The possibility of using the Mystery Shopping method to evaluate the corporate reputation

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Abstract. Reputation is an increasingly important intangible asset of enterprises, especially in the service industry. Therefore there is a need to build positive reputation and effective reputation management. This in turn requires a systematic measure it in accordance with the principle that only what is measurable can be managed. The paper presents the possibilities and limitations of the use of the mystery shopping method to evaluate the corporate reputation.

Keywords: corporate reputation, reputation measurement, mystery shopping

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1. Introduction

Corporate reputation is a specific, valuable immaterial resource of the contemporary enterprises. Companies with strong good reputation achieve many benefits such as more loyal customers, better talented employees, attractive investors, which translate into greater profits, increased market value and higher future growth.[Fombrun, Van Riel, 2004; Gorczyńska, 2009] Reputation is especially important for companies providing services, basing on knowledge, e.g. research agencies, consultancy firms, banks, design offices, high schools, etc. They offer specific products, called "credence goods" that are bought on the grounds of faith, which means on the grounds of reputation.

2. Nature and importance of corporate reputation

Reputation may be defined as a functioning opinion about the business and its performance on the market, formed by various stakeholders that have ever had any contact with the business or have heard of it. [Szwajca, 2011] The stakeholders are:

- customers and receivers,
- suppliers, intermediaries and contractors,
- investors and shareholders,
- workers, present and potential,
- mass-media,
- public administration,
- local communities.

Each of these groups, when creating opinion about a business, makes the assessment in the view of its own values hierarchy and its own interests and needs. Customers assess a company through its market activities, namely, the value of its products and services, price levels, promotion, personnel, etc. For suppliers, intermediaries and contractors the important factors are reliability in co-operation, honesty in keeping agreements, certainty about the development of both businesses, briefly – solid partnership. Investors and shareholders are interested in the possibility of gaining high and certain income, at a certain risk level. Workers assess the company as an employer, so in the view of work conditions, possibility of development and promotion, prestige and social status. Journalists and publicities – the

representative of mass-media, observe and comment business' performance in the context of public interest and ethic-moral criteria. On the other hand, public administration (central and local government, offices, branch associations) perceive the business as the subject creating work places and obliged to fulfill its legal duties (i.e. paying taxes, fees, keeping standards, etc.). And lastly, local communities, represented by various social, cultural and sport organizations, political parties etc. expect facing the responsibility by the company not only in the economic area but also social (charity help, caring for environment, development of the region). In fact, so the company may have not one, but several reputation, and each of them may be different. [Szwajca, 2011] [Walker 2010] defines reputation as a relatively stable, issue specific aggregate perceptual representation of a company`s past action and future prospect compared against some standards. It shows that the measurement of reputation should include all stakeholder groups and all aspects of the business.

Reputation is sometimes used interchangeably with the image, while these concepts are not the same. The image is the picture of the company in the minds of consumers, the way it is perceived, formed on the basis of processing information from various sources. The basic difference between these categories is the experiences, which is the basis for shaping reputation, and it is not necessary to the creation of the image. The image may be creating relatively quickly using advertising and PR activities, and build a reputation takes time and implementation of promises. Reputation is formed as a result of the verification of deeds with words. The image is thus seen as one of the essential elements and tools to build the reputation.[Szwajca, 2012]

3. Methods of reputation assessment and measurement

Measuring a company's reputation is very difficult because of the complexity, multifaceted and subjective nature of the intangible asset. Reputation make virtually all aspects of the business. You could say that it is a synthesis of all resources, tangible and intangible. However, attempts are being made to develop measurement methods and indicators showing the status and level of this resource. [Szwajca, 2012]

The simplest indicators of a company's reputation are:
• the degree of knowledge of the company,
• the degree of kindness of the company.
The degree of knowledge of the company can be measured using the so-called scale knowledge by asking respondents the question, if they know a particular company:

