



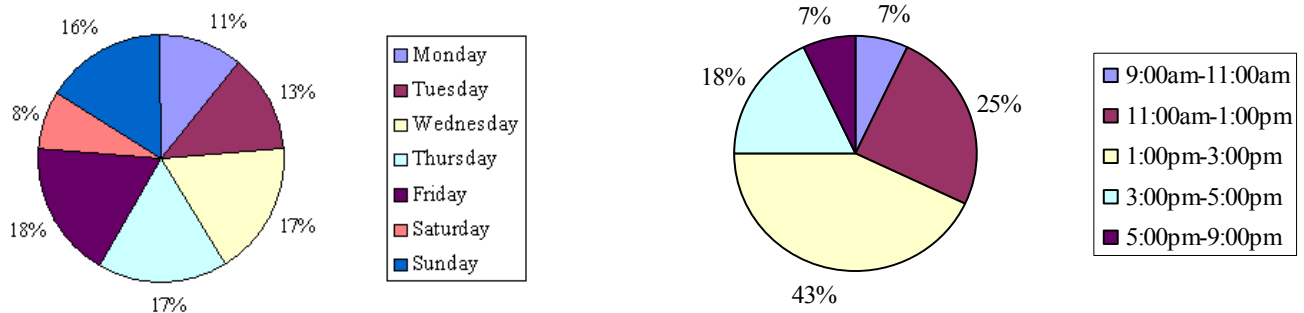
## Ann Michaels & Associates, Ltd. Downtown Naperville Retail Study

A proprietary study was conducted by Ann Michaels & Associates to assess customer service levels across various retailers within Downtown Naperville. This executive summary outlines the design, methodology, and results of the study.

### Methodology

The study was conducted over a two week period in which three shops were completed at 34 retail establishments within Downtown Naperville. The retailers that were selected for this study varied, and retailers represented both larger and smaller establishments to gauge levels of service across Naperville merchants. In total, over 100 individual evaluations were completed within this time frame.

Shops were conducted across various times and days of the week to gain an overall snapshot for each retailer. On average, the mystery shopper spent 15 minutes in the store to properly evaluate and interact with an associate. There is slight fluctuation across days due to the hours of operation of individual retailers. For example, there are businesses in the downtown Naperville area that are closed on Mondays, which accounts for the smaller percentage of evaluations conducted on that day of the week. Additionally, the time of day each store was evaluated varied, again to obtain an overall snapshot of service provided across time. The fluctuation in percentages across time represents the varied hours of operation across retailers. The breakdown of shops completed by day and time is as follows:





Shoppers were instructed to inquire about products as though they were interested in an item as a gift or for their own use. They asked questions of the associates to elicit a response that reflected sales skills and knowledge. When inquiring about said items, shoppers documented if the associate offered assistance, suggested items based on the mystery shopper's inquiry, and if more than one item was suggested to fulfill the mystery shopper's request. The mystery shopper was also responsible for inquiring about the return policy from each retailer.

The survey was designed to measure the above, and the same survey was used across retail businesses for an objective assessment. This survey consisted of quantitative and qualitative sections for optimal data collection. Each question on the report received a point value, and totals for each experience were tabulated in a report card fashion. Overall score percentages and individual sectional scores were also compiled. Sectional scores incorporated the following:

- Greeting
- Employee Interaction
- Interior Appearance
- Overall Impressions

## **Study Findings**

### **Greeting**

Mystery shoppers were instructed to document the length of time it took to be verbally acknowledged upon entering the store. Findings indicate that 71% of mystery shoppers were verbally greeted and/or acknowledged within one minute of entering the store, and 16% were greeted and/or acknowledged between one minute and three and a half minutes. 13% of the mystery shoppers were not greeted or acknowledged until they approached an associate.

Data was collected to determine whether or not an associate approached a mystery shopper to offer assistance. Shoppers were instructed to not approach an associate for assistance. However, if this did not occur within ten minutes of arrival, the shopper was then to approach an associate. The results indicate 70% of the associates approached mystery shoppers to provide assistance.

