



INSIGHT

Rapid Guide
Rapid E-learning for
Product Knowledge

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In 20 minutes you will understand:

- the challenges retailers face
- the benefits of product knowledge rapid e-learning
- Kineo's rapid approach to product knowledge

Retail and product knowledge challenges

For those in retail, training store staff is particularly hard work. Many retailers face more than 100% turnover of store staff, who need continually updated training. Providing all staff with face-to-face training is cost prohibitive. The fast pace of the retail business — with new products, seasonal offerings, and ever-changing customer-service policies and company procedures — requires a method of bringing employees up to speed quickly, over and over again.

There are many challenges facing organisations in creating and delivering product knowledge training:

Keeping pace with change: The product cycle is very fast, for example in electrical products a 10 week product cycle is typical. In mobile phones the product cycle can be even faster. How many Blackberry models have there been since the 5810 launched in 2002? Over 60, on average that is a new Blackberry model every 5 weeks.

Turnover of staff and time to train: In many retail organisation staff turnover is over 100%, which means that much investment in training

leaves the organisation very quickly. It is imperative that the time to train is relatively quick, especially given the fast product cycles.

Keeping delivery costs low: High levels of turnover, the use of weekend or casual staff and fast product cycles means that the costs of development and delivery have to be kept low.

Fitting in training with their job: Time learning about products is time away from selling them. Fitting in the learning with their day and using quiet periods, for example at the start or end of a day, is beneficial.

Engaging the learner: Learners can operate in a busy, fast paced environment; they need to be engaged and quickly. You need to work hard to market the learning to them. The e-learning should be at least as engaging and inspiring as the product brand itself. Brand counts for a lot in product knowledge e-learning as you need the sales staff to be passionate advocates of the products they are selling.

Updating content: Short product life cycles mean e-learning content has to be updated quickly and cost-effectively.

Developing Sales skills: Improving product knowledge is important, but on its own it is dormant information. The “hot-spot” is where the customer interaction takes place, at the intersection between product knowledge and selling skills. Companies can do a great job of advertising and drive people into their stores, but ultimately the sale relies on the person that is talking to the customer.

As we will see from case studies below, rapid e-learning deliver significant benefits to retailers in meeting these challenges.



Rapid angle: Key benefits

The benefits of product knowledge rapid e-learning include:

- Higher sales
- Faster response times
- Lower costs
- Assessment of staff product knowledge

The benefits of product knowledge rapid e-learning

The benefits that can be achieved are evidenced in the published case studies below.

Nike

At Nike they introduced product knowledge e-learning where each e-learning segment is three to seven minutes long and gives the associate the basic knowledge they need about various products. Associates are quizzed at the end of the training and asked for feedback. As new products are introduced each season, the training is updated and Nike customises the materials for retailers if requested.

Stores that have implemented the e-learning have seen a 4 to 5% increase in sales. Overall Nike has found that online training has driven a minimum 2% increase in sales dollars since its program started. At Best Buy, the US retail electronics giant, they found that by creating special learning segments for slow-moving products, sales can increase as much as 20%.

Home Depot

The Home Depot began using rapid e-learning in 2005 and it has delivered some key benefits. First, the rapid e-learning modules are quick to develop and associates are given immediate access to them. In addition, the fact that the modules are asynchronous means that they are "easy to add to the beginning or end of an associate's work shift."

Both informal and formal ROI analyses conducted to date have proven that the company's rapid e-learning modules are having a

positive impact on sales. The Home Depot conducted an extensive analysis and found that the specific products covered in the e-learning modules demonstrated penetration rate increases ranging from 1.2 to 4.6 percent during the first four to six weeks post-training.

Circuit City

Circuit City reaped the benefits of e-learning for store managers almost immediately after they introduced it. Store managers now complete their training in 5 weeks compared to 12 before e-learning. Classroom training to supplement e-learning is now down to 5 days from 10. New employees are up to speed after 64 hours of training compared to 200 before. At the same time, employees are demonstrating greater proficiency because training is more effective over the web. Circuit City has more than 120 courses that include education for store managers as well as sales associates and certification programs in selling certain products.

Staples

Staples Canada wanted to make sure that when people came to the classroom, they had the basic knowledge and hence used e-learning as pre-learning. Before e-learning there was no way for them to know the level of people's knowledge base, e-learning solved that problem by testing at every step and reporting the results to managers. Staples e-learning includes Staples-specific content, such as training in sales techniques, store procedures and use of store technology. Through e-learning they have been able to increase the quality of the training and bring everybody to the same knowledge base.

Cingular Wireless

Cingular Wireless decided to launch a broad-based e-learning program in its stores when it acquired AT&T Wireless. Cingular, however, had a challenge. For regulatory reasons, it could not go into the AT&T stores or talk to AT&T store managers about the e-learning until the merger was completed. That didn't happen until October 26. The launch date for the "common services experience" was November 14.

