



Your Mystery Shopping Business - How Much Money Can You Make?

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Mystery Shopping companies send "mystery" shoppers out to dine or shop at their client's business. The shopping company then provides the client with a report on the shopper's experience. Shoppers love it - they get free meals, merchandise and some income. Clients love it - they get to see what their customers are thinking and experiencing. As the owner of a mystery shopping company, you would love it - you'd make a very nice steady income.

Owning a mystery shopping company is a great business model for a number of reasons:

- Costs nothing to start.
- Unlike many other business models, you don't have to buy merchandise, and hope someone buys it.
- Once you make a sale to a client, you usually provide reports on an ongoing basis. This equals a steady income on one sale alone.
- It's vital to the financial health of a business to know what their customers are thinking and if they will return. A mystery shopping program provides this valuable information.

How much money can you make as the owner of a mystery shopping company?

Let's start by determining the expenses for a single mystery shop. These are basic costs to consider:

- Shopper fees, over and above reimbursements for meals or merchandise.
- Report verifying and editing --if you pay someone to do this.
- If you want to automate a lot of your processes, there are outside automation services. After an initial set up fee, most charge a per report fee, and that amount is very little.
- Ongoing expenses like phone, office (if you have an outside office), web hosting.
- If you have a tremendous amount of shops each month, you could utilize the services of a scheduling company to schedule the shops for you.

As a general rule of thumb, all these expenses should add up to anywhere between \$5 to \$20.

And, again, the beauty part of this business is that most of these expenses are only incurred in the process of doing a report. If you work out of the home, then costs would be almost

nothing. As to ongoing web hosting, doteasy.com charges \$25 per YEAR, and that includes your domain name!

So, as a conservative example, let's say your expenses per report are average to high and they are \$15 per report. I own a mystery shopping company. Just so you know, the last time I figured out our expenses, which includes an outside office, the total expenses were \$9 per report. That means a whole lot of profit per report.

But working with the \$15 a report cost -- for the sake of this discussion -- let's say a range to charge might be anywhere from \$35 to \$50. With a \$15 report cost, let's consider charging \$45 per report. Again, these figures are just for the sake of this article. There are a whole lot of other considerations before determining what to charge.

If expenses are \$15 per report, and you charge \$45 per report, profit equals \$30 per report. Just so you know, our profit usually averages about \$35.

Now, let's multiply, using the following examples.

- Client #1. We try to do at least 2 shops per month per location. Let's say this client has 3 locations. That equals 6 shops per month. At \$30 profit per shop, you would make \$180 from just that one client. And remember, once you get a client, you don't have to keep selling them. The work automatically goes on unless you have a different agreement with the client.

- Client #2. Maybe this client has 5 locations that you shop twice a month. That equals 10 shops a month at \$30 per report profit. That's another \$300 per month.

- Client #3. Maybe this client also has another 5 locations that are shopped twice a month. This would equal another \$300 per month.

From 3 clients, your profit would be \$780 a month. Since, in this example, you are paying someone to edit your reports (that's part of the expenses), your time is freed up to do mostly sales. These numbers would skyrocket.

In this business, 3 clients is barely getting started. I have one competitor (who is a friend) who told me he has around 800 clients, most of whom have only one location. While he has to enlist the help of a scheduler and editor, his income is still extremely healthy.

You can make even more money by being a little creative

I have frequently had clients mention to me they wanted more reports than they originally signed up for. After all, these reports can actually become addictive to your clients. Plus, they can use the report scores for any bonus program they have.

An example of this is a client we had many years ago who had 7 stores. They wanted 1 shop per month per store. Once they saw the value of the reports, within a year, we were doing 4 shops per location per month. That was 28 shops per month. The profit, after expenses, was very nice! $28 \times \$35$ (our profit) = \$980 per month just from one client.

Since store owners often use these reports to solve operational problems, you can also provide them with staff training. This alone would add nicely to your profit.

Another possibility. This one came from one of our clients. They wanted their competition shopped so they could compare their operation to their competition. This client told me that the information received from these extra reports was invaluable.

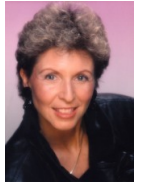
Want to really pump up your income? Get a Private Investigator's license and provide shops to "spot" for theft. You can charge a lot more for these types of shops.

So, how much money can you make as the owner of a mystery shopping company?

My answer is that it depends on the effort put into it, but know that owning a mystery shopping company can be very lucrative if you know what to do and what to avoid.

To learn all the details, the paths to take and the pitfalls to avoid, please visit us at <http://www.mystery-shopper-business.com>

The author, Shari Joseph, has been in the business since 1985, as a mystery shopping company owner, then author, consultant, and workshop leader. She has helped people all over the world to start and run their own mystery shopping company, and has helped to introduce the mystery shopping industry to several countries.



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