Identifying Customer Satisfaction: 
The Mystery Customer Approach

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ABSTRACT

The purpose of this article is to increase the customer service level by expanding the method of application used by the mystery customer (MC) to resolve practical and concrete problems concerning the status of chain stores. The survival of organisations can often be dependent on their customer service level; therefore, there is an immediate need to form a permanent measurement to act as an indicator of that performance. This article concerns the application of MC methods in order to observe the level of quality service in a large retail network in Greece. Based on a quantitative methodology, the research seeks to utilize information concerning the retail operations performance and the factors that influence the evaluation. The results suggested an explicit determination of the factors of satisfied customers through the application of MC method. Action diagrams used as a performance-importance map indicate strong and weak points in terms of criteria and define the required improvement efforts. MC data showed the points or issues that service activities performance is likely to cause dissatisfaction and enables proactive measures to be taken on employee performance and classifies the improvement areas that determined by the analysis and used as a benchmarking tool.

KEYWORDS

Customer Satisfaction, Importance Analysis, Mystery Customer, Performance Indicators, Retail Operations, Service Quality

INTRODUCTION

In an ever-changing environment, companies must create new products, services and processes to compete and survive (Avlonitis et al., 2000).

The element of differentiation is not only the benefit that exceptional quality of products or services brings, but also excellent customer service (Kafchehi et al., 2016).

In this respect, satisfaction of customers is a very important key element for organizations. The expression “satisfied customer” in practice means high-exceptional quality, loyal customers and positive reputation due to increased customer satisfaction (Homburg and Rudolf, 2001). “Customer loyalty can only be earned and cannot be bought…” (Berry & Gresham, 2001). Experts estimate that most North American companies spend about 3% of revenues on customer satisfaction measurement. Customer Satisfaction (CS) surveys addresses the end product of the production line, revealing expectations and perceptions in total. In contrast, Customer Service Measurements (CSM) reveal performance at each identified stage of the production process. Clearly, both methods are important, but different (Buxton, 2000). According to Buxton (2000), both CS and CSM (Figure 1) affect each other.

Currently, Mystery Customer (MC) is used by many private and public organizations (Wilson, 1998). The use of MC is dated roughly from the 40s, when, naturally, it served different objectives and needs of organisations. Substantially it covers the need for control of integrity and efficiency of

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personnel (Yanli & Yao, 2015). However, in our times, because of the inexorable competition that prevails in the market, it has taken the form as a tool to measure the quality of customer service and customer satisfaction (Hesselink & Wiele, 2003). Broadly speaking, we could argue that it offers essential information to management about the level of quality its products and services provide as well as on the level of customer satisfaction. Furthermore, if we consider that the meaning of customer includes not only external but also internal ones, then we can understand how important the content of MC chain is, on monitoring and controlling the retail process. It is now a fact that MC survey results can be utilized to lead the marketing strategies (Hesselink & Wiele, 2003). It is a tool that supports the managers’ decision-making in order to maintain a high level of service.

In this respect, this study attempts to expand the method of application of MC in retail networks, by seeking to improve areas within the network (Singh et al. 2014). In particular, it attempts to resolve practical and concrete problems of the network concerning the status of the chain stores in order to increase the customer service level.

The research seeks to utilize recent information concerning the performance in the retail operations to reduce specific suggestions for the improvement of quality service. It targets the classification of chain shops according to the performance level of customer service (Korhan, 2015). In addition, this study determines both first priority and second priority factors that need improvement. The goals of the determination of factors satisfy the following:

1. To reveal the necessity of combination of two different measurement tools
2. To provide a more flexible and effective managerial tool and
3. To present a visualized managerial technique that can monitor and direct strategic alternatives for a better service quality experience.

This paper is organised in two parts. The first part reviews the literature concerning the method of MC in evaluating performance levels and hence, customer satisfaction of operations. The second part, after explaining the rationale of the research approach, analyses and discusses the major findings.
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