

In this edition of *The Spark*, we'll take a look at how changes in consumer expectations and behaviors affect the auto industry, and what can be done to regain a competitive edge.

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The Spark

The Abacus in the Time of the iPad

The pace of change in the auto industry has been breathtaking. We've witnessed dramatic advances in automotive technology which have made vehicles safer, more fuel efficient, and insanely connected. Sat nav systems direct you to your destination based on real-time traffic conditions, drivers have hands-free access to mobile calls and emails, your car even knows when it's about to break down – all things that were hard to imagine just 10 years ago.

Yet, the industry's approach to interacting with customers has remained remarkably stable, despite a change in the way customers approach buying and servicing their vehicles.

It's time to ask ourselves: do we need to get ahead of the curve on fast-changing customer expectations? Or risk extinction?

In this edition of *The Spark*, we'll take a look at how changes in consumer expectations and behaviors affect the auto industry, and what can be done to regain a competitive edge.



The “Moment of Truth” Died Years Ago

According to a Google study conducted at the dawn of this decade, there is no longer a single moment of truth that triggers a customer's purchase decision. Instead, a series of 20 or so seemingly random events drive the purchase decisions of today's customer.

Successful brands in many industries have grasped this and radically changed their approach to customers. Consider Apple and Amazon. Apple recognizes that their customers are “connected” to limitless online information, and will do extensive research on iPhones and iPads prior to visiting a store. When the customer arrives at an Apple store, they just want to interact with the product that they've researched – and they aren't interested in a high-pressure salesman telling them what they already know. Apple delivers on this expectation.

The "Moment of Truth" Died Years Ago (cont'd from page 1)

Amazon has taken it even further – they made it easy for customers to learn about their products and make their purchases no matter where they are or what they are doing. And if you're not sure what to buy, don't worry; Amazon will make suggestions based on your past purchases and those of customers with similar interests.

Automotive brands, for the most part, still approach customers in the same way that they approached your grandparents. What gives?



Connected Customers Know More Than You Do

Connected customers are increasingly annoyed when confronted with the traditional sales process. They've done their homework – they know which car they want, which equipment they want and don't want, and what they ought to be paying. Dragging these customers through a qualification-landing walkaround presentation reinforces all the negative stereotypes of automotive retailing.

You know this already. How many times has a dealer Sales Manager told you, "We're just a test drive center these days" or "Customers know more about my cars, and the competition, than my best Sales Consultant."?



When You Know What You Want, You Know Where to Get It

In 2007, nearly half of all car buyers would visit the showrooms of four or more brands before they made their purchase. Today, only one in four still do this. That's logical. The connected customer narrowed down their consideration list through online research, talking to expert friends (and strangers on auto forums and blogs), read countless online reviews ... they know what they want. In fact, the number of customers who only view one brand has doubled to one in three.

This is not a bad thing. Embrace it!

Customers who step foot in your showroom are ready to buy! The number of physical showroom visits made prior to purchase have fallen from 5.3 to 1.3 in the last seven years. How has your brand changed its sales process to take advantage of this remarkable opportunity?

There's a Guru in My Pocket

It's no secret that it is getting easier and easier to find the information that you need online, whether through a web search, asking friends on Facebook or LinkedIn, checking out an auto blog on Yahoo or Weibo – no matter what you seek, you can find it quickly. But let's be honest, much of this information has been out there since the late 90s.

So what's changed all of a sudden?

Accessibility!

Just a few years ago, online research meant sitting in front of a computer. The information was there, but access was limited to where you could go online with your computer or laptop.

But, rapid innovation in mobile electronic devices, such as smartphones and tablets, coupled with dramatic advances in mobile data transfer bandwidth and speed, means that everyone now has access to everything – everywhere! Most customers who step foot in your showroom bring with them all of the product information about your brand and the competition, all of the professional reviews, all of the opinions of trusted friends, solid data on what the dealer actually paid for the car – all of this insight is right in their pocket.