### **Employee Interaction**

Associates were evaluated on key performance behaviors focused on sales skills, including knowledge in relation to products and return/exchange policy, suggestion of products based on the customer's inquiries, and helpfulness of the associates in meeting the shopper's needs.



Mystery shoppers indicated on each evaluation how many associates and customers were present during the shop. Based on the results of this study, the number of associates present versus the number of customers present yielded a 2:1 ratio; for every two customers in the store at any given time across this study, there was one associate available to assist.

Overall, employee interaction received a score of 80%, with 20 individual retailers exceeding this average. Four retailers obtained an employee interaction rating of 96% across all three evaluations. Associates were deemed helpful across 83% of the evaluations, and knowledgeable staff were found across 94% of the evaluations.

When mystery shoppers inquired about products, gift suggestions, or made other similar inquiries, associates provided options to meet their stated needs 80% of the time. Associate suggestions ranged from offering multiple items, offering items in various colors or sizes, or suggesting a gift card as a viable option when shoppers could not decide which option was best.

A portion of the evaluation measured the knowledge of the store's return/exchange policy and also the shopper's perception of this policy. 93% of the associates evaluated were able to discuss the return and exchange policy, and more than two-thirds of shoppers felt that the retailer's return and exchange policy was fair and flexible, taking the needs of the customers into consideration.

## **Interior Appearance**

Store appearance was the highest scoring portion of this study, with an overall average percentage of 99%. This portion of the study evaluated the appearance and neatness of the entryway to the store, the neatness of the store interior, including floors, counters, and merchandise, as well as the organization and selection of merchandise.

## **Overall Impressions & Mystery Shopper Perceptions**

The quantitative portion of the study was coupled with more subjective perceptions and interpretations of the shopping experience across retailers, which were found in the qualitative portion of the study. Mystery shoppers were asked several questions to gauge customer satisfaction and perception, including:

- Overall experience
- Overall impression of the sales associate he/she interacted with
- Whether or not the mystery shopper would be inclined to return to the retailer in the future
- The likelihood that the mystery shopper would recommend the retailer to others
- A comparison of the shopping experience compared to typical retail experiences

More than half of the mystery shoppers perceived their experience as better than a typical retail experience, while 83% perceived the experience to be better than or the same as a typical retail experience. Nine retailers included in this study received overall impression scores greater than 91% across all three evaluations, with the average overall satisfaction across the study just below 80%.



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When asked if the mystery shopper would return to this retailer, over 75% indicated that they would be inclined to return based on the service they received during their mystery shop, and 79% would recommend the retailer to others. Specific reasons for mystery shoppers to be inclined to return focused on customer service aspects, including:

- Personalized/personable service
- Associates proactively approaching customers to offer assistance
- A willingness to assist shoppers in making gift choices; asking probing questions and making suggestions
- Finding answers to questions when associates were not certain of the response
- A flexible return policy that focuses on the customer's needs
- Upbeat associates who clearly enjoyed their work

In keeping with the subjective portion of the study, shoppers provided insight into what could improve a customer's experience, including:

- Flexible return/exchange policies: when items are purchased as a gift, indicating the date of the event on the receipt and allowing additional time afterwards for a return/exchange was deemed valuable
- Offering alternative suggestions when specific requested items are not in stock; offering to contact the customer when the out of stock item becomes available
- Ensuring that register lines are clearly defined so customers can be assisted in the order of arrival

The study was designed to show how mystery shopping can help businesses monitor and improve the customer service they provide. Measurements included in this research are components of mystery shopping that can not easily be accomplished by any other means on a widespread basis. The results of the study are not scientific, but show an essential evaluation of service levels provided across Downtown Naperville retailers.

## **About Ann Michaels & Associates**

Ann Michaels & Associates is a market research firm based in Naperville, Illinois. With over 11 years of experience working with clients of various sizes and industries to measure and monitor the customer experience, core service offerings include mystery shopping, customer feedback & satisfaction programs, and social media monitoring.