

Mystery Shopping: A Tool for the Evaluation of Service Quality in the Nigerian Deposit Money Banks (DMBs)

Olufemi Olumayowa Oni¹, Olusegun Opeyemi Oni^{2, *}, Tolulope Modupe Oni³

¹National Agency for Science and Engineering Infrastructure, Procurement Department (PD), Abuja, Nigeria

²Agricultural and Rural Management Training Institute (ARMTI), Agricultural Department Management (ADEM), Ilorin, Kwara State, Nigeria

³First Bank of Nigeria Ltd, Banking Services Department (BSD), 35 Marina Lagos, Nigeria

Abstract

Mystery shopping is a marketing research tool often used to gather unbiased information for the evaluation of service quality to customers by the management of business organizations. This study therefore, examined the adoption of Mystery Shopping (MS) as a tool for the evaluation of service quality in the Nigerian Deposit Money Banks (DMBs). A survey technique through the use of a well-structured questionnaire was adopted using percentages and spearman rank correlation analysis. The results show that mystery shopping tool is used in Nigerian banks and that the application is associated with stress and anxiety for the employees. However, bank employees still considered the experience as being motivational. The result also revealed that mystery shopping has a significant relationship with quality service delivery in Nigerian Deposit Money Banks (DMBs). The study therefore recommends among others that since mystery shopping is one way of gathering service quality information, it should be used alongside other intelligence gathering methods such as complaints analyses and satisfaction surveys so as to allow factually based management decision-making.

Keywords

Mystery Shopping Tool, Nigerian Deposit Money Banks, Quality Service Delivery, Performance Appraisal

Received: July 5, 2015 / Accepted: July 18, 2015 / Published online: August 2, 2015

@ 2015 The Authors. Published by American Institute of Science. This Open Access article is under the CC BY-NC license.

<http://creativecommons.org/licenses/by-nc/4.0/>

1. Introduction

1.1. Background of the Study

Customers are becoming more and more important in today's competitive business environment. All organization circles around customers - every business is all about the customers at the end point that is why the measurement and evaluation of the attention given to them should be of very great importance. All organizations usually measure performance to some point. To measure employee's performance is an integral part of managing both financial resources and program outcomes because employees' performance or the lack of it has an intense effect on both the financial and

program components of any organization. Boxall (1996) confirms the link between the performances of the organization with that of the individual. With the advent of market globalization and subsequent increased competition on the global world market, organizations are becoming increasingly pressured to increase productivity and reduce costs. In accomplishing this, most organizations measures employees' performance by using performance appraisal systems. Evaluating customer satisfaction is a tool commonly used and also stimulated by the most recent type of the quality systems requirements, in line with the ISO 9000 series quality systems standard (ISO 9001:2000). Another

* Corresponding author

E-mail address: peace.4.king@gmail.com (O. O. Oni), segunooni@gmail.com (O. O. Oni), tolulope1ng@yahoo.com (T. M. Oni)

very important and better accurate and evidence based approach of measuring the quality of the service delivery is by making use of mystery shoppers (MS).

In the past, profit and loss ledgers, reduction reports, traffic counts, and conversion rates are essential in decision making in virtually every business. However, these statements only mirror what has been happening in the business. On the other hand, mystery shopping reports will help to know why the business is performing the way it is. A mystery shopper is a skilled person who behaves as normal customers but is specifically observing what is going well and what can be improved in the service process in relation to the organizations laydown standard and polices putting the customers into consideration. That is the measuring of both the tangible and intangible elements of customer service.

1.2. Statement of the Research Problem

Evidence has shown that the banking business in Nigeria has undergone several transformations. In fact, the increased deregulation and liberalization of the business and their structural changes are unavoidable as this had made them to respond adequately to the fast changing and increasingly competitive business in order to survive. The consolidation of the banking system in Nigeria which was completed in 2005 resulted in increased growth in the banking sector. Banks expanded very rapidly, raising large amounts of new capital and attracting large volumes of new deposits (Adah, 2012) Therefore, as consolidation expectations on the part of the banks increased, it brought about benefits from synergies of human, material resources, and information technology. Consequently, service delivery expectation among the banks has further increased competition. Customers now seek excellent service delivery to make deposits, process transfers, make withdrawals through the use of debit/credit cards (e-channels), open accounts, and apply for loans.

Therefore, to enhance awareness among branch personnel and reinvigorate performance, many banks in Nigeria have introduced the Mystery Shopping (MS) tool. This is used to track both emotional and technical attributes exhibited by service operators in delivering excellent service to customers. Mystery shopping attributes range from eye contact, greeting, and attention to product knowledge. The metrics are mostly recorded on a monthly basis, while they are used from quarter to quarter in a financial year. This study therefore, examines the adoption of Mystery Shopping (MS) as a tool for the evaluation of service quality to customers by the Deposit Money Banks (DMBs) in Nigeria.

