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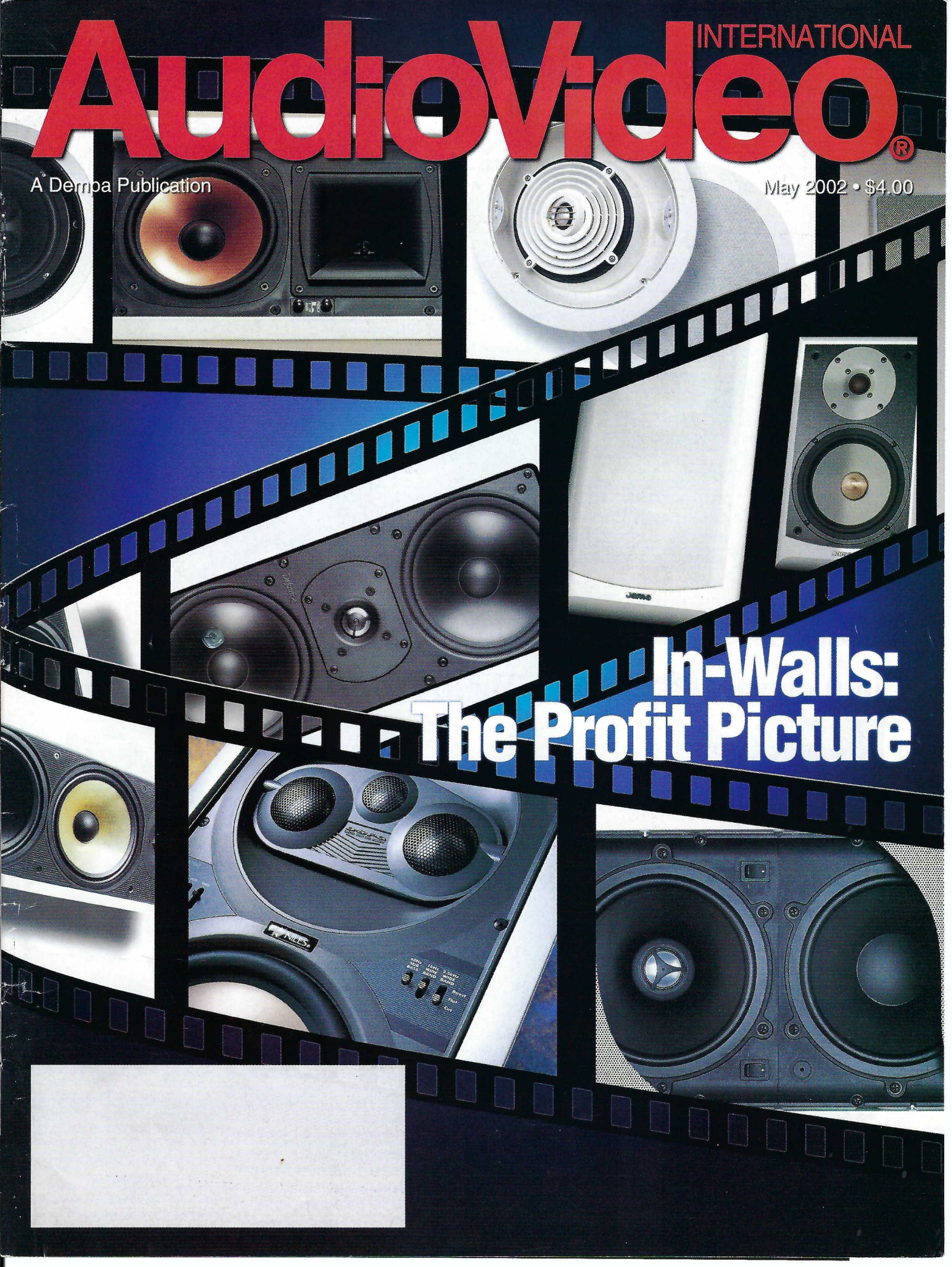
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In-Walls:
The Profit Picture