That gave the company 19 days to get all 19,000 staff up and running. A rapid e-learning approach combined with classroom sessions was the solution. To gauge the success of the training, managers quizzed the staff on the programs and the company conducted surveys of employees to make sure they felt they had the tools they needed. In the first quarter following the training, Cingular saw a net increase in subscribers of nearly 1.4 million.

Everyone knows that in a downturn, you don't stop training your frontline staff how to sell your products. You just need to find different, more agile and cost-effective ways of doing it. Rapid e-learning can be a silver bullet in difficult times. So how can you secure the benefits?

If you are starting out as an individual or team developing your own rapid e-learning, we recommend starting with a simple authoring tool which uses Microsoft PowerPoint as an authoring base. Adobe Presenter or Articulate fit the bill well.



Rapid angle: Look at the options

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Kineo's approach to product knowledge rapid e-learning

Kineo has worked on a range of product knowledge rapid e-learning modules, for clients including Vodafone, Motorola, O2, Cable & Wireless and HSBC. Here we share some practical tips for ensuring product knowledge rapid e-learning projects are successful.

Step 1: Move fast

Good planning is an essential part of product knowledge e-learning as you are frequently working against tight timescales. We have found that to produce product knowledge e-learning at the speed businesses need it, you need to be able to work to a three week timeline when necessary.

Some ways in which you can achieve this:

Prototype in the first few days: Rapid prototyping is an essential part of the development process. Working prototypes can be developed in a matter of days. These prototypes can be used to review and develop the art direction, forms of interaction and navigation. They can be used to test with users and to gather feedback.

Involve product vendors, if you are not a product vendor yourself. They will have a range of useful resources including images, product briefs and benefit statements. They may even have animations and videos which you can reuse, all of which can accelerate the development and reduce costs. To create its rapid e-learning, for example, The Home Depot taps the knowledge and expertise of their vendors. If you are in retail, you can also see if the product vendors will pick up part of the cost as ultimately you will be selling their products. The Home

Depot's product vendors typically pick up the cost of rapid e-learning module development, which enables the company to produce very low-cost e-learning. And while this model may not work for every company and in every industry, the practice of partnering and looking for other creative ways to control costs is a good one.

Work side-by-side: To work at pace, you need to establish a very close working relationship with the client. We have found that product knowledge e-learning is often best developed through side-by-side collaboration with the subject matter expert, working together to brainstorm the best treatment of the product's features and benefits in an engaging design approach. We can then build and review with the SME a few days later so there's a simple and clear line of communication and shared sense of direction.

Work with a proven design model: In rapid e-learning projects which might consist of multiple product knowledge modules, it's important to establish a design approach which achieves your goals, and provides a consistent and engaging learning experience. Below we share our views on the elements of effective product knowledge e-learning.

Step 2: Build it right – apply a design model that works

When starting out to design a product knowledge e-learning module it is important to recognise that knowing about a product's features is not enough. Some learners may know all of the key features but not understand:

- The key benefits the features deliver to customers
- How to approach customers to start the conversation
- How to best deal with customer queries
- How to up-sell to another product in the line
- How to close a sale

Product knowledge e-learning needs to be placed in the real sales context where the learners not only need to know about a product's features but can:

- Recognise a problem and provide a solution
- Focus on questioning, listening and understanding
- Use key product information to explain or demonstrate key features and sell the benefits
- Operate independent of job aids
- Keep focused in a busy, noisy environment

Effective product knowledge e-learning: design best practices

So what are the elements of effective product knowledge e-learning design?

Engage them upfront: You've only got a few moments upfront to grab the learner's attention. Retail environments are hectic and e-learning will be competing with multiple calls on their time, so it's important to get the engagement right. You can do it through

Shocking facts or stats: e.g. did you know that 55% of our customers are not buying the product that best meets their needs?

Stories and examples: You could start with an example of how to effectively understand a customer's needs through open questioning – the 'let's show you how it's done' technique. Or, take the opposite approach and start with an example of a missed opportunity where the customer service assistant didn't make the sale. Get the learner wondering if they make similar mistakes, and what they can do about it. Better still, get stories from customers and lead with these.

Challenge current perceptions: Lead with a series of questions or statements about a product, for example 'the monthly fees are expensive', 'it's complex to use', 'it's for business use', and challenge the learner to agree or disagree. Start a dialogue with them and make sure they realise they won't be sitting back in this e-learning.

Make it fun: There's a lot you can do to bring fun and energy to product knowledge e-learning. One effective technique is to use a range of games and quizzes. These can be used to check that product knowledge is being embedded and used to address customer needs.