1.3. Research Questions

In the light of the above stated problems, the following research questions were raised:

- i) What effect does Mystery Shopping Tool have on banks employee in Nigeria?
- ii) To what extent does the application of Mystery Shopping Tool affect quality of service delivery by bank employees in Nigeria?

1.4. Objectives of the Study

The main objective of this study is to examine Mystery Shopping (MS) as a tool for the evaluation of service quality in the Nigerian Deposit Money Banks. Specifically, the study intends to:

- i) determine the effect of Mystery shopping tool on bank employees in Nigeria.
- ii) examine the extent to which the application of Mystery Shopping tool affects quality of service delivery by bank employees in Nigeria.

1.5. Justification for the Study

Many research works have been conducted on the effects of Mystery shopping in business organisations and banks such as Priyanka and Gaurav 2014; Yung-Lung and Shih-Chieh 2013; Claudia, Paola and Ioannis 2012; Radoslav and Miriam 2010; Kallol 2009; Dorman, 1994; Erstad, 1998; Wilson and Gutmann, 1998 and so on. However, within the scope of the research, it was observed that no previous studies as been carried out in Africa on the effects of Mystery Shopping on bank employees' performance. In view of this, the work tries to fill this gap by investigating the effects of Mystery Shopping on banks employees' performance in the Nigerian banking industry.

The result from this work will be of assistance to Managers of Deposit Money Banks in Nigeria as it will enable them to have a better understanding of the effects of Mystery Shopping on their employees. Also, knowledge of these findings would be helpful to other stakeholders such as the Central Bank of Nigeria, bankers association, government and other financial authorities in taking a proactive decision on the adoptions of Mystery shopping strategies in obtaining information that could be relevant in formulating on-going supervisory policies and monitoring of Nigerian banks. This could also be useful in the public sector management specifically for employee's evaluation. Finally, the study will add to the existing and growing literatures on the effects of Mystery Shopping on bank employees' performance which will also serve as reference for future researchers interested in the subject matter.

1.6. Plan of the Study

With the introductory section, this study is presented in five sections: section two reviews various literatures relating to

effects of Mystery Shopping Tool (MST) on bank employees' performance, section three deals with data, sampling and methodology applied in the study, section four provides results of the empirical research together with its discussion, while section five brings up conclusion and recommendations of the study.

2. Literature Review

2.1. Conceptual Framework

Mystery shopping is a measure of customer's perception, but the perception measurement is done covertly (Calvert, 2005). Mystery customer programmes and peer appraisal are some of the traditional methods utilized by management to try and gauge the quality of their service delivery processes and people. Management clearly recognizes that the service delivery process is important in relation to customer satisfaction (Wilson, 2000). Mystery shopping can be used for measuring the quality of service delivery to the customer.

2.1.1. Mystery Shopping Concept and Process

Mystery shoppers perform specific tasks such as asking questions, registering complaints, purchasing a product or behaving in a certain way, and as a result of that provide detailed reports or feedback about their experiences. Mystery shopping or a mystery consumer or secret shopper, is a special tool used externally by market research companies, banks, watchdog establishments, or internally by companies themselves to measure the worthiness of service, or compliance with regulation, or to gather explicit information about products and services. Basically, the mystery shopper's specific identity and purpose is generally not known by the establishment being evaluated. Therefore, the basic function of most mystery shopping service providers is to help businesses to design, implement and evaluate mystery shopping programs, as well as coordinate the task of mystery shoppers (Newhouse 2004).

2.1.2. Mystery Shopper Instrument

A successful mystery shop programme should include easy administration, skilled design, advanced technology, and importantly, first rated shoppers. Mystery shopping concept revolves around its instrument i.e. its trained professionals also termed as mystery shopping auditors. These auditors must watch each points of interest of the shopping standard to get an understanding of the experience created. (Singh and Verma, 2014).

2.1.3. Performance Appraisal

Employees want to know how well they are performing and are interested in getting feedback to ensure that they work

towards goals of the commerce. The assessment of employees' helps the business to grow, fill in vacant position, and prepare employees for training and development. Performance assessment is a process within the overall performance management process (Dowling *et al.*, 1999), and is defined as "the evaluation of an individual's work performance in order to arrive at objective personnel decisions" (Robbins *et al.*, 2000).

2.1.4. Quality Service Delivery

Service quality can be seen as the difference between customer's expectations for the service encounter and the perceptions of the service acknowledged. According to the service quality theory Oliver, (1980) cited in (Jayaraman, Shankar and Hor Wai, 2010), it is predicted that customers will judge that quality as 'low' if performance does not meet their expectations and quality as 'high' when performance exceeds expectations.

In recent time expectations from the service delivery perspective have increased competition among the banks in Nigeria. The fact, that customers now seek better service delivery has created awareness among branch personnel to reinvigorate excellent service delivery performance. Recently, many banks in Nigeria have introduced the mystery shopping tool to track both emotional and technical attributes exhibited by service operators in delivering excellent service to their customers. Mystery shopping metrics address attributes ranging from product knowledge, queue management, staff attitude/conduct, branch ambience, staff communication skills and greetings culture among others.

