

Why Mystery shopping adds value in Build to Rent

According to the Collins dictionary, a mystery shopper *...is someone hired to pose as a customer and report on the quality of service received and how well a store or chain of stores is being run. The person poses as a normal customer and is given a specific task, such as purchasing a particular product or asking certain questions.*

Brand loyalty in BTR does not necessarily mean having the best price, but to consistently fulfil and exceed tenant expectations. Staying connected to the customer experience all the time is difficult, however being consistent in the delivery of standards and services is key to keeping your tenants engaged and enthusiastic about your brand.

Why would a Mystery Shop add value in Build to Rent?

In a lot of buildings tenants encounter a staffed lobby managing amenity areas throughout the building. Contrary to hotels or retail organisations, not all buildings have an on-site management level present all the time. So, how do you know that all your standards are used in customer interactions?

A mystery shop will assist landlords to evaluate how well the standards are executed and how the site team interacts with tenants and prospect tenants. An audit will get you a measurable and actionable plan to improve services where and when needed whilst having the customer experience front and centre.

What are Mystery Shopping Benefits?

1. Increase Efficiency:

Mystery shopping can be used to monitor and measure service performance and to see if standards are met. Currently, that responsibility might fall to individual site managers, but they might be so familiar with their buildings that blind spots have formed. The audit allows you to get the big picture as well as the individual performance of your employees. The report is the start for driving operational efficiencies through training, re-alignment or added standards etc.

2. Helps you to get feedback from the customer's perspective:

Use mystery shopping programs to get reliable, specific and quality feedback from a tenant/prospect tenant point of view. This can help highlight specific areas you might want to test, such as experience, satisfaction, and brand perception. It helps to tackle "blind spots" of on-site management as this happens after longer periods of service.

3. Gives you feedback about team performance:

Is the staff professional, has product knowledge and cares about the customer? Are they dressed properly? Do they take care of public areas? Did the staff acknowledge

the customer entering the building by smiling, greeting, or was the customer ignored? And so on!

Shows you how your employees act when managers are not around. Are the lobby and amenity areas kept clean when no manager is around? Are employees using their mobile phones in front of the customers, are standards and legal requirements met?

4. Monitors facility conditions as perceived by the customer:

Is the environment of the building neat? Is the landscaping in and around the building appealing? In what condition is the show apartment? Mystery shopping programs are all about answering these types of questions, specifically aimed at the needs and issues faced by the residential industry.

5. Tests the functionality of internal procedures and SOPs:

Sometimes, businesses implement top-down standards and procedures that may not have the desired effect when they reach individual building level. One of the mystery shopping benefits for BTR is that businesses can use mystery shopping to test how new operational procedures actually work – or, indeed if they work at all – at the building-level.

6. Serves as a motivational tool for your employees:

Using incentives and reward programs as part of a good mystery shopping program can ensure positive employee relationships on the frontline. Managers can use a range of KPI's fuelled by the audit for staff motivation, learning and development.

7. Makes your employees aware of what is important in serving customers:

When mystery shoppers come into the building, they act like real customers. They are trained to ask specific questions and look for certain things in behaviour, products, and the building itself. The simple act of having someone ask those questions – and later, be able to highlight the areas in need of improvement in the next store meeting, for example – can help employees become aware of how the customer wants to be serviced. Roleplaying as post-audit review might add an element of fun and learning.

8. Benchmark within the organisation or with competitors:

Competition in the BTR industry is intense. Knowing how the competition performs, what they are doing, what behaviour is towards customers can help you find out where you stand and can help you improve! This allows you also to benchmark internally with properties – opening further opportunities regarding motivation, rewards and development of your teams.

9. Identifying training needs:

All the above elements can lead to an awareness of areas that need improvement, particularly in staff training. How can we become more efficient? How could the

employee be of more help to the customer? This then enforces employee integrity and knowledge, will help to retain your team for longer.

10. Improved Tenant Retention:

Every mystery audit benefit leads to the super benefit: Tenant Retention. Every improvement you make in your business because of the actionable insights gained from a mystery shopping program leads to better tenant service, which, in turn will lead to prospect tenants choosing your company over the competition as well as attracting new tenants.

Conclusion

The tangible elements of your customer service such as delivery-as-promised are not too difficult to measure and to correct if required. It is the intangible elements which are more tricky - but it is these which are most important to your customers. Elements such as:

- How the service they received compared with the service they expected.
- How much they trust you and your product.
- How your customer service compares with that of your competitors.
- How much loyalty they feel towards you because of their last transaction.
- How much they feel you value them as a customer.
- How much they feel they are treated like an individual person.

If you think your business needs more customers to have higher profit, you might miss a trick! You need your customers to stay/return. Auditing your sites to improve processes and how your tenants experience your brand will help increasing their life-time value for your organisation and convert them into brand ambassadors. You will have a more engaged community and your team will be more energised!

Contact MORICON at info@moricon.net to discuss how a bespoke mystery shopping audit can benefit your business!



Sebastian has more than 25 years of global luxury hospitality and customer service experience. He worked in senior management roles on three continents with a variety of hotel companies, including Fairmont Hotels and Resorts, Intercontinental, The Hazelton Hotel Toronto and Shangri-La Hotels.

His residential experience covers senior management roles at [One Hyde Park Residences](#) (Mandarin Oriental Group), [Ten Trinity Residences](#) (now Four Seasons Hotels) and [Belgravia Gate](#), before founding MORICON Consultants. He consulted [Lodha Group UK](#) on their three London projects – Lincoln Square, No. 1 Grosvenor Square and Kensington Odeon with a combined sales value of £ 1.6B and provided strategic advice for the [Amaala Project](#) in Saudi Arabia, a new super-prime resort destination at the coast of the Red Sea.

Professionally educated in Switzerland, he holds an MBA from Henley Management College. Sebastian has Member status at IRPM and Assoc. RICS and achieved Level 4 BTR Accreditation from IRPM.

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