

‘Mystery Shop’ to Evaluate

“When I ‘mystery shop’ or visit model home centers, I’m amazed by the laziness of most salespeople. I generally hear, ‘Hi, thanks for stopping by. Take a look around and let me know if you have any questions.’ Considering the cost of each lead who visits your model, why not demonstrate your product’s value, company, and ‘qualify’ the customer?” From Jerry Rouleau’s new book, *Selling New Homes the Easy Way*, 2007, page 17.

Similar performance shortfalls are observed among consultants leasing rental home sites and apartments. ‘Take this job and shove it!’ proclaimed the poster behind a consultant’s desk in one Florida community. In the sales office down the hall, a smaller poster showing a hangman’s noose featured this caption: ‘Just a reminder that you’re in charge of sales around here!’ Both were gone within 24 hours of the shopping visit! Quoted from a *Community Corner* column in *Manufactured Home Merchandiser* 10/1991, p.22.





Performance!

by **George Allen**, CPM & MHM

So, is this what “mystery shopping” is all about...finding errors in performance and decor, so they can be corrected? Not at all. Capable and experienced ‘shoppers’ also look for what’s being done right! That’s because it’s easier to build on positive performance (e.g. smiling during telephone & personal interviews) by suggesting improvements (e.g. now ask for prospect’s name & use it several times during conversations) to one’s presentation skills. Plus, mystery shopping provides, in the words of veteran sales consultant Melinda Brody, MIRM, “...an unbiased, third-party look at your (housing) product and staff...”; and a practical means of fine-tuning one’s sales/leasing and property management (PM) operations.

With that introduction to mystery shopping, here’re the answers to the nitty-gritty questions of Who, What, When, Where, Why, and How Much.

While the Why question has been addressed, there’s more. Unlike a property’s owner or even the regional manager who visits periodically, “shoppers” view assigned sales/leasing operations with a “fresh set of eyes,” beginning with the initial telephone inquiry gauging sales/leasing consultant’s performance (e.g. is it a scripted & practiced presentation, or just a flip

answer to the ringing phone?), to giving accurate travel directions to the property, to that intuitive “feel” an experienced PM pro senses, as to whether a multifamily rental property, or a sales center for that matter, is being run clean and professionally.

Who mystery shops? There are two schools of thought...professional shoppers are almost always capable, experienced and motivated property managers, often CPMs, MIRMs, ARMs, RAMs or ACMs. They freelance as shoppers and general PM consultants, or they work for realty fee management firms that offer the unique evaluation tool of mystery shopping as one of their full-service offerings. There’s also the “do it yourself” approach to mystery shopping...a less expensive, less detailed, far less effective, but easier to schedule, alternative. This is best done by a certified PM on staff who’ll take the time to train and practice with a novice shopper.

Training? With a Standard Shopping Report form in hand (*see form on the following page*), review the evaluation points, explaining and answering queries as you go. Be sure to emphasize that it’s the targeted leasing/sales consultant’s responsibility to make the leasing/sales presentation, not the shopper’s job to ask leading questions. Make sure all evaluation points are covered.

STANDARD SHOPPING REPORT

I. GENERAL INFORMATION

1. Property: _____

2. Street/Location: _____

3. Address: _____

4. City: _____ State: _____ Zip: _____

5. Phone: _____

6. Buyer: _____

7. Seller: _____

8. Agent: _____

9. Date: _____

10. Property Type: _____

II. TELEPHONE SALES & VISITATION EVALUATION (All possible points)

11. Sales/Leasing Center (All possible points)

12. Number of sales/leasing representatives (Y or N) _____

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As to what happens during a shopping assignment, it generally goes like this:

- Shopper is assigned to “phone shop” and or “visit” a subject property or sales center (performing both evaluations is called a full or complete shop), using the Standard Shopping Report or client information needed is the property name, address, telephone number, and reflecting today’s marketplace, its Web site. If a particular person on-site in the Information/Sales Center is targeted, that

should be made clear as well.

