

RETAIL

INCREASING REVENUES THROUGH INNOVATION

MYSTERY SHOPPING IN RETAIL STORES

Since 1985 we have evaluated over 5 million employees in every conceivable business and in every state in the union. From all of the vast data we have compiled, combined with actual dollar sales we have been able to ascertain the precise “things” that result in successful sales.



Surely, as a principal of a retail store you would want to know if **your** sales team is doing and saying the right “things?” That is why our Mystery Shopping services are so valuable.

In almost real time you will be able to separate the order-takers from the real salespeople – those that promote your products or services. After all, in today’s economic situation, increasing sales is of paramount importance. We cannot afford to lose a single sale because of ineptitude or lack of interest.

THE THEORY BEHIND REVENUE ENHANCEMENT

1. CUSTOMER SERVICE

Customer Service is the lifeblood of any organization. It is not surprising therefore that that most successful businesses provide exceptional customer service.



Since 1985, **Evaluation Systems for Personnel (ESP)**, using sophisticated mystery shopping programs, has helped thousands of organizations throughout the USA improve their customer service and revenues. **Mystery Shopping** provides rapid, unbiased and accurate feedback. It pinpoints areas where improvements will have the greatest impact.

ESP has developed a high tech approach to the evaluation and improvement of retail store customer service. **MYSTERY SHOPPING** provides you with an instant snapshot of your company, telling you, at a glance precisely what your people do and say or behave. Armed with this information you can introduce corrective measures into your training or policies, which can only lead to more sales and more profits.

Our World-Wide Evaluators

The quality of shoppers (we call them ‘evaluators’) is an essential ingredient of any feedback. For this reason we use only the finest shoppers—highly qualified, selected, trained and constantly evaluated.



By drawing from our database of over 600,000 shoppers-world-wide and by continually grading them, we can assure our clients of the finest and most accurate evaluations.

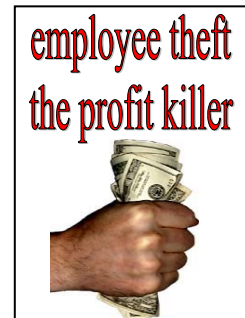
Because of our unique **ON-LINE WEB-BASED** service we are able to perform shops efficiently and accurately in almost any city in any part of the USA, and often at a moment’s notice.

There must be a reason why so many retail organizations are under contracts with ESP.

2. INTEGRITY-LOSS PREVENTION

Over the past 20 years ESP has created a methodology, which identifies any sign of impropriety, ineptness or irresponsibility in the handling of cash or inventories. Because of our training programs our shoppers are able to identify red flags, which might indicate dishonesty: Examples of such actions are listed below:

- o Not closing the till in between sales.
- o Non-issue of a receipt.
- o Incorrect receipt details.
- o Poor eye contact.
- o Suspicious movements, lack of attention and poor focus.



3. SALES-ENHANCEMENT

Order takers or Promoters?

While loss prevention is very important, our research has shown that, sales lost through mediocre sales skills is far more of an issue in revenue enhancement. Mystery shopping distinguishes between order-takers & those who know how to promote their company’s products or services through add-on sales or ‘up-selling.’



The add-on Sale/ Up-selling

Some of our clients have increased profits by remarkable amounts simply by embracing our ‘add-on’ program. One large retail chain increased its yearly bottom line by over \$100,000 per location simply by introducing a simple incentive program, aimed at the add-on sale or upselling.

Incentive Programs

A major factor in getting employees to add-on or up-sell is the introduction of an incentive program. ESP has been extremely successful in this area and has been contracted by major



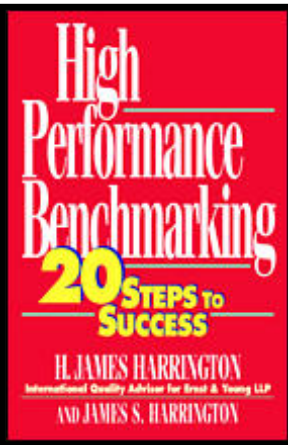
airports to introduce and maintain such programs. Mystery shopping results are extremely useful in any rewards program because they give a numerical value to specific performances such as the best salesperson or the best customer service provider. In addition to cash



prizes we recommend the awarding of great-looking monthly certificates of achievement to employees who perform over a certain standard and quality wooden plaques to operators twice a year

4. BENCHMARKING

ESP has been featured in many major publications, as an innovator in the art of comparing products, product mix, services, customer service and prices. In particular we have in-depth information as to how other companies in the various categories perform. This information



provides your organization with benchmarks for future aspirations. According to H. James Harrington in his highly acclaimed book 'High Performance Benchmarking – 20 steps to success,' where ESP is prominently featured, companies can benefit greatly from benchmarking by as much as 2000%. He states, *"No matter how good your organization is, or how well regarded your products and/or services are, you cannot stop improving. You cannot stand still. When you do, you really are not standing still; you are slipping backward, because your competition is constantly improving. One of the best ways to keep improving your organization is to benchmark. In the last 10 years, process benchmarking has become the "in" thing to do. Ernst & Young LLP and the American Quality Foundation conducted an extensive international quality study that found a statistical correlation between benchmarking and*

organizational performance (profit, productivity,, and quality. Benchmarking is one of the few management practices that can be statistically validated as being a key driver for improvement in the best organizations."

