



Customer Service in Hungary

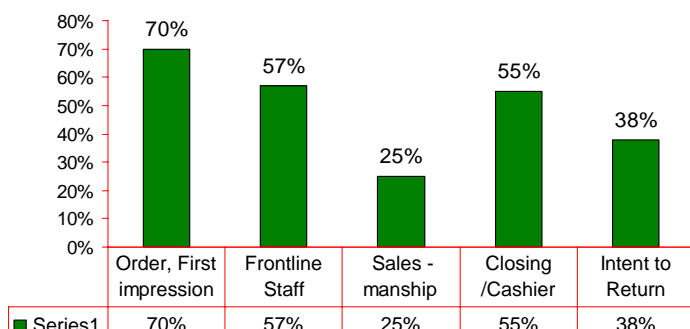
basics

Since its existence Phantom Shopping has been analyzing the Hungarian Marketplace. The aim of such analysis was to determine the average level of Customer Service locally. The ongoing survey took on the following parameters up to March 2007:

- Survey Method: Mystery Shopping
- Industries measured: , Gas stations, Car dealerships, Banks, Insurance, Telecom units, Retail units of FMCG, DIY, Textile, Furniture, and Hypermarkets
- Testing 3 leading players of each industry
- Pursuing 30 Mystery Shops at each company in independent units
- Meaning a total of 900 detailed onsite evaluations
- Measuring general Key Performance Indicators (KPIs): Order/First Impression, Frontline Staff, Salesmanship, Closing/Cashier, Intent to Return
- Each KPI consisted of 8 key points resulting in a 40 question shopping report

Mystery Shoppers visited business units of the targeted companies and proceeded as an ordinary customer. They were to test their first impression, including order, cleanliness, guest greeting as well as other factors. It was essential to establish contact with a frontline employee to test customer service. Both implicit (kindness, readiness, enthusiasm) and explicit (service received in all, correctness of information given, suggestive selling) were measured. In the closing of the sales procedure thanking the purchase, far wells, invitation for another visit...etc. were in focus. Based on the experience in that unit solely shoppers answered questions, which determine their willingness to return.

The following chart demonstrates the average results drawn from empirical data.



The 2007 IASE conference in Budapest is slowly approaching. October will be here before we know it. As the scene will be the capital of Hungary, it is useful for us to look into the main focus of Mystery Shopping locally. Let's find out!

facts

The processed data showed that each industry appears to have its own strengths and weaknesses. Each would deserve its own KPI diagram. Nevertheless for the time being this article focuses on the market average.

It can clearly be seen that order and first impression are relatively high. This can be explained by the fact that a vast portion of tested business units were those of modern multinational organizations. However, many shoppers reported that they were not greeted, in spite of an established eye contact with frontline staff.

Frontline staff showed high variance from very customer oriented behavior to negligence and attempts to entirely avoid customer contact. Still, the average level of staff willingness indicates that a customer will anticipate negligent service in almost one half of the cases.

Salesmanship is the area, in which the Hungarian market has enormous unexploited opportunities. As the diagram indicates, 3 out of 4 frontline employees do not sell. Suggestive selling (making recommendations, up selling by offering related products/services, substitute products, high margin products...etc.) aims at having the customer arriving to a purchase decision. In Hungary staff mostly goes as far as providing information and no further.

Closing the sales procedure, meaning either a cashier or the person tested in the frontline staff KPI, also has notable room for development.

conclusion

Based on their purchase experiences, barely more than one third of the shoppers tend to become a loyal customer of the given unit or company. This may seem odd at first, since frontline staff and the closing are higher.

We were curious to find out the underlying reason and set the shoppers down in a focus group. Shoppers reported that in most of the cases the number of offered products and services is too high to see through. Thus they need the help of frontline staff to narrow it down, simply by recommending. Otherwise buyers become reluctant to make a purchasing decision or become a regular customer.

B I N G O ! In other words, suggestive selling is not only the interest of companies who want to sell more, but a specific need of buyers. Therefore, the direction in Hungary for the following years is improving Customer Service, boosting Salesmanship, thereby increasing loyalty and revenues.