2.2. Theoretical Background

The theoretical framework adopted for the analysis of this study is drawn from the Two Factors theory of motivation. According to Herzberg, Mausner, & Snyderman, (1959), motivation was categorized into two factors: motivators or intrinsic factor and hygienic or extrinsic factors. Motivator or intrinsic factors, such as achievement and acknowledgment, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, yield job dissatisfaction.

The assumptions of the theory are that need satisfaction and motivational effects of satisfactions are embedded on intrinsic and extrinsic factors. The intrinsic factors are tagged motivators or satisfiers and involve elements like recognition, work itself (achievements), responsibility and individual growth. Conversely, the extrinsic factors called dissatisfiers or hygiene factors involve salary (money), organizational policy, promotion, supervisor-subordinate relationship and working condition. These are seen as having almost no impact in improving job satisfaction hence they motivate insignificantly.

However, the presence of the satisfiers motivates the staff and vice versa while the presence of dissatisfiers neither decrease motivation nor increase it, but may affect staff job satisfaction (Onwuchekwa, 1995). The theory is adopted because it is able to capture the scenario in an organization such as banks where money reward is prevalent.

2.3. Empirical Studies

Even though some research have been conducted on mystery shopping in other parts of the world, however, within the scope of the research almost zero paper has been published in Africa on the subject of mystery shopping. The search on electronic databases moreover, gives some results from other countries outside Africa. These publications are considered based on the country of publication.

In India, Priyanka and Gaurav (2014) in their paper titled "mystery shopping: measurement tool for customer intelligence management" applied an exploratory research to identify the concept of customer intelligence management and requirement of trained mystery shop auditors to tap the customer intelligence. They further discussed the ethical code for this measurement tool and discuss the implications for marketing practitioners by identifying the considerations for evaluating and managing customer-intelligence management.

Also in India, Kallol (2009), in his own paper titled "mystery shopping: A marketing research tool to measure customer satisfaction, pointed out that customer satisfaction is simply not ensured by carrying out good practices to satisfy customers but it is actually ensured by gathering unbiased information about the level of customer satisfaction. The paper focused on determining the applicability of the concept.

In Netherlands Ton, Martin, and Jos, (2005) wrote on *Mystery Shopping: A Tool to Develop Insight into Customer Service Provision*. He applied a case study of a service company in Netherlands. A temporary employment agency was used to illustrate the way to service excellence as an organizational change process. The case supports the need for an extensive focus on measurements in order to be able to monitor and to direct organizational changes. He opined that even though customer satisfaction data based on surveys are needed nevertheless, they will not be sufficient for continuing the change process over time. To accomplish that, other measurements, such as mystery shopping, may provide more stimuli to change. He argued that mystery shopping can be a useful instrument in addition to the more often-used survey methods.

Furthermore, Scott and Joanna (2010), designed an Importance Performance Analysis (IPA) technique to augment traditional mystery shopping. The study contrasted real experience information and what mystery shoppers had

expected, in two diverse example populaces, (Poland and the United States). The paper was empirical and involved data from 200 restaurant visits in Poland and the United States. The findings indicated that in two different cultural settings mystery shopping can be enhanced by integrating the IPA, thus providing hospitality businesses with a practical and easy to use technique to improve quality assurance.

In Greece, Claudia, Paola and Ioannis (2012) in their paper "Monitoring and Improving Greek Banking Services Using Bayesian Networks: an Analysis of Mystery Shopping Data. The data was analysed from mystery shopping surveys via Bayesian Networks in order to examine and evaluate the quality of service offered by the loan departments of Greek banks. They used mystery shopping visits to collect information about loan products and services in order to evaluate the customer satisfaction and plan improvement strategies that could assist Banks to reach their internal standards. They concluded that Bayesian Networks could be used to provide a pictorial representation of the dependence structure between the characteristics of interest. It can also be used to evaluate, interpret and understand the effects of possible improvement strategies.

In the Republic of Ireland, Wilson, (2001) wrote on *Mystery shopping: Using deception to measure service performance*. He built on an earlier model of service management developed by the London Business School and Warwick Business School in the UK. This extended model engage two composite performance indexes as moderator variables. A survey of 438 service organisations in the Republic of Ireland using a loglinear model was applied to analyse the data. He established that the relationship between listening practices and service performance is much more important for the sophisticated task technology sector and that competitive intensity has a very minor interactive effect on the relationship. The outcomes of the survey mirror recent empirical research in market orientation and organisational learning.

In Slovakia, Radoslav and Miriam (2010) also in their paper "Mystery Shopping – The Tool of Employee Communication Skills Evaluation" Mystery shopping is a tool often used for evaluation of providing services quality. It is also a tool, which enables one to examine and evaluate communication skills of employees in order to identify their weakness and define the way of improvement. They believed that this process is crucial for the market environment as it enables customer's loyalty and trust to be gained. Slovak Post starts a pilot project called "Mystery Customer" was used to generate the findings.