Toto, We're Not in Kansas Anymore

TTi Global has observed the revolution of the connected customer first-hand, working with our clients to develop and deliver automotive training courses around the world. This is a global phenomenon; you're just as likely to find connected customers in Mumbai as in Los Angeles.

What needs to change in your dealerships to provide a positive sales and service experience to meet the expectations of connected customers, so that they become YOUR connected customers?

Recent studies conducted by CAP Gemini, Global WebIndex and GfK Automotive confirm that customers are increasingly connected:

-  **93%** searched online
-  **64%** viewed pricing online
-  **58%** compared cars online
-  **39%** read online reviews
-  **36%** viewed online video reviews



Sometimes Good People do Bad Things

Quick quiz. Answer honestly. When is the last time your company updated its dealership curriculum? Are you teaching your Sales Consultants how to recognize the connected customer? What to do and say when the connected customer visits your showroom? Does your service process take full advantage of on-board diagnostics to schedule maintenance and repairs before your customer's vehicle breaks down? Are you leveraging telematics to not only send help when a customer is involved in a crash, but to schedule a body shop appointment – and have the necessary parts on hand when the vehicle arrives?

Your best dealer staff are only as good as the processes and systems that they are taught to follow.

So, where should you begin to make sure that dealer staff actions and behaviors meet the rapidly changing expectations of your clients? How can you assure that they are saying and doing the right thing?

First Things First: Get Your Message Right!

How clear are your learning messages and does the content really reflect the new buying and aftersales world?

As connected customer expectations change, it is critical that the learning and development content changes too.

For example, let's look at the sales process. Traditionally, a prospect will be greeted and introduced to the sales consultant. A great sales consultant will seamlessly build rapport with the customer while qualifying the customer financially and determining their needs and wants in order to land them on the right vehicle, and then demonstrate the features and benefits by conducting a comprehensive vehicle walkaround demonstration prior to the test drive.

But the connected customer has already done a "needs self-assessment" and would like to proceed directly to the test drive, thank you very much!





So Many Questions, So Little Time

How should your sales consultant recognize that the customer is connected? How should their sales approach be modified to address the customer's needs and ensure a positive showroom experience? How can the sales consultant introduce important product benefits that the connected customer might have missed in her research?

In other words – how can your sales consultant create a showroom experience that is tailored to the unique needs of each individual customer?

TTi Global can help! Right now we are working with automotive clients to upgrade their dealership curriculum to meet and exceed the expectations of today's connected customer. In some cases, we will use our client's existing curriculum as the base, and apply best practices from around the world to update and upgrade the curriculum.

Perhaps your existing curriculum is in need of a complete overhaul? No problem! TTi Global's turnkey White Label Training Courses are a flexible, cost-effective way to develop your team's capability. From soft-skills to project management, our eLearning and instructor-led courses give you the flexibility you need – each will be customized to match your brand or curriculum requirements – and more importantly, meet the expectations of the connected customer.

The Connected Consultant

Providing your sales consultants top notch training curriculum is necessary, but not sufficient. Your customers are connected, so your sales consultants need to be connected as well! Product information, pricing, competitor offering – these things are changing all the time. How can you assure that your Sales Consultants are prepared to answer any connected customer question – no matter how obscure – on the fly?

TTi Global can help! We are developing online apps for our clients around the world that arm sales consultants with the answers to these questions, are available on any connected device, and are updated in real-time to assure that everything that they say to the customer is spot on.

It's All in the Delivery

Now that you've got the right message, let's turn to the delivery. From the customer's perspective, this is going to boil down to the three P's: People, Processes and Premises.



TTi Global's turnkey White Label Training Courses



TTi Global's Performance Insight (PI)

How can you assess your entire network's performance on the 3 P's against your new targets? Where are the gaps and how will you close them? Specifically:

Your People – What level are they at? How well equipped are they to meet the demands of connected customers? What capabilities or competencies are required? What learning and development have they been provided in the last two years? How relevant to the new paradigm was it? Do you provide any accreditation? Are your trainers or training providers accredited?

