



AQ SERVICES INTERNATIONAL



Towards the perfect customer experience

Why mystery shopping is vital to modern experience economies.

It is a fact that 69% of your customers leave because of poor quality of service. AQ Services assists companies in measuring and improving customer service. We do this by sending in anonymous customers, also called mystery shoppers, who act as the eyes and ears of your management. They observe what happens in the establishment, how your employees interact with your clients or how the establishment is looked after. After the mystery shops have been conducted, AQ Services generates constructive, objective and actionable reports based on the collated feedback.

“Especially in economically bad times, companies realize that it’s the employees who make the most impact instead of their products, pricing strategy or the physical appearance of an establishment. Although these are important elements as well, they will usually look rather similar to their target market.

Customers have expectations before entering an establishment, based on their personal needs. Elements such as, advertising, pricing, packaging, locations and so forth influence these expectations. Billions are spent on influencing expectations to stimulate consumers to buy certain services or goods. This is done successfully at times, however you can imagine what happens when the customer walks into a store with all these expectations and receives terrible service in a sloppy and dirty store. He or she will walk out, take a left turn and find the competitor. This is why companies are looking at ways of managing the experience in addition to guiding expectations.

Mystery shopping offers management, objective and actionable feedback on what is happening on the front line and during the only direct consumer contact moment (“The moment of truth”). “Is the establishment

clean and orderly?” “Are the employees offering a warm welcome?” “Are the employees listening to the needs of the clients, and do they offer professional advice?” Companies need to create a positive buying environment to exceed customers’ expectations.

What is mystery shopping?

Mystery shopping is known by many names. Secret Shopping, Performance Evaluations, Anonymous Customers, Quality Auditing, Trained Consumers, Service Checks and Frontline Evaluations to name a few.

Mystery shopping, by any name, is an evaluation of the shopping / buying process provided by trained shoppers who know in advance what they are to evaluate. Mystery shoppers visit or call businesses posed as ordinary customers and provide detailed evaluations of their experience using written reports or questionnaires. It provides companies with a means of monitoring service from the consumers’ perspective. Mystery shopping services are offered in a wide variety of industries such as retail, manufacturing, hospitality (hotels, restaurants, resorts), property management, multi-family housing, banking/financial, petroleum and c-store, entertainment, travel, utilities, business-to-business and even medical services.

Mystery shopping was started as a way to check on employee integrity and minimize theft primarily in the financial services industry. For several decades now, companies have been using mystery shopping to evaluate service and sales performances, monitor pricing and product quality, keep an eye on the competition and ensure compliance with industry and government regulations. Today many progressive companies integrate mystery shopping with employee training / incentive programs and customer satisfaction measurement.

So why does it seem everyone is ‘suddenly’ interested in mystery shopping?

It may be attributed to any of the following: an apparently increasing decay in customer service; the growth of chain stores; competitive pressures; and the fact that more companies are promoting

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mystery shopping services. Customers are more demanding as they are better informed and educated. Perhaps it seems more popular now because companies realize that they are getting positive, tangible and actionable results from their programs.

For companies in competitive industries, where product pricing and assortment are no longer unique selling propositions, customer service is often the key to success or failure. Consider the following well known marketing mantras:

- Why Customers Leave...
 - 69% Poor Service
 - 13% Product Dissatisfaction
 - 9% Competitive Reasons
 - 5% Other Friends
 - 3% Move Away
 - 1% Others
- It costs 15 times more to find a new customer than to keep an existing one
- One unhappy customer will tell 10 other people of their bad experience with service. These people may then tell 10 others, and so on.

The benefits of a mystery shopping program are numerous. A well designed program can monitor, help train and motivate front-line employees. It effectively communicates to employees what is most important in serving customers and what steps to take for a successful sales process. It can be used to measure customer satisfaction along with other methods. It's an important competitive tool in monitoring pricing, promotions and product quality. It can be used to identify potential problems before they develop into major problems.

The program is always tailor-made and relevant items such as briefings, profiles of the shoppers and questionnaires, are always set up in conjunction with the client. AQ Services has experience in most industries but we do not decide what kind of experience you should

be offering to your clients. Our company is specialized in translating the values, beliefs and standards of the company into a quality performance program.

Are you a mystery shopper?

In most cases, almost anyone can be a mystery shopper. Our mystery shoppers are regular people, typically working part-time as independent contractors, who are trained to conduct performance evaluations. For consumers, mystery shopping is an intriguing concept that allows them to play an important role in improving customer service while earning some part-time income and benefits.

A typical mystery shopper can act as a normal customer, follow instructions, is an excellent observer and knows how to report his or her observations in a constructive, objective and positive way.