In China, Yung-Lung and Shih-Chieh (2013) examined how

the application of Mystery shopping has improved the customer experience quality and business performance. The study aimed to improve the quality of the customers' experience of Chinese restaurants through the mystery shopper service, which will boost customers' satisfaction and repurchases as well as business performance. Thus, the study conducted case study on Formosa Chang Restaurant which the enterprise operation and management was ranked first in Taiwan by IMD 2012 reports. The research found that the approach of using customers with unpleasant experiences as mystery shoppers could effectively resolve Chinese customers' reluctance to tell service providers about their personal experiences so that the companies could introduce valid methods in order to improve quality of customer experience across the board.

Research on the determination of the reliability of Mystery Shopping result have also been carried out by Wilson (1998a and 1998b) using an exploratory research in the measurement and management of the service delivery procedures, and leading to conclusions in relation to the reliability of the technique. Also Morrison et al (1997) studied the reliability of mystery shopping results based on cognitive psychology. Finally, Finn (2001) also described research in retail chains by focusing on the quality of mystery shopping data and the number of visits needed.

3. Methodology

3.1. Research Design and Sampling Technique

For the purpose of this study, the researcher has recognized the problems, formulated the research questions and hypothesis. Survey research design through the use of structured questionnaire is adopted. The target population of the study is all the licensed Deposit Money Banks in Nigeria represented by their branches. There are twenty (21) Deposit Money Banks in Nigeria as at December, 2014 with more than two thousand branches spread across the country. The head offices of these commercial banks are located in Lagos, the nation's commercial city. However, since the idea of mystery shopping is focused on the branch performance evaluation and any attempt to cover this group of interest will result in considerable expenditure of time, money and effort. Hence, Deposit Money Bank branches in Ilorin, a state capital in one of the Thirty six states in Nigeria was considered for the study. This is because almost all the banks have their branches in Ilorin. It is equally worthy of note that activities carried out in the branches in Ilorin are the same with the activities in other branches found in other locations all over the country, since the same banking and operational policies are applicable

bank wide. It is therefore, safe to assume that survey conducted in Ilorin branches is a true representation of activities of branches in other locations in Nigeria.

Thus, selection of sample was based on simple random selection and a total number of 17 banks representing about 80.9% were considered for the study. The seventeen (17) selected banks were: Union Bank Plc, Access Bank Nig. Plc, Ecobank Nigeria Plc, United Bank for Africa Plc, First Bank of Nigeria Ltd, Enterprise Bank Ltd, First City Monument Bank plc, Mainstreet Bank Ltd, Fidelity bank Plc, Keystone Bank plc, Guaranty Trust Bank Plc, Unity Bank plc, Sterling Bank Plc, Stanbic IBTC Bank Plc, Skye Bank Plc, Zenith Bank Plc and Guaranty Trust Bank Plc.

A total of 170 questionnaires were distributed to each of the 10 staff selected in each of the 17 banks. The 10 officials from each of 17 selected banks comprises of 2 top management staff, 4 middle management staff and, 4 junior staff randomly. To ensure the validity and the reliability of the questionnaire used for the study, two experts were consulted to study its contents in relation to its ability to achieve the stated objectives of the research, the level of coverage, how logical and suitable they are for the prospective respondents. A total of 150 questionnaires were returned by the respondents representing 88.23% success rate.

3.2. Methods of Data Analysis and Analytical Technique

The data collected from the questionnaire were analysed, summarized and interpreted according to the aid of descriptive statistical techniques and spearman rank correlation analysis. The spearman rank correlation analysis was used to measure the relationships existing between the adoption of Mystery Shopping Tool (MST) and employees service quality delivery. In addition, Statistical Package for Social Sciences (SPSS) version 16 was adopted in the analysis of the study.

4. Analysis and Interpretation of Results

4.1. Profile of Respondents

Table 4.1 below revealed that most of the questionnaire respondents were Relationship Managers and Customer Service officers representing 26% and 24% respectively of the total respondents. The loan officers represent 12.66% of the respondents while the Teller Officers represented 11.34%. The Fund Transfer Officer represented 19.34% of the respondents while others were 6.66%.

Table 4.1. Working Position of Respondents.

Current Role	Frequency	Percent
Customer Service Officers	36	24
Relationship Managers	39	26
Loan Officers	19	12.66
Tellers	17	11.34
Funds Transfer Officers	29	19.34
Others	10	6.66
Total	150	100

Source: Authors' Computation, 2015.

Table 4.2. Educational Qualification of Respondents.