I`ve never heard	I only heard	I know a little	I know well	I know very well

If a majority of respondents is to print the first two answers is to say that the company is poorly known, if the last two - the company is well known.
In contrast, in order to determine the degree of benevolence of respondents who know the company, you should ask about an attitude to company, using the so-called scale of kindness:
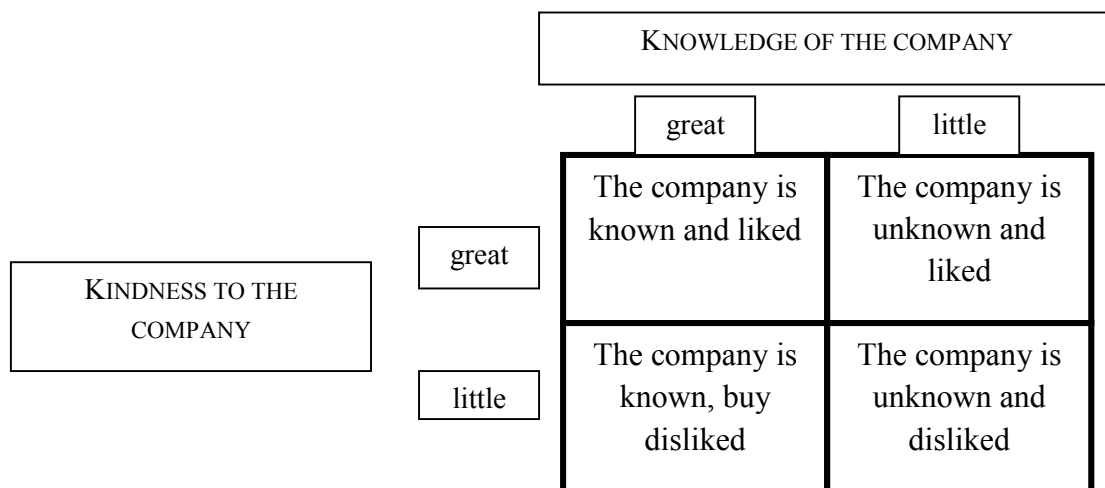
unkind	some unkind	neutral	a little friendly	very friendly

The test may be customers, but also other groups: suppliers, collaborators, agents, shareholders. The results obtained in conjunction allow you to put your company in one of the

four fields of the matrix (fig. 1). The least favorable outcome for the company is the one when it is very well known, but it has a benevolence, the best hand - when the company is well known and a respected kindness (known and liked).

Other determinants of reputation are valued and shared by the company to be perceived by different groups of stakeholders. Using projective techniques or in-depth interviews can be examined, with which the company values is identified by the group, as is seen from the competition, which is strong, and what weaknesses.

Fig. 1. Analysis of knowledge-kindness

Source: Szwajca D., *Zasoby marketingowe przedsiębiorstwa jako źródło przewagi konkurencyjnej. Wyd. Politechniki Śląskiej, Gliwice 2012, s. 191.*

A more comprehensive method of measuring the reputation of the company proposing the sphere of popular business magazines and market research agencies. The most known ones, complex methods of measuring the company reputation are suggested by popular business magazines and market research agencies.[Fombrun, 2007]. The Fortune magazine has the longest traditions in researching reputation. Beginning from 1983, it conducts regular surveys (using mail or phone) among management staff and management specialists from different areas. Respondents are asked to evaluate companies in 8 following areas: Innovation, Quality Management, Long-term Investment, Social Responsibility, People Management, Quality of Products/Services, Financial Soundness, Use of Corporate Assets. Each area is evaluated according to 11-point scale. After calculating the marks average, ORS (Overall Reputation Score) is achieved for a given firm. Fortune annually publishes a ranking of 500 best companies, evaluated in this way. Up to 1997 research applied only to American firms (*AMAC – America`s Most Admired Companies*). From that year, research of international (global) firms was started, because of this ranking was renamed *GMAC (Global Most Admired Companies*). Currently, the research includes 50 industries and 28 countries from the whole world. Surveys are conducted by a specialist consulting firm *Hay Group* on the sample of 5000 respondents.

4. The specificity of the Mystery Shopping method

The method of Mystery Shopping (MS), also known as: secret shopping, mystery customers, spotters, anonymous audits, virtual customers, silent shop pers, is to observe the behavior of the personnel front line service company by the employee (the auditor) pretending to be a customer. The auditor is representative of real existing market companies, mostly dealing with market research. [Wódkowski 2006] Thanks to this mystery shopper is unknown company, shows up unannounced and there is no basis to judge it better or worse - is more objective. [Rutkowski , 2007] The reason for hiding the presence of the observer is to avoid behaviors that differ from the natural awareness of being observed. Workers behave naturally, as compared to the normal client. This gives a real picture of customer service. This allows for objective and real images of handling smooth and not fake virtue of the test.

The study of MS can be described by three main features of observation conducted [Meder, 2005]
- is hidden - the employee does not know that they have to deal with a mysterious client;
- is controlled-interviewer follows the specific scenario that has to pay attention to specific components of service;
- a standardized-mysterious client calls attention to specific aspects that remembers, and the trial were noted down in a prepared questionnaire.
The auditor completes its evaluation of the fulfillment of the special sheet containing questions both open and closed, which favors even better expression of their opinions and feelings, held after the visit. The questions included in the questionnaire relate to both the appearance of the facility: cleanliness, equipment, presentation and quality of the functional, i.e., attitudes and behavior of staff. Each question on the form has its basis - managers want to draw attention to certain aspects or check their operation. However, the mystery shopper should not be limited only report. If he notices something interesting, both positive and negative, he should look at it in an objective manner and also included in the report.

