

The Moscow Times.com

The Moscow Times

Business

Friday, August 12, 2005. Page 1.

Sniffing Out Surly Salespeople

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Staff Writer

A new kind of secret police has emerged in Russia. But instead of tracking spies, these sleuths are out to expose surly salespeople to improve the country's standards of customer service.

"Today, the customer is completely unprotected in Moscow," said Olga Alekseyeva, chairman of the finance and law committee at the Moscow Fund for Consumer Protection.

The nonprofit organization gets no fewer than 50 phone calls per day from people who have gotten burned buying low-quality products or paying for services that did not meet their expectations, she said.

The courts have failed to protect consumers, so perhaps the new mystery-shopping companies can do the job, she said.

Mystery shopping first emerged in the United States as a way for retailers to monitor their employees. The technique involves having a secret shopper buy a product or service as a customer, and then evaluate the shopping experience.

This method can provide upper management with a realistic picture of what is going on with their business in the field, said Anton Derlyatka, retail market expert at the consulting firm A.T. Kearney.

"The Russian consumer is getting more sophisticated," said Chris Skirrow, partner at PricewaterhouseCoopers. "Bad service or poor staff attitudes will not help a company's image or sales."

The country's \$193 billion retail market is poised to grow 20 percent this year, according to Alfa Bank consumer goods analyst Yelena Borodenko. The number of mystery shopping companies, aiming to benefit from increased market competition, is surging as well.

"Last December, I could only find about two such companies in Moscow and St. Petersburg," said Robin Reed, general director of React Russia. "Now, there are about six or seven of them."

React Russia, partner of British mystery-shopping company React Surveys, plans to start operating in Moscow in September.

"It's an infant market, but people are starting to understand that proper customer service gives you an edge over your competitors," Reed said.

Reed said he expected retail outlets to be at the top of his company's potential client list.

Moscow-based Mystery Shopper, however, said it had not seen retailers, such as supermarkets, rushing to sign up as clients.

"Today, manufacturers express the greatest interest," said Oksana Aulchenkova, general director of Mystery Shopper's parent, marketing company Nextep Promotion. The interest of manufacturers is one key difference between mystery-shopping clients in Russia and those in developed markets, where retailers and restaurant operators are the ones who employ secret shoppers, she said.

Until consumers can stop shopping at a supermarket because a comparable store across the street provides better service, supermarket chains will not pay for shopping spies, Aulchenkova said.

She estimated that the potential nationwide mystery shopping market was worth \$5 million to \$10 million.

One large cosmetics producer that does not have its own stores recently hired Mystery Shopper to understand how salespeople were treating its customers.

To make sure that bad service was not turning potential customers away from its cosmetics brand, the manufacturer paid about \$50 per retail outlet per month to have 349 secret shoppers make 9,600 visits to 1,200 stores across Russia, Aulchenkova said.

As a result, the company discovered that nearly half the assessed sales staff -- 40 percent -- did not meet the company's service quality standards.

"If someone is rude to us, we [Russian consumers] consider that standard practice," said Alexei Marei, head of retail banking at Alfa Bank in Moscow. Alfa plans to begin working with Mystery Shopper this fall to improve customer service at Alfa's retail outlets, Marei said.

One obstacle that mystery-shopping firms are likely to face in Russia is a lack of trust in their evaluations, A.T. Kearney's Derlyatka said.

To counter this, React Russia and Mystery Shopper said they required their personnel to provide sales receipts as proof that they did the work before filling out an evaluation.

Both companies said they formulated the evaluation questions to avoid prompting the shopping sleuths to give biased answers. "We do not ask, 'How was the salesperson's smile?' We ask, 'Did she smile?'" Reed said. At least 10 different shoppers evaluate any one retail outlet, he said.

The business by definition, however, is based on subjective reactions. "That's why we work with our clients to understand who their target audience is," Aulchenkova said.

Companies need to get feedback from people who think like their average consumers. The professional shoppers must also remain anonymous to retail staff and resemble plausible regular customers. For example, it would be inappropriate to send an 18-year-old to a luxury car dealership. On the other hand, successful businessmen in their 40s -- who would be better suited for that situation -- may not want to become mystery shoppers.

Younger people in search of additional income are the most eager to become shopping spies, Aulchenkova said. They can make \$2 to \$200 per project, depending on its complexity. The average compensation for a mystery shopper is about \$10 per evaluation, she said. Depending on the mystery-shopping firm's policy and the terms of the project, shoppers may be able to keep the products they buy.

Reed, however, said that demographics should not make much difference. "Whether you look like you earn \$1,000 per month or \$10,000 a month, each person should be treated as a customer," he said.

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