- Shopper closets him or herself in a quiet room to perform the “phone shop” portion of the assignment... unless the call is to a family property, then it’s a plus to have children playing and talking in the background. Otherwise, a quiet environment makes the shopper’s job easier and enhances accuracy. The telephone evaluation is completed and results recorded on the appropriate section of the form.
- Shopper travels to the property or Sales/Leasing Center using travel directions provided during telephone evaluation portion of the shopping process. Once on-site, shopper drives most of the streets to “get a feel” for the property, identifies a couple items “to object to” (e.g. dogs running loose, loose trash, etc.) during the upcoming interview.
- Shopper visits Sales/Leasing Center and presents him or herself to the leasing/

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MYSTERY SHOPPING

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sales consultant. If consultant appears to expect shopper to carry the conversation, by asking leading questions, the interview should be very short. If consultant “qualifies” prospect, practices benefit-selling, and offers to demonstrate product (i.e. show vacant apartment units, visit display homes), shopper participates willingly and enthusiastically, noting performance pluses and negatives along the way. Most professional shoppers, at the conclusion of the on-site interview, will re-drive the property, taking photographs of marketing shortfalls (lax curb appeal), rules violations (cars with flat tires or no license plates), resident relations indicators (For Sale signs on front yards), and deferred maintenance (pot holes, faded signs).

- At conclusion of shopping assignment, shopper completes all information on the Standard Shopping Report or corporate version, arrives at some sort of score, and often prepares a covering memorandum

narrative describing the overall shopping visit. Its good form to begin all portions of the report (e.g. phone results & on-site visit experiences) with rendition of positive performance encountered, followed by recitation of sales/leasing shortfalls needing attention, discussion, and or training.

In addition to the narrative, color photographs, and any literature provided on-site, plus a copy of the completed shopping report, become attachments to the narrative report.

When are multifamily residential properties shopped? In short, whenever needed! But a more considered answer, when planning to use this performance evaluation tool over time, is this approach:

- Mystery shop, by phone alone or a complete shop, expecting poor to marginal performance overall. Doing this establishes individual property (sales center) base scores that should, after follow-up training, only improve with supervision and re-shopping. Or, this step can be omitted altogether, and begin the process with sales/leasing training.
- Provide, when and where possible,

team training in sales and leasing, with the goal of teaching “how to do it right” (according to company policies and procedures). Trainer must be very capable, experienced and motivated in sales/leasing skills! As training concludes, make it clear that a complete “shop” of all properties and or sales centers will occur during next 30 to 60 days, and low shopping scores will not be tolerated. In fact, the mindset should be to treat every incoming call and every visit, from this time forward, as a shopper—because they are!

- Re-shop, by phone, within next 30 days. Counsel sales/leasing consultants concerning results. Reward them for positive, improved performance! Re-train as necessary.
- Re-shop, in complete fashion, near the end of the 60-day period. Again, counsel for improved performance, reward stellar performance! Re-train as necessary.
- Continue to re-shop, as appropriate, keeping pressure on to inculcate excellent performance both on the telephone and during on-site interviews with prospective buyers and renters!

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This drill has been used successfully, over the years, by companies once well-known in the land-lease manufactured home community business, e.g. Florida communities, and CWS communities.

Where does mystery shopping occur? That should be obvious by now: anywhere and at anytime, on just the telephone and or in conjunction with personal visits to properties, information centers, and sales/leasing centers. Mystery shopping occurs in all forms of multifamily rental properties, including conventional and subsidized apartments, condominium, and land-lease communities, as well at all sorts of home sales centers.

How much does mystery shopping cost? Well, there's often a very wide range, from the generally low cost of having a friend or volunteer do the shopping, to a professional shopper who'll charge something in the neighborhood of \$500.00 per property for a 'complete shop', plus reimbursement for travel expenses; and maybe \$50 to 100 per phone shop. Most professional shoppers will discount their fee if able to visit three to five properties during one day.

All mystery shoppers have humorous stories to tell about their assignments. Melinda Brody shared this one from Orlando. "We visited a seasoned sales rep who was a local award winner. He was very energetic, and as he was showing the backyard of a home, he fell into the swimming pool! What was amazing is that he continued his sales presentation without missing a beat. Our builder client usually gives cash rewards for good shopping reports. In this instance, the sales rep was given a new set of goggles and flippers!"

Are you presently using mystery shopping as an integral part of your leasing and sales training and performance evaluation regimen? You should be! You'll benefit from the results. ■

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