenture*, Accenture, 19 Jun 2018, <https://newsroom.accenture.com/news/1-trillion-at-risk-for-companies-that-fail-to-maintain-customer-relevance.htm>

² Lischer, Brian. "How to Keep Your Brand Relevant in a Rapidly Changing World," *Forbes*, Forbes Media, LLC, 23 Oct 2017, <https://www.forbes.com/sites/theyec/2017/10/23/how-to-keep-your-brand-relevant-in-a-rapidly-changing-world/#5a3738075e4c>

Mystery shopping has long been a high-value source of customer experience feedback and is more important than ever in the current climate.

With mystery shopping, you can learn specific customer perspectives that register receipt surveys miss. A mystery shopper is addressing insight into the full experience you have trained employees to accomplish. Scores indicate how well your sites—be they retail, restaurant, hotel, bank, apartment properties, entertainment, or any customer-facing industry really—meet customer needs. This powerful intelligence can help you stay relevant in today's era of hyper-competition.

Register Receipt Survey Programs: Some Insights, but Many Shortcomings

Receipt surveys are ubiquitous. After nearly every register transaction, service representatives highlight a survey invitation at the bottom of the customer's receipt. Often, these surveys ask for feedback in exchange for entry into a sweepstakes or a small reward like a coupon.

Traditionally, the invitation may have directed customers to call a number for an interactive voice response (IVR) survey. While IVR surveys still exist today, asking customers to log into a web-based survey has become a more common practice. And if the business already has your email or cell phone number, don't be surprised to find a text or email interrupting you for your feedback.



In the world of customer experience (CX), a register receipt survey is a type of post-interaction or transactional survey. Its purpose is to measure customer perceptions about a specific interaction.

With transactional surveys, companies can gain some information about customer perceptions. They can track trends over time to measure the performance of customer-facing teams. Without question, a register receipt survey program can have value. Gathering any customer feedback is better than having no insight at all



Receipt Surveys Offer a Limited Picture of the Customer Experience

CX-savvy companies know that a single-pronged feedback approach doesn't yield the most actionable information. That is very true for register receipt survey programs.

To be sure, companies should never rely on register receipt surveys as their only way of gathering customer insight. Customers often ignore them—and results can be inconsistent.

As Vicki Dempsey of market research firm, Jancyn Evaluation Shops, explains:

“Customers today are just plain tired of receipt surveys, particularly as they relate to a multi-franchise enterprise. What is the motivation to fill one out? Is the customer simply clicking answers to a survey for a free doughnut or do they have insightful feedback to build brand loyalty? Often a customer will start the survey and quickly grow tired of the questions, thus answering just to complete it quickly. Were they really paying attention to how many minutes before they were greeted or if they were offered a larger size drink? This makes measuring compliance, training goals and customer satisfaction via this methodology alone unreliable. Our research shows, if using a customer survey, combining it with a mystery shop program is the answer. One feedback option we offer at Jancyn is to include a question in the mystery shop form that asks if the survey was explained or promoted at check out or during the visit. This helps our clients understand why participation may be lower, or higher, at different locations.”

There are several factors that make register receipts less valuable as a standalone feedback gathering option.

Decreased Response Rates Due to Survey Fatigue

On any day, the average customer can receive multiple feedback requests. Your customers encounter survey pop-ups on websites and receive email surveys after purchasing online. When they visit retail locations, many venues will have a receipt survey. A simple day of shopping, banking, dining, running errands, or even a doctor visit can result in several survey invitations.

All these requests can diminish customers' willingness to participate in surveys. Those that do opt-in can grow bored or tire quickly. Many people stop providing feedback part-way through a survey.

When respondents feel overwhelmed by the sheer number of survey opportunities—or grow weary while taking a survey they experience “survey fatigue.” As the National Research Center notes, survey fatigue can lead to lower response rates and incomplete data.³

Today, constant surveys and ‘rate the experience’ requests escalate the survey fatigue problem. They’re pervasive but easy to tune out. If you rely on them as your only feedback source, you are missing out on critical business intelligence. In addition, the feedback submitted can be questionable.

Diminished Ability to Ask In-Depth Questions

One way companies address the survey fatigue issue is by creating shorter surveys. And that is a reasonable approach. In fact, a recent *Forbes* article noted that over half of customers say they will spend less than three minutes on any survey.⁴ Customers are often willing to answer just two or three quick questions—if any.