Qualifications	Frequency	Percent
Phd	1	0.66
M.Sc /MBA	25	16.66
B.Sc /HND	59	39.33
NCE/OND	60	40
Others	5	3.35
Total	150	100

Source: Authors' Computation, 2015

With respect to the respondents academic qualifications, table 4.2 revealed that 39.33 percent of the respondents hold B.Sc/HND certificates 16.66 percent of the respondents hold M.Sc/MBA certificates. The survey also reveals that 40 percent of the respondents hold NCE/OND certificates while only a participant representing 0.66 percent of the respondents hold a Phd certificate. Other forms of certificates represent 3.3 percent of the respondents. This shows that the

Table 4.4. Responses on the Effects of Mystery Shopping Tool on Bank Employees.

Questions	SA	A	U	D	SD	Total
Employees are aware that their banks use Mystery Shoppers in Nigeria	90%	6%	2%	2%	0	100%
The use of Mystery Shoppers cause bank employees stress or anxiety in Nigeria	70%	10%	1%	10%	9%	100%
Bank employees are aware of the criteria against which a Mystery Shopper will assess their performance	85%	12%	0	3%	0%	100%
Bank employees in Nigeria have access to Mystery Shopping reports regularly for performance evaluation	93%	5%	1%	1%	0%	100%
Bank employee usually have stress and anxiety during the publication of Mystery Shopping reports	50%	39%	1%	6%	4%	100%
Mystery Shoppers reports are used in rewarding bank employees in Nigeria	5%	0%	0%	40%	55%	100%
Mystery Shoppers reports are used to discipline bank employees in Nigeria	80%	8%	0%	7%	5%	100%
Bank employee in Nigeria , considered Mystery Shopping good reports as a motivating experience	70%	22%	0%	1%	7%	100%
Through Mystery Shopping reports training needs of bank employees have been identified	60%	7%	10%	13%	10%	100%

Source: Authors' Field Study, 2015

Table 4.4 above revealed that vast majority of bank staff in Nigeria (96%) were aware that Mystery Shoppers were employed to evaluate individual and branch performance. However, only (2%) were undecided and strongly disagree. A total of (80%) of respondents that strongly agreed (70%) and agreed (10%) stated that the use of mystery shoppers by the banks was a source of stress and anxiety for the banks employees while (1%) were undecided, (10%) disagree and only (9%) of the respondent strongly disagreed.

Furthermore, majority of the respondents (97%) strongly agreed (85%) and agreed (12%), are aware of the criteria against which a mystery shopper will assess their performance

respondents possess the least education exposure required to reasonably provide answers to questionnaire items.

The working experience of the respondents is indicated in table 4.3 below. Majority of the respondents have been with the bank for more than 1 year as only 6 participants representing 4% has recently join the banks. This shows that most of the participants are familiar with the issue of Mystery shopping in Banks.

Table 4.3. Banking Experiences of Respondents.

Number of years	Frequency	Percent
< 6 Months	6	4
1-5 years	35	23.34
6 – 10 years	48	32
11 – 20 years	49	32.66
21 years and above	12	8
Total	150	100

Source: Authors' Computation, 2015

4.2. The Effects of Mystery Shopping Tool on Bank Employees

Table 4.4 below revealed the effects of Mystery Shopping tool on bank employees. Key to responses: SA = Strongly Agree, A = Agree, U = Undecided, D = Disagree, SD = Strongly Disagree.

and only (3%) disagreed. The findings also showed that an aggregate total of (98%) of the respondents with (93%) strongly agree and (5%) agree believed that nearly all bank employees in Nigeria have access to the published mystery shoppers report while only 1% was undecided and disagreed. The findings also revealed that 89% of respondents strongly agree (50%) and agree (38%) that publication of mystery shopping reports was another cause of stress and anxiety for bank employee performance while 1% was undecided, 4% and 6% were disagree and strongly disagree respectively. However, majority of the respondents (95%) disagreed (40%) and strongly disagree (55%) that mystery shopping report is been used as the bases of reward and only (5%) were

strongly agreed that mystery shopping report is used for reward.

Conversely, majority of the respondents (88%) strongly agree (80%) and agree (8%) that mystery shopping report that are not satisfactory are used as a disciplinary measure for bank employees in Nigeria while only 7% and 5% are disagree and strongly disagree. However, (92%) of the respondents strongly agree and agree that the linking of a good report acted as a motivator for greater performance. Finally, 67% of respondents strongly agree (60%) and agree (7%) that based on a Mystery shoppers report, training needs had been identified for bank employees in Nigerian banks while (10%) were undecided and (13%) and (10%) disagree and strongly disagree respectively.

4.3. Presentation of the Spearman Correlation on the Effects of Mystery Shoppers on Employees' Quality Service Delivery

The second research question states that "to what extent does the application of Mystery Shopping tool affects service quality delivery by bank employees in Nigeria?. The following null hypotheses intend to answer the research questions:

- i) HO₁: There is no significant relationship between the application of mystery shopping tool and bank staff product knowledge (BSPK) in Nigerian banks.
- ii) HO₂: There is no significant relationship between the application of mystery shopping tool and bank queue management (BQM) in Nigerian banks.

iii) HO₃: There is no significant relationship between the application of mystery shopping tool and bank staff attitude/conduct (BSA) in Nigerian banks.

iv) HO₄: There is no significant relationship between the application of mystery shopping tool and Bank Staff Communication Skills (BSC) in Nigerian banks.