Your Processes – What sales and aftersales processes exist? Do they match the connected customers' expectations? How is reward and recognition built into the process? What are the Key Performance Indicators? Are they consistent with your new modernized sales process? How do your dealers manage customer relationships? Are you waiting for customers to arrive or are you engaging with prospects at the most appropriate points of the pre-decision process?

Your Premises – Do they support the new processes? How do you manage the link between your virtual and physical premises? Is your customer's experience aligned with her knowledge and expectations?

Mind the Gap!

With these challenges in mind, TTI Global developed a cutting-edge, proprietary assessment tool: **Performance Insight (PI)**. PI will answer these questions and provide clear insight that will help you steer your business based on facts, not intuition. We will find the performance gaps, and put together a cost-effective, comprehensive plan to close them.

PI is a cost-effective online tool with unlimited scalability. Dealer staff can access the 20-minute assessment from any connected device – mobile phone, tablet, laptop or desktop computer.

Assessments are customized on-the-fly for each staff member. How you answer a question will determine which question comes next. For example, if a technician answers that he has

no knowledge of transmission repair, the next question will assess another topic. However, if he claims to have excellent knowledge of transmission repair, his next question will probe the depth of knowledge with a more difficult transmission repair question.

Rooting Out the "High Risk"

Performance Insight is only one of many tools in TTI Global's assessment kit. To identify areas of human capital risk, we developed **4Sight**. This proprietary tool enables our clients to target "high-risk" individuals with change strategies to mitigate the risk before it impacts their bottom line.

Consider sales consultants throughout your network. The very best sales consultants possess superior knowledge about your brand's benefits, competitive strengths and compelling reasons to believe in the brand proposition. They have the confidence to deliver the right message in the most effective manner.

But what about the sales consultants who have a great deal of confidence, but are dead wrong on some of the critical elements of your products? Imagine the risk that they pose to your brand. How can you identify these "high-risk" individuals, and correct their behavior before they damage your brand's reputation?

This is precisely what TTI Global's **4Sight** will do, with tremendous flexibility to scale up to the largest and most geographically dispersed network, in a very cost-effective way.



TTi Global's 4Sight



The Center has Shifted

Technology has profoundly impacted the way learning is delivered. In fact, it has changed the way we think about learning.

In the past, learning was **curriculum-centric**. The curriculum was developed with an eye to including all possible knowledge, skills and techniques that the student might someday require. Then the curriculum was divided into digestible chunks (courses) to be consumed by each student. As the saying goes, one bite at a time, and eventually the entire elephant is eaten. Everyone goes through the “discipline” of this process, regardless of one’s skill and knowledge level.

But learning is rapidly becoming **learner-centric**. With these cutting-edge tools, we can quickly and cost-effectively customize learning content, including where, when and how it is delivered, to provide knowledge and skills customized to the exact needs of each dealer staff member.

This doesn’t mean that traditional, instructor-led training is obsolete. Quite the contrary, in-person expert training and coaching are sometimes exactly what is needed. However, the learning arsenal has expanded – let’s take a look at some of the weapons that can be used to attack performance gaps efficiently and cost effectively.



Any Way You Want It, That’s the Way You Need It

Every client faces unique challenges. A learning approach that makes perfect sense for the USA might be inappropriate for Brunei. The art is in a custom-blended learning approach – simply choose the right set of tools to address the issues that are specific to your organization.

eLearning

Electronic learning has been around for years, but breakthroughs in network bandwidth and data transfer speed allow far richer content to be delivered in a much more real

and engaging way. For example, TTi Global has developed interactive games for our clients, which include embedded videos, simulations, and learning assessments that can accurately measure depth of knowledge by basing each question presented on how the student has answered previous questions. Engaging, realistic learning methods increase the learner’s absorption of critical knowledge and skills. Plus, everyone has busy schedules – eLearning is available whenever and wherever you need it!

Virtual Classroom Training (VCT)

Virtual environments allow learners and instructors to engage in training and coaching activities free from geographic location, travel or time pressures. But beware! Many VCT tools are simply online meeting software that lack the capability to record participant contributions, activity, performance or outcomes.