However, short surveys limit the amount of customer feedback you can collect. A three-question survey can give you general insights, but to have a clear understanding of how well your employees are trained to meet customer needs, you need to receive answers to more in-depth questions. And you need open-ended questions that evaluate the nuances of emotion, insight, and relevance that are vital to your business. You need detailed comments to questions that are specific to your brand. You need to feel like you are standing in your customers' shoes.

³ “How to Avoid Survey Fatigue,” *National Research Council*, National Research Council, Inc., 18 Nov. 2016, <https://www.n-r-c.com/how-to-avoid-survey-fatigue/>

⁴ Dishman, Lydia. “Retailers: Your Surveys Are Making Customers Suffer,” *Forbes*, Forbes Media, LLC, 7 Mar 2014, <https://www.forbes.com/sites/lydiadishman/2014/03/07/retailers-your-surveys-are-making-customers-suffer/#5f52e7372b4f>



Lag in Response Time Can Decrease Feedback Quality

Although customers receive receipt survey invitations right away, there is often a lag before they provide feedback. At the end of a transaction, customers are focusing on exiting the business. They're unlikely to stop to take a call or log into a website to complete a survey.

The very best survey approaches aim to collect customer sentiment in real-time. Since this is not always possible, gathering feedback within 24 hours is a good alternative. However, with receipt surveys, you can lose this sense of immediacy. Except for a including cut-off time, you have little control over when your customer provides feedback. It can easily slip outside the optimal window.

Why is this an issue? As time passes after an interaction, customer perceptions start to dim. They are less likely to remember specifics of the experience and how it made them feel. The feedback you do receive has less value and diminishes your ability to take meaningful action.

Customers Who Respond Often Have Had Outlier Experiences

When most customers receive a register receipt survey, they ignore it. People just don't have time or interest to fill out a survey, even with a sweepstake prize, coupon, or incentive you are offering. Today's register receipt response rate is a dismal two percent—down from 20 percent two decades ago.⁵

These very low response rates can also mean the data is not very reliable. According to the Six Sigma Institute, surveys like these do not represent a random sample of respondents. Instead, those who do respond have often had outlier experiences—either very positive or very negative:

...the group of people who choose to answer a survey is not necessarily representative of the customer population as a whole. The survey responders are more motivated to take the time to answer the survey than the non-responders; therefore, this group tends to contain a higher proportion of people who have had either very good, or more often, very bad experiences.⁶

⁵ Ibid.

⁶ Brogle, Rob. "How to Avoid the Evils Within Customer Satisfaction Surveys," *iSixSigma*, Six Sigma Institute, n.d., <https://www.isixsigma.com/methodology/voc-customer-focus/how-to-avoid-the-evils-within-customer-satisfaction-surveys/>

What's the takeaway? Receipt surveys typically offer a skewed perception of customer satisfaction. You may only hear from a subset of customers who feel compelled to raise their voice. This can distort your perception of how your sites and teams are performing.

Mystery Shopping Programs: Powerful, Actionable, Third-Party Objective Look at the Customer Interaction



With a mystery shopping program, companies can gain deep and meaningful insight into the customer experience using qualitative and quantitative data. Mystery shop report feedback is specific to the way employees are trained, calls are handled, stores are merchandised, compliance is adhered to and business goals are measured.

Since its origins in the mid-20th century, mystery shopping has grown to a \$1.5 billion industry.⁷

Originally focused on investigating employee integrity, mystery shopping evolved to primarily emphasize quality of service.

Today's mystery shopping companies offer in-depth, statistically valid insights that help companies understand and improve the customer experience. And the types of organizations that rely on mystery shopping has expanded to include government agencies, healthcare facilities, educational institutions, and many others.

The most successful mystery shopping initiatives include a regular number of shops scheduled across a wide geographic footprint. In addition, shoppers from different demographic segments can be assigned to help understand how the business meets the needs of diverse populations.

⁷ "News & Media," MSPA Americas, Mystery Shoppers

This breadth allows organizations to benchmark performance across multiple sites, analyze results and compare trends with the information they need to manage and drive improvement with confidence.

Mystery shop providers maintain a large database of qualified independent contractor shoppers. That way, they can serve national chains by providing believable shoppers who are familiar with local markets. Mystery Shoppers must show integrity, have excellent writing skills, and have a knack for attention to detail. They must follow shop guidelines to a tee and many complete training courses offered through organizations such as the Mystery Shopping Professionals Association (MSPA). www.mspa-americas.org

Mystery Shopping Offers Deep Insight into the Customer Experience

Every employee that interacts with a customer should be a knowledgeable brand ambassador for your company.