ESP'S MYSTERY SHOPPING PROGRAM

We divide our shopping services into two types:

1. THE TELEPHONE EVALUATION

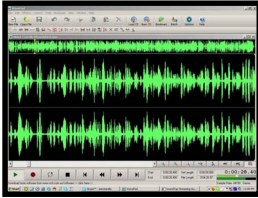


Telephone inquiries are different to face-to-face inquiries. Salespeople responding to a telephone inquiry must project a much stronger verbal approach. They should be **"selling the appointment"** - persuading the inquirer to 'come on in., as opposed to selling a space. ' Our digital recordings can be E-mailed to management— an extremely useful training tool. You'll never get a second opportunity to make a good first impression. That is why the telephone is so important. It can, not only set the initial tone of the communication between salesperson and prospect; it can also result in a meeting with the prospect. It is virtually impossible to actually make a sale over the phone. The entire thrust of the salesperson should be to sell the

appointment—to encourage the prospect to come into the store. Our shoppers have the capacity to record and score their experience.

Recording the call.

Each call from our shoppers can be recorded digitally so that it can be Emailed to the client or other interested parties – even the salesperson. This represents a great training tool. In addition, we provide a scorecard, which reflects the overall quality of the call—the greeting, qualification, presentation and closing the visit. Because it can be presented in spreadsheet format it is very simple to measure trends. That way we can evaluate the success of any training or corrective actions.



2. FACE-TO-FACE EVALUATION

How much more successful would your salespeople/clerks be if they could persuade effectively? After having performed many thousands of evaluations we know that most salespeople do not persuade effectively or professionally. Mystery shopping will tell you exactly what your sales personnel are omitting.



What is the point of spending advertising dollars to lure prospects into your property if they are then turned off by poor communications, poor salesmanship or ineptness? Using a proven questionnaire the shoppers can give the store management a ‘blow-by-blow’ description of their experience (from the time they enter the store to the time they leave in numerical and in written format.

Once again it’s the first impression that is so important – the way in which the consumer is greeted/approached as he/she enters the store. Assuming that a visitor is a ‘tire-kicker’ can be fatal. We cannot pre-judge the consumer based upon their appearance, behavior or perceived wealth. Everyone who enters your store is a potential customer. Mystery shopping is so valuable—it tells you exactly what your sales personnel are omitting from their presentations so that corrective action can be made in real time.

A combination of telephone and face-to-face evaluations can be of incredible value.

3. THE REPORTING

Our professional bar charts and spreadsheets will give you incredible insight into the inner workings of your property. They will pin point precisely any weak spots in the individual or company presentations. This information is invaluable for your training methodology.

Specific Areas Measured

- **THE GREETING**
- **THE QUALIFICATION**
- **THE PRESENTATION**
- **CLOSING**
- **FOLLOW—UP**

4. THE QUALITY OF OUR SHOPPERS

Because the information we glean from mystery shopping experiences is of a sensitive nature it is of paramount importance that the shoppers report accurately every detail of their visit. To this end we set extremely high standards for our shopper – probably the highest in the nation.



To this end we demand that each shopper be fully conversant with business procedures and expectations. We choose our shoppers on the basis of education, experience and professional demeanor. In the interests of maintaining an exceptionally high standard we test and train our shoppers on an on-going basis.

5. TRAINING

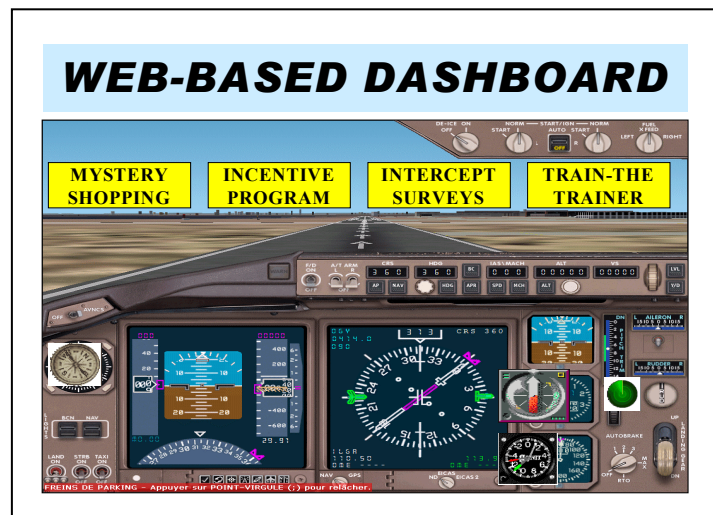
After 20 plus years in the business ESP has accumulated innovative training programs dedicated to enhancing customer service and sales skills. We believe strongly in ‘train-the-trainer’ formats. Not only is this much more cost effective than bringing in outside experts, it also motivates those individuals who perform the training. ESP has various on-line training formats



According to experts in the field, companies who provide training to their employees have stock returns fifteen times those that don't.

6. ONE-CLICK WEB REPORTING

Our Internet customer experience dashboard is the most powerful in the industry. Data is available in almost real time and is accessed via your own personal web site. Our role-based security allows managers to access information dependent upon their hierarchy.



Monthly Reports & Analysis

We have on staff Ph.D. employees who can test the validity of evaluations. Furthermore, we offer monthly reports which not only report for that month but which point out trends and comparisons with previous months.