At TTi Global, we listened to our clients and developed **iConnect** – a true VCT environment – that can provide:

- Live streaming and video content
- Interactive training content
- Live student 'Chat'
- Graphic audience response technology
- Up to 10,000 students online



TTi Global's iConnect

iConnect is a powerful way to deliver instructor-led learning to far reaching geographies without the instructor ever leaving the training center. For example, in product presentation training, the instructor can demonstrate exactly what to say and do, and then each student can practice what she just learned, being individually coached by the instructor – even though the instructor is 3,000 miles away!

Self-Authoring & Mobile Tools

Wouldn't it be great to be able to create a mobile app that provides exactly the information your staff needs, whenever and wherever? TTi Global's **Guru to Go** allows you to do just that – create, edit and publish custom apps using your content or ours. You can access a world that, until now, has been the exclusive domain of specialist programmers.

For example, imagine that your company has just launched an emergency safety recall campaign. The repair process is a bit tricky, so many dealer technicians are not familiar with the required techniques. With **Guru to Go**, practically anyone in your service organization can put together a "how to" application in a matter of hours, including videos on tricky repair techniques, a dedicated online Tech hotline, and much more – all of which can be accessed by the technician using a laptop, tablet or smartphone!

The **Guru to Go** tool is only one part of TTi Global's Mobile Learning Strategy. We have technical teams around the globe

at your disposal to create rich media, dynamic, custom-coded content and develop mobile-based business tools that can link with your current Learning Management System. Mobile is one of the key emerging learning technologies that TTi Global is aggressively developing.



TTi Global's Guru to Go Tool

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Instructor-Led Training

In certain situations, old school rules! One of the most powerful ways in which adults learn is through experiences that engage your emotions. Highly engaging, experiential, instructor-led training remains one of the most effective ways to positively change learners' behaviors.

TTi Global has implemented a global instructor certification and development program, together with 'iConnect' digital image recording software, to ensure that their classroom training is consistent, effective, and delivers learning transfer.

Learning Evaluation

TTi Global is passionate about ensuring that learning is an ongoing, sustained activity, rather than simply "launched and abandoned." Having invested in the learning and development methods that are right for your organization, it is essential to measure the impact of your investment in terms of performance, outcomes and skills.

TTi Global's Learning Evaluation Tool allows you to do just that.

The Learning Evaluation Tool (LET) assesses each student's knowledge and skills before, during and after the learning event. Pre-learning assessment sets the baseline for the student. Level 1 assessment, conducted immediately after the learning event, measures how much the student has learned. Level 2, conducted two weeks later, measures how much the student has learned and retained. Level 3, conducted two months after the event, measures how much of this retained knowledge is actually being used in daily activities. Level 4, measured six months after the event, assesses the learning's impact on overall business performance.

Learning Management Systems (LMS)

Though not glamorous, a strong LMS is essential to delivering the learning that is needed to the right person, at the right place and the right time – and most importantly – at the right cost.

A great LMS will also provide user tracking and activity monitoring through more advanced analytic tools – providing you with real-time views of who is doing what, where, when and how well. This user insight now allows you to create live league tables – not just of who is answering questions right, but also adding layers of more interesting measures, such as 'Most engaged learners,' 'Fastest responders,' and 'Most shared content.'



TTi's Learning Evaluation Tool (LET)

A Journey of 1,000 Miles Begins With the First Step

Just make sure that it's in the right direction.

If our customers' journeys have changed then our learning journey must change as well. Every brand must cast a critical eye at the messages and tools currently in place, and soberly answer the tough questions: are my brand's representatives saying and doing what is right for today's connected customers? Is our brand fully leveraging emerging technologies to transition into a learner-centric environment? Are we maximizing our return on our learning investment?

You're not alone. TTi Global can help. To find out more about our full range of highly innovative, measurable and responsive learning tools, contact us at drivingchange@tti-global.com or visit our website www.tti-global.com.

*TTi Global is a leading global provider of business performance solutions.
Have ideas, need help, want to talk? Write us at info@tti-global.com*