Spearman rank correlation method of analysis was adopted to establish the significant relationships between the dependent variable (application of mystery shopping) and independent variables (quality service delivery variables). However, a preliminary analysis of reliability test was first of all introduced to determine the reliability and internal consistency between the items of questionnaire adopted as the dependent and independent variables in the study.

4.4. Test of Reliability of Constructs on the Effects of Mystery Shoppers on Employees Service Delivery

In order to determine the reliability and internal consistency between the items of the questionnaire used in the study, cronbach's alpha test was carried out. According to Pallant (2005), a scale with a Cronbach's alpha higher than 0.7 is required in order to create a reliable construct of multiple variables. Therefore, the four independent variables used in measuring service delivery and the construct of the dependent variable were tested. One can see from Table 4.5 that the cronbach's alpha for all four independent variables were 0.87, 0.98, 0.82 and 0.79 while the dependent variable shows 0.88 which are good scores.

Table 4.5. Cronbach's Alpha Test.

Variables	Cronbach's Alpha	No of Items
Application of Mystery Shopping in Banks (Dependent Variable)	0.88	5
Mystery Shopping and Product Knowledge (Independent Variable)	0.87	4
Mystery Shopping and Queue Management (Independent Variable)	0.98	4
Mystery Shopping and Staff Attitude/ Conduct (Independent Variable)	0.82	4
Mystery Shopping and Staff Communication Skills (Independent Variable)	0.79	4

Source: Authors' computation, 2015.

4.4.1. Hypothesis Testing

Spearman correlation analysis was applied to establish the relationship between the application of Mystery Shopping Tools and service delivery i.e. Bank Staff Product Knowledge, Bank Queue Management, Staff Attitude/ Conduct and Bank Staff Communication skills in the Nigerian Deposit Money Banks. The results are shown in Table 4.6.

Research Hypothesis H0₁: There is no significant relationship between the application of Mystery Shopping Tools and Bank Staff Product Knowledge (BTPK). To test this, spearman correlation analysis was done between the

application of mystery shopping tools and Staff Product Knowledge in Nigerian banks. The results are as shown in Table 4.6.

The study results show that the correlation coefficient between the application of mystery shopping and bank employees product knowledge is 0.845. This is significant at $\alpha = 0.01$ level as well as at significant $\alpha = 0.05$ level. The correlation coefficient of 0.845 shows there is a strong positive relationship between the application of mystery shopping and bank employees product knowledge. The researcher rejects the null hypothesis at $\alpha = 0.01$ significance level and accepts the alternative hypothesis which concludes that there is a

significant relationship between the application of mystery shopping and bank employees product knowledge in Nigeria.

Table 4.6. Spearman Correlation on the Application of Mystery Shopping Tools and Service Delivery Variables.

Service Delivery Variables	Spearman's rho	Application of Mystery Shopping
Bank Staff Product Knowledge (BSPK)	Correlation Coefficient	.845*
	Sig. (2-tailed)	.002
	N	150
Bank Queue Management (BQM)	Correlation Coefficient	.301**
	Sig. (2-tailed)	.045
	N	150
Bank Staff Attitude/Conduct (BSA)	Correlation Coefficient	.757**
	Sig. (2-tailed)	.005
	N	150
Bank Staff Communication Skills (BSC)	Correlation Coefficient	.664**
	Sig. (2-tailed)	.027
	N	150

Source: Authors' computation, 2015*. Correlation is significant at the 0.01 level (2-tailed).

** . Correlation is significant at the 0.05 level (2-tailed)

Research Hypothesis H0₂: There is no significant relationship between the application of Mystery Shopping Tools and Bank Queue Management (BQM). To test this, spearman correlation analysis was done between the application of mystery shopping tools and bank queue management in Nigerian banks. The results are as shown in Table 4.6.

The study results show that the correlation coefficient between the application of mystery shopping and bank queue management is 0.301. This is significant at $\alpha = 0.05$ level. The correlation coefficient shows there is a weak positive relationship between the application of mystery shopping and bank queue management. The researcher rejects the null hypothesis at $\alpha = 0.05$ significance level and accepts the alternative hypothesis which concludes that there is a significant relationship between the application of mystery shopping and bank queue management in Nigeria.

Research Hypothesis H0₃: There is no significant relationship between the application of Mystery Shopping Tools and Bank Staff Attitude/Conduct (BSA). To test this, spearman correlation analysis was done between the application of mystery shopping tools and Bank Staff Attitude/Conduct in Nigerian banks. The results are as shown in Table 4.6.

The study results show that the correlation coefficient between the application of mystery shopping and bank staff attitude/conduct is .757. This is significant at $\alpha = 0.05$ level. The correlation coefficient shows there is a strong positive relationship between the application of mystery shopping and bank staff attitude/conduct. The researcher rejects the null hypothesis at $\alpha = 0.05$ significance level and accepts the alternative hypothesis which concludes that there is a

significant relationship between the application of mystery shopping and bank staff attitude/conduct in Nigeria.