E-learning for retailers

A cost-effective concept being embraced by manufacturers to reinforce the key attributes of their brand among retail salespeople is using the Net as an "instructor proxy"
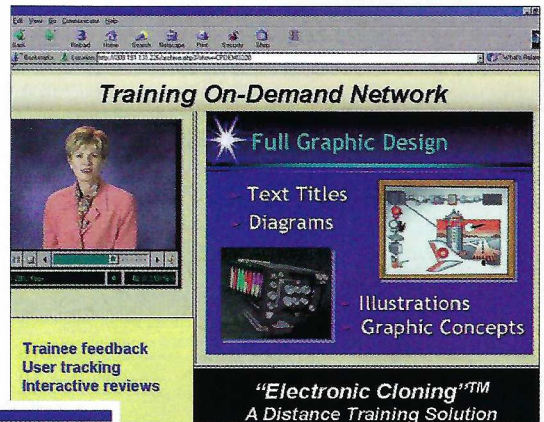
BY MICAH SHEVELOFF

A recent study conducted by the American Society for Training and Development (ASTD) involving 2,500 companies produced conclusive proof that there is a link between the investment in employee education and financial performance. Those companies in the top half of the training expenditure rankings had 24% higher gross margins and 218% higher income per employee than those on the lower half of the scale. Clearly, consumer electronics retailers would be prime examples of the type of businesses that would benefit from employee education programs because of the complexity and rapid changes that apply to entertainment technology items. Based on the need to provide training, combined with the potentially high costs associated with reaching employees throughout multiple outlets spanning a broad geographical area, both retailers and manufacturers are beginning to embrace a new concept: e-learning.

The computer as a teaching tool

Using the computer as a teaching tool is of course, not a new idea. Using computers and the Internet to supplement retailer training is however, in its infancy. The increased accessibility of broadband will accelerate the process, allowing trainers to utilize streaming audio and video in order to increase the realism and impact of their messages. Computer-based learning programs are not designed to replace face-to-face training; however, they can be quite effective in prolonging the life of key points covered during live training sessions, and also help bring new hires on the sales floor more rapidly up to speed.

Robert Ford is the CEO of TOD Network (Training on Demand), based out of New York City. "Our objective is to provide an effective training tool for consumer electronics retailers, as well as for the home appliance and home furnishings industry," explained Ford. The TOD training method currently under development is designed to be used with broadband Internet access; however, there is also a 56K product as well. "We make use of streaming video as a component of short presentations (about 10 minutes in duration) in order to maximize the impact of the messages. People just do not read many lines of text, so we accompany the trainer's lecture with graphics, slides, demonstrations, and diagrams," Ford explained. Each session can be used to highlight the features found on specific items, or explain the overall technology developed into a product category. "We can take your best trainer, and deliver his/her uniquely tailored message to 5000 employees all across the country," reported Ford.

Dangling a carrot

It's one thing to be able to create an effective e-learning program — and yet another to see that it is put to good use. "Incentives are a big part of driving the training program," added Ford. "You must have a carrot." Prizes and money are awarded to those salespeople who participate in the training, take the

Above, and left: Two examples of Training on Demand's Internet-delivered, video-based training-on-demand capabilities. At the left of each Web screen, the video runs; to its right, PowerPoint slides cycle through.
Other boxes are available for text, messages and a chat feature

tests, and score well. Additionally, sales managers are given an incentive to see that their individual stores score well as a group. "The person at the point of delivery has to do some pushing," Ford emphasized. "Based on the potential to improve their bottom line, most retailers are 100% behind the e-learning initiative," said Ford.