Typically, the role of a mysterious client is passive. It happens, however, that sometimes he or even must be an active participant in the events. In carrying out research in certain areas of the organization is necessary to participate in the test process, and it is in most service companies - including the restaurant, where it is necessary to place orders and consumption in order to verify the customer service process. In the case of the restaurant should check how long it takes to prepare a meal, or safety requirements are maintained, how many waiters if they occupy all the time, whether they are polite and cultured. Mystery Shopper can be compared to the camera, which should record everything that is happening around her. In addition, the auditor should be professional and do not seem to make judgments, opinions. Activities shoppers are intentional and systematic. [Maison, Noga-Bogumilski, 2007]

The research process should include the following steps:[Meder, 2005]
1) preparation of the test script,
2) a scenario evaluation
3) determine the criteria and the selection of interviewers,
4) training of interviewers,
5) a pilot study,
6) modify the script or the questionnaire,
7) study,
8) the development of the results and preparation of the report.

The key step is the selection of interviewers, as well as a pilot study. [Thorwarth, 2002] In order to obtain results of good quality care should be taken to their actual profile (eg, age, education, knowledge of the industry) corresponded to a specific scenario study and all information served during the conversation were true. Failure to do so may affect the distortion of the results.

At present, depending on the needs of the organization, there are several types of testing MS: [Maison, Noga-Bogumilski, 2007]

1. Audits direct individual

It is the most common type of study. It involves a physical visit to the auditor at the point of sale of products or services, where he established a systematic observation of customer service. Research is usually such items as a way of greeting, identification of customer needs, knowledge seller of the product / service, the attitude of the seller, his attitude and goodbye. The observation is carried out in a manner as not to obstruct the work of the institution and to prevent you notice the fact the test.

2. Audits Business Direct

Auditor is a company that as an institutional client tries to make a purchase. As a company should have office, business, telephone number, and e-mail. This observation usually is based on 10-20 attempts. It measures, among others, the level of customer service, knowledge of business advisors. Most of this type of research used by financial institutions and automobiles.

3. Expert Audits

These are typically qualitative research, usually carried out by several persons in the field of customer service, psychology or conducting training. They are designed to penetrate into the problem and provide insight into the principles prevailing in the company.

4. Mystery Calling

Often, the first contact the customer with the organization is done by telephone and at this stage, the client may have come to a certain evaluation on it, which is difficult to change later. The study assesses the waiting time for an interview, forwarding calls, the ability to have a conversation, knowledge of the product / service / organization. The advantage of this method is that it is efficient, that gives a large number of respondents, information and it's all in a short time. In addition, this method is relatively economical compared to the possible number of studies and research can quickly lead to the end.

5. Audyty online

The study is carried out electronically, often involves sending messages to the public corporate box. In this case assessed: response time, substantive competence of the employee providing answers, the process of formulating responses, appropriate vocabulary, the presentation of the company.

6. Video Mystery Shopping

Video Mystery Shopping rely on classical conducting tests using a hidden camera.

Each of these tests may be carried out once or repeatedly. The result of their conduct is to provide a detailed report of the data taking into account the personal experiences and opinions of the examiner. Individual reports are analyzed, processed and collected in aggregate reports from which you can draw up the results and draw conclusions. Conducting

long-term studies can now develop performance trends and the effects of the introduction of training and prevention. Operating Divisions have enough data to know what action will take effect and what they can offer to their customers.[Rutkowski, 2007]

Reputation is a particularly important criterion for evaluation and selection of the offer by the customer service companies. Due to the quality of service intangible cannot be evaluated before purchasing based on tangible attributes, as in the case of material products. The quality of service determined before all of them: their competence, professionalism, empathy, kindness, personal culture. These aspects can be investigated using the method of MS. Its main advantage is the possibility of a comprehensive and accurate assessment of the process from the perspective of customer service. The results can be compared with the competition. However, it also has some drawbacks: large impact on the results of the auditors, the subjectivity of the evaluation criteria and the possible negative impact on employees. So MS method can be applied only to the reputation service companies, only from the perspective of customers, and the results should be compared with the results of its competitors.

It is worth noting that MS allows arranging different situations by the auditor, which may reveal the actual beliefs of workers arising from the cherished and espoused in the company's norms and values. Therefore, the possible identification of dissonance between what the company says and declares in its marketing communications, and what it actually does and how these statements true. This means you can confront the image, which can be artificially fabricated, with a reputation that is based on the experiences of customers. Using this method can therefore assess the level of evidence and possible hypocrisy of the company.

5. Conclusions

Mystery Shopping method can be used to evaluate the reputation of the company, but it should be noted some limitations. First, reputation can be studied only from the point of view of one group of stakeholders - customers. Second, it can evaluate some aspects of the offer, on the level of customer service by front line staff. Thirdly, reputation can be measured primarily in relation to companies in the service sector. Moreover, this method can be used to assess the dissonance between the created image and reputation of the company.

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