Research Hypothesis H0₄: There is no significant relationship between the application of Mystery Shopping Tools and Bank Staff Communication skills (BSC). To test this, spearman correlation analysis was conducted between the application of mystery shopping tool and Bank Staff Communication to Customer in Nigerian banks. The results are as shown in Table 4.6.

The study results show that the correlation coefficient between the application of mystery shopping and Bank Staff Communication Skills (BSC) is 0.664. This is significant at $\alpha = 0.05$ level. The correlation coefficient shows there is a partially strong positive relationship between the application of mystery shopping and, bank staff communication to customer. The researcher rejects the null hypothesis at $\alpha = 0.05$ significance level and accepts the alternative hypothesis which concludes that there is a significant relationship between the application of mystery shopping tool and, staff communication to customer in Nigerian banks.

4.4.2. Discussion and Implication of Results

Our research transfers the concept of mystery shopping to the banking sector and of key interest to our research was to examine Mystery Shopping (MS) as a tool for the evaluation of service quality in the Nigerian Deposit Money Banks.

The descriptive analysis revealed that bank employees are aware of the application of mystery shopping tool in their banks. They also state the fact that, they are aware of the criteria (key performance indicators) through which the mystery shopping appraisal is measured and that through mystery shopping reports training needs of bank employees have been identified. It is moreover, appropriate to state at this juncture that the banks under study have to a greater extent followed the "best practice" guidelines for the use of mystery customers in evaluating their employees' performance. This is because they have made staff aware that Mystery Customers would periodically check their performance.

However, majority of the respondents admitted the fact that mystery shopping report is used to take disciplinary decisions and only few of the respondents agreed on the use of mystery shopping report for reward. Furthermore, majority of the respondents considered the application of mystery shopping tool to have some level of anxiety and stress on the bank employees especially as they cannot identify who is a mystery customer among the bank customers. It was also revealed that bank employees usually have anxiety and stress at the period of mystery shopping report or publication which can relatively have a negative effect on the productivity of

bank employees at the period. Stress may actually work against staff giving their best performance, which after all is one of the main reasons for using mystery customers in the first place. These experiences usually de-motivates them rather than be a motivator factor. The negative effect of anxiety brought about by mystery shopper on bank customers is corroborated by the work of (Douglas, Douglas, and Davies, 2007)

The descriptive analysis finally showed that bank employees in Nigeria, considered good mystery shopping reports as a motivating experience even though there is absence of reward. This is in line with the intrinsic factors tagged motivators or satisfiers which involve elements like recognition of work itself (achievements), responsibility and individual growth. Conversely, to the extrinsic factors called dissatisfiers or hygiene factors which involves salary (money), organizational policy, promotion, supervisor-subordinate relationship and working condition which is considered to motivate insignificantly as supported by Herzberg, Mausner, and Snyderman, (1959) in their Two Factors motivation theory.

On the other hand, spearman rank correlation analysis revealed that the application of mystery shopping significantly has strong positive effects on product knowledge as bank staff are more aware and can describe the various bank products available to bank customers. Also, the application of mystery shopping has a weak positive significant relationship with queue management in Nigerian Money Deposit Banks. This might be because bank in Nigeria usually witness large crowds. Bank staff attitudes conduct and communication to customers also has a strong significant positive relationship with mystery shopping. This is an indication of the current trend in many banks in Nigeria where banks staff frequently extend standard greetings to their customers on regular basis. The significant relationship between mystery shopping and effective employees' communication is corroborated by the work of Radoslav and Miriam (2010). Generally, the significant effects of mystery shopping tool on the quality service delivery is supported by the work of (Wilson 1998a and 1998b; Yung-Lung and Shih-Chieh 2013)

5. Conclusion and Policy Recommendations

In conclusion, it may be said that in the present age of cut-throat competition among banks, the adoption of mystery shopping tool or ghost shopping tool can be regarded as one of the most effective and unbiased tool to ensure a high level of customers' satisfaction. In the light of the above, the following are hereby recommended:

- The application of mystery shopping tool already adopted by most banks in Nigeria is in the right direction as a measurement and control tool in determining the level of their staff performance;
- Findings from the study revealed that bank staff in Nigeria considered the application of Mystery shopping to be causing stress and anxiety especially at the time when the results of their visit were due to be published. Hence, management of banks should ensure that such reports are objectively handled in a way that it could motivate the staff to better performance;
- Mystery shopping reports should be effectively communicated periodically through regular training and retraining of staff on the skills and competencies necessary through special courses and workshops, and also through new media, computer software, intranet, or instructional videos; and
- Finally, since mystery shopping is one way of gathering service quality information, it should be used alongside other intelligence gathering methods such as satisfaction surveys and complaints analyses to allow factually based management decision-making.