We've found that you can play to the competitive nature of salespeople through by combining these quizzes with competitive league tables so that staff see how they score on product knowledge against other staff in other stores or locations. Various incentives can be used such as prizes and drive staff to refer back to product knowledge e-learning modules and product briefs to know more.

Keep it short: Establishing a time limit of 15 minutes for each e-learning module is desirable. Fifteen minutes may sound short but limiting yourself in that way forces you to develop very concise messages that maximises the learner's time. Remember often less is more.

Get the context right: As we've mentioned earlier, product knowledge in a vacuum only works if you're an experienced salesperson who knows how to take latent product knowledge and apply it in customer situations. With high levels of staff turnover, that's the minority of learners in most retail organisations. So, you have to ensure your design combines product knowledge and sales skills in the same context. Make sure you include practical opportunities to apply product knowledge in live customer situations. And situation counts for a lot. If you're training people how to sell mobile phones (as we often are), you really need to create a store setting, where learners can interact with customers, make decisions about who to approach, and get feedback in context. This scores high on practicality and authenticity.

Show how it works: If someone is selling say a camera, phone or TV they need to be able to demonstrate key features. One way of doing this is to simulate the actual controls as part of the e-learning. The learner can then be asked to perform a certain task and be given guidance when they make an error. We find that using video and animations, particularly with technical products, go a lot further than just product specs to achieving this goal.

Tell stories, share examples: Many companies have stories of sales success which can be used to motivate learners and help them recall key information. We recently worked on a series of product knowledge modules where we had access to a series of 'secret shopper' videos, where the learner could see for themselves how well (or badly) other salespeople handled tricky customer queries. These add to the authenticity, and help to embed the practicalities of selling products in the real world.

Put it into practice : You need to create opportunities for learners to show they can handle client situations and successfully identify the need and position the appropriate product. These should follow the flow of a goal-based scenario by:

Setting up a goal: make sure it's authentic, not 'understand the product' but 'talk to the customer, identify the best product for their needs, and close the sale'

Provide supporting information: Access to product information and the ability to ask questions of simulated customers

Provide meaningful choices: Create conversational options for interaction with the simulated customer

Provide coaching and feedback: use a coach or customer characters to provide feedback on the learner's ability to convey the benefits and handle objections

Connect to relevant stories: Share examples of how others have handled this situation

You don't need to build a goal-based scenario for every product of course as the principles of effective selling don't vary significantly across products. But you should ensure that your rapid e-learning has at least some opportunity for realistic practice in a safe environment.

Step 3: Keep it agile – update, adapt, improve

You've built your product knowledge e-learning, it's out there - now here comes the first product change. Are you ready?

Maintain, maintain, maintain

A key aspect of any product knowledge e-learning is maintenance. Products change quickly as new features are added to updated product versions. The maintenance process should be quick and easy.

Ideally it should be undertaken by internal team and require no technical skills.

This is where rapid e-learning leaves the alternatives behind. Content developed in rapid authoring tools can be edited quickly and at low cost though it does require the people updating to have access to the authoring tool and know how to use it. Another option is to develop the e-learning with updateable content areas which can be updated using a simple editor such as Notepad. We do this for clients in a way that means the content can be updated instantly without any re-publishing of the e-learning module. This has proved very popular with our retail clients as it is very fast and requires no authoring tool licences or training. Prices change this morning, your e-learning's up to date this afternoon. Simple.

Evaluate, Plan and Improve

One of the key measures of success will be customer satisfaction, a key driver in profitability. Customer satisfaction data can be collected in an ongoing basis using a variety of customer survey instruments. These surveys can focus on overall customer satisfaction, intent to repurchase, and a specific set of key contributing factors. For example, "Staff were able to help me locate products", "Staff were able to explain the key features and benefits."

In addition to the customer satisfaction metrics it is important to conduct qualitative interviews with a wide variety of people, including staff, store managers and district managers. The interviews can help determine best practices, find interventions that work and understand in-store dynamics.

Armed with these metrics store managers can be asked to come up with action plans against particular metrics where improvement is needed. E-learning will only be one part of the solution. An action plan can consist of a series of interventions including things like pre-shift meetings, on-the-fly in-store follow-ups, job aids for employees such as store layout guides, games to improve motivation, etc. These can include e-learning but also many practical tasks. For example if knowledge of store layout is low, managers can organise store hunts to help teach staff product location in a fun way.

Conclusion



Rapid E-learning delivers key benefits

Rapid e-learning excels and delivers significant value for money in challenging areas like product knowledge training.

The major benefits include:

- speed of response
- low cost development
- improved sales performance

Use Kineo's approach to deliver quickly and cost-effectively using our three key steps:

Step 1 – Move fast

Step 2 - Build it right – apply a design model that works

Step 3 - Keep it agile – update, adapt, improve

Find out more at Kineo, www.kineo.com