AQ Services has candidates complete an application online, at no cost, and matches shoppers with assignments based on the clients' typical customer profile. For instance, when shopping at luxury hotels, we might send in a 40 to 50 year old couple with a hospitality background, while for a mobile phone store a 25 year old "yuppie" image would be needed to evaluate the promotion of the newest Nokia phone.

The training mystery shoppers receive depends on the client's objectives. In most cases, shoppers are trained over the phone and through written instructions. Shoppers may be trained in person or required to perform "test" shops to evaluate their skills before doing an actual assignment. This all depends on the complexity, length and type of the visit and the questionnaire.

To find out more about AQ Services International, please visit www.aq-services.com or contact Jan-Willem Smulders (Smulders@aq-services.com).





Jan-Willem Smulders (left) and Jorn Wisselink (right)

AQ Services International

AQ Services International was founded in 1997 by Jan-Willem Smulders (29) & Thomas Kascha (30), at that time students at the Hotel Management School The Hague, the Netherlands. The company was initially called "Wakende Waard." Jan-Willem is now running the operations in Asia.

We started undertaking service checks in hospitality outlets during our studies and recognized that this was a unique business to be in. To evaluate service while eating and drinking and at the same time making a living out of it seemed unrealistic. After our graduation in 2000 we retreated to our magnificent 9 square meter home office. We re-branded the company and developed our current business model.

Looking back I feel the wind was blowing in our direction. Starting up in difficult economical times, with a very small budget, made us work like maniacs, and forced us to be creative and proactive in every step we took.

Nearing the end of our 6 month preparation we asked some of our relations for feedback on our business model; a step that brought us to our first client "The North Sea Jazz Festival". We needed to execute 700 mystery shops in one weekend, and even nowadays that would still be a challenging assignment.

We continued to grow steadily and made AQ Services one of the first companies to process, verify and present data online to clients within a 24 hour timeframe. This allows the employees that were evaluated to remember what had taken place, which increases the acceptance of the results and the willingness to improve. The next step we took was to offer actionable data that will lead to solutions, instead of just simply offering our clients raw data as many market research companies still do at this very moment.

Over the years we started training our field workforce, making them multi functional. Shoppers are now able to offer

direct feedback after a mystery shop to employees and store managers, to sit in on specialized focus groups, sometimes even to fix problems on the spot (such as replacing promotional displays).

In 2004 we met Jorn Wisselink, a fellow student of the Hotel Management School in The Hague. Jorn first came to Singapore in 1999 as an intern for the Hollandse Club and continued his career in Singapore with the Grand Hyatt and Peter Knipp Holdings, a local hospitality consultant. Jorn has been in charge of the pre-opening activities for the office in Singapore and is now in charge of running the operations in Singapore and Hong Kong.

All these developments and new ways of approaching the concept of mystery shopping marked the beginning of a success story that currently includes being the market leader in the Benelux (Belgium, the Netherlands & Luxembourg), being one of the top companies in Europe, having opened a regional Head Office in Singapore and opening an office in Tokyo early November 2005.

The services that AQ Services currently offers can best be described as a provider of a quality program in which mystery shopping and Satisfaction Surveys play a key role. In addition, the company combines these services with our Communication Plans and Employee Motivation Programs to actually improve performances on the work floor.

Clients of AQ Services include, amongst others; Heineken, L'Oreal, Louis Vuitton, Skoda, Campanille, Vitae, American Express, Pathé, Castrol, BMW, Phonehouse, Philips and Reed Business Elsevier.

AQ Services consists of a team of 25 full timers in its office in The Netherlands and 5 in Singapore, supported by country managers in Japan, China and Korea and part-time coordinators in Thailand, Malaysia, Vietnam and Indonesia. The real workforce however is the mystery shoppers that conduct the mystery shops and surveys, currently over 500,000 worldwide, conducting over 1 million visits per year. This huge database of shoppers is shared with the partners that AQ Services has teamed up with over the years.

IMSA

IMSA, the International Mystery Shopping Alliance, was founded as an answer to the growing demand of international clients for professional players, which could work together on one unique platform. We were previously dealing with different companies per country for every single assignment. It had led to differences in the provided quality, but it also took up a lot of our time negotiating pricing, procedures and data delivery. IMSA has grown to be the largest alliance of first class suppliers sharing knowledge, fieldwork and clients worldwide.

As a founding member of the IMSA (International Mystery Shopping Alliance) and the MSPA (the Mystery Shoppers Providers Association), AQ prides itself on being a member of partnerships that are at the cutting edge of the industry, while safeguarding quality, integrity and the best trained mystery shoppers. 