References

- [1] Adah, A. (2012). Impact of Recapitalisation on the Financial Performance of Deposits Money Banks in Nigeria, Unpublished Thesis, Ahmadu Bello University (ABU), Zaria Nigeria.
- [2] Boxall, P. (1996). The Strategic Hrm Debate and the Resource-Based View of the Firm. *Human Resource Management Journal*, (6), 59–75.
- [3] Calvert, P. (2005) It's a Mystery: mystery Shopping in New Zealand's Public Libraries, *Library Review*, .54 (1), 24-35.
- [4] Claudia, Paola and Ioannis (2012), Monitoring and Improving Greek Banking Services Using Bayesian Networks: an Analysis of Mystery Shopping Data, *An International Journal archive*, (39), 10103-10111
- [5] Dorman, K. G. (1994) Mystery shopping results can shape your future, *Bank Marketing* 26 (8), 17–21.
- [6] Douglas, A., Douglas, J & Davies J. (2007). The impact of mystery customers on employees. LUND University Campus Helsingborg.
- [7] Dowling, P.J., Welch, D.E. & Schuler, R.S. (1999). *International human resource management*. South-Western, Cincinnati, OH.
- [8] Erstad, M. (1998) Mystery shopping programmes and human resource management, *International Journal of Contemporary Hospitality Management*, 10 (1), 34–38.
- [9] Finn, A. (2001) Mystery shopper benchmarking of durable-goods chains and stores, *Journal of Service Research*, 3 (4), 310–320.

- [10] Herzberg, F., Mausner, B., & Snyderman, B. B. (1959), *The motivation to work*. New York: John Wiley & Sons.
- [11] ISO 9001:2000, *Quality Management Systems – Requirements*. International Organization for Standardization, Beuth, Berlin, 2000
- [12] Jayaraman, M., Shankar, C., & HorWai, M. (2010). Service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia. *International Journal of Innovation, Management and Technology*, 1 (4).
- [13] Kallol (2009) Mystery Shopping: A marketing research tool to measure customer satisfaction *Journal of business and economic issues*, (1), 1.
- [14] Kavanagh, M. (1997). I simply want to know how well I am doing! *Group and Organization Management*, 22 (2), 147-148.
- [15] Morrison, L. J., Colman, A. M. & Preston, C. C. (1997) Mystery customer research: processes affecting accuracy, *Journal of the Market Research Society*, 39(2), pp. 349–361.
- [16] Newhouse, I. S. (2004). *Mystery shopping made simple*. New York: McGraw Hill. 208, 07-144002.
- [17] Onwuchekwa, C. (1995) *Personnel Management*. Awka: Goshen Publishers.
- [18] Pallant, J. (2005). *SPSS Survival Manual; A Step by Step Guide to Data Analysis using SPSS for Windows (version 12)*, Open University press.
- [19] Priyanka & Gaurav (2014), mystery shopping: measurement tool for customer intelligence management, *IOSR Journal of Business and Management* 01/2014; 16 (6):101-104.
- [20] Radoslav & Miriam (2010), *Mystery Shopping – The Tool of Employee Communication Skills Evaluation*, Business: Theory and practices 1648-0627 print / issn 1822-4202 online
- [21] Robbins, S., Bergman, R., Stagg, I. & Coulter, M. (2000) *Management*, 2nd ed., Australia,
- [22] Scott & Joanna (2010) Why Use Importance Performance Analysis in Mystery Shopping? A USA–Poland Comparative Answer. *Journal of Quality Assurance in Hospitality & Tourism* (11), 1-16.
- [23] Singh, P. & Verma, G. (2014).Mystery Shopping: Measurement Tool for Customer Intelligence Management, *IOSR Journal of Business and Management* 16, (6) 101-104 www.iosrjournals.org.
- [24] Ton V. D. W., Martin, H & Jos, V. J (2005) Mystery Shopping: A Tool to Develop Insight into Customer Service Provision. 2004-082. Available at <http://ssrn.com/abstract>
- [25] Wilson, A. (2000) The use of performance information in the management of service delivery, *Marketing Intelligence and Planning*, 18, (3) 127-124.
- [26] Wilson, A. M. & Gutmann, J. (1998) Public transport: the role of mystery shopping in investment decisions, *Journal of the Market Research Society*, 40 (4), 285–293.
- [27] Wilson, A. M. (1998a) The use of mystery shopping in the measurement of service delivery, *Service Industries Journal*, 18 (3), 148–163.
- [28] Wilson, A. M. (1998b) The role of mystery shopping in the measurement of service performance, *Managing Service Quality*, 8(6), 414–420.
- [29] Wilson, A.M. (2001) Mystery shopping: Using deception to measure service performance. *Psychology and Marketing*, 18 (7), 721-734.
- [30] Yung-Lung and Shih-Chieh (2013), How Improving the Customer Experience Quality and Business Performance? A Case Study by Mystery Shopper Practices, *International Journal of Marketing Studies*, 5 (6), 52.