Your environment and product displays should provide a positive impression of your business. Employees should always follow company policies and put any training received to use. It goes without saying this is especially true where legal compliance is involved, such as alcohol age limit requirements and property fair housing knowledge.



Motivates Employees to Deliver Consistent High-Quality Service Levels

If employees know their manager is observing them engaging with customers, they will likely do their best work. They will put forth extra effort and make sure that each customer has a high-quality experience.

But what happens when a manager is not watching? Do employees maintain those behaviors or act in a less service-minded way? With a mystery shopping program, you don't have to guess, you can answer those crucial questions and more.

Mystery shoppers pose as regular customers to gather information about business practices and service levels. Since mystery shoppers do not disclose their identity, employees never know if a customer might be secretly evaluating their behavior. They will know they need to deliver the best service to every customer. The feedback report employees receive is not punishment—but an opportunity to expand their professional development and career skills.

Tailored Programs that Offer In-Depth Insights

Unlike receipt surveys, which need to be short to be effective, mystery shops can gather deep intelligence. Companies work with mystery shop providers to design multi-faceted surveys that evaluate the many factors that affect the customer experience.



Is your location clean? Are your product displays set up correctly? Is your point-of-sale system easy to understand? Did employees follow specific procedures—like offering customers a business card or inviting them to join a loyalty program? Was rapport created? What else do you need to know to understand if customers are receiving the types of experiences you expect your team to deliver?

With a receipt survey alone, you are unlikely to gain this breath of insight.

Access to Competitive Intelligence

Another way a mystery shop can be used is to gather competitor insight. You can schedule shops at your locations—and at competitor sites in the same locale. This can yield important information that you can use to shape your business.

For example, you can task a shopper with buying and returning products at your site and at competing venues. You can learn whether your return experience is better or worse than your competitor's practices. Then, you can use insights gained to redesign processes or provide coaching to create a streamlined, customer-friendly return experience.

Register Receipt Surveys vs. Mystery Shopping : The Verdict Is In

Clearly, collecting any customer feedback is better than none at all. But companies that rely on limited feedback collection methods—like register receipt surveys—are putting themselves at risk of losing customers.

Today's customers are more empowered than ever before. They have 24/7 access to information on brands and product options—and are very willing to shop around before any purchase. And as companies like Amazon and Zappos make world-class experiences accessible

to everyone, customers expectations are rising. A subpar interaction can cause customers to defect to competitors.

Just how big is the problem? A reported 47% of customers will abandon a brand if they have bad experiences—even if they've been loyal for years.⁸

You can't leave the customer experience to chance. And you can't rely on hit-or-miss survey data to assess performance and make the shifts necessary to keep pace with escalating customer expectations.

Register receipts alone aren't going to provide a complete picture. They will never give you the deep intelligence you need to deliver exceptional experiences across your entire service footprint.

By contrast, mystery shopping lets you access powerful insight that can transform your business. You can partner with an experienced mystery shop provider to design performance evaluation programs that gather highly-specific and meaningful feedback.

With a mystery shopping program, you can collect quantitative feedback to complement data gained through traditional survey programs.

Today's empowered customers know they have a choice. They don't make purchases based on price and product alone. Instead, they consider intangibles—like experience quality and perceived relevance—when making buying decisions.

Companies that care about customer perceptions and meeting customer needs will thrive. Others will fall behind—and ultimately may fail.

To keep a pulse on customer satisfaction, you need to gather as much feedback as possible.

Mystery shopping—with its unique opportunity to collect tailored and actionable answers to the questions that drive your brand values—should be an instrumental part of your feedback gathering program.

⁸ Vande Zande, Jenn. "47 Percent of Consumers Will Abandon Your Brand for Just One Reason," *SAP Brand Voice*, Forbes Media, LLC, 28 Sep. 2017, <https://www.forbes.com/sites/sap/2017/09/28/47-percent-of-consumers-will-abandon-your-brand-for-one-reason/#46976491566c>



About Jancyn Evaluation Shops

Since 1980, Jancyn Evaluation Shops has provided best practices for customer satisfaction and employee performance feedback programs.

We partner with progressive businesses throughout the United States and Canada to embrace the customer satisfaction experience, brand awareness, discovery, association, and interaction at every transaction and touch point.

Insight from the outside. That has been our foundation, and it's created a tradition of providing real value in every program we offer. Our understanding of your mystery shop requirements is honed by years of program development, cutting edge technical techniques and tools, and real insight into your business goals. To learn more please visit us at www.Jancyn.com