One of the key components of the TOD Network training program is its ergonomic design. "This is a different type of training tool," explained Ford. "It is intuitive and user-friendly, especially for those people who are not too sure of their computer skills. You click on an icon, type in a name, and push a button. You're there!" related Ford. "The system is simple. it doesn't make people discouraged or nervous," he added. "It is critical when designing such a program to know who your audience is, and be able to win them over. The rest is sure to follow," said Ford.

"We have been assessing the training needs of our retail distribution channels very carefully over the past 16 months," reported Steve Witt, vice president at 12-volt supplier Alpine. "We have

found that many independent 12-volt retailers do not yet have computers in their stores. However, we have developed training materials with e-platform capabilities that will enable us to implement a Web-based training program in the future," Witt added. Despite efforts by Alpine to use the computer as a teaching tool, Witt emphasized that technology will not replace the "human factor."

"It is necessary for us to directly communicate with our retailers, explaining exactly what our products are, what they do, and how they benefit consumers," said Witt. "Those are our primary goals regarding our training initiatives, which can be complemented effectively with the use of Web-based materials." This year, Alpine plans to evolve its training program, simplifying its delivery and laying the foundation for numerous possible e-platform-delivery methods. Alpine will call the new program "E-TECH."

A 'blended approach'

New York, New Jersey and Connecticut play host to The Wiz, a 43-store chain employing approximately 1,300 sales associates. "We have a very diverse group on our sales floor, composed of both men and women of various ages and ethnicities," reported Leslie Hopper, director of training and management development at The Wiz. "We want every consumer who walks into The Wiz to be greeted properly and have an excellent experience," added Hopper, who has designed a "blended approach" to training that includes multiple delivery methods. "Our associates must have adequate product knowledge — a challenge, considering the ever-changing landscape of technology. Consumers have questions and concerns which our staff must be able to address. Our blended training approach includes work in the classroom, multimedia, Internet and Intranet segments," Hopper explained. "I don't have six months to roll out training," she added. "With the current technology in the stores, and with new items always on the way, I have to respond quickly."

Currently, The Wiz maintains a PC at each store in non-selling space which provides the Cablevision (parent company of The Wiz) employee Intranet. This allows employees to access company policies, procedures, press releases,
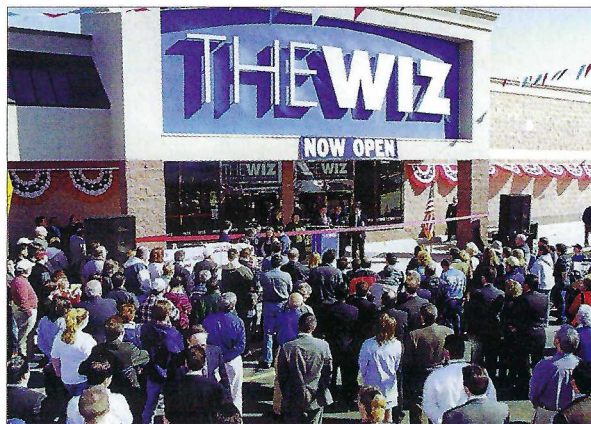
and generally updated information on what is going on within the company. The future however, will see the placement of a dedicated training kiosk in each store that will provide employees with training materials designed especially to meet the needs of the various demographics of on the sales floor. "The computer-based initiative was piloted in two stores this year, and was very well received,"

The Wiz's grand opening ceremony in Milltown, NJ. The chain uses a "blended approach" to training that includes multiple instructional methods

stated Hopper. And within this year, The Wiz plans to institute a new-hire program. "All of our associates need training immediately, upon being hired. They need to be shown how to come to work prepared to succeed," Hopper explained. The new interactive training will focus on customer service issues. The system will allow The Wiz manage-

> **Everyone learns at a different pace, and the e-learning initiative allows people to control the learning process for themselves**

ment to monitor who is using the program, and monitor all training data store by store.

"One of the most important aspects of computer learning is that associates are in control of their own learning processes. They can go back for a refresher course any time they feel the need, and they can seek repetition of certain messages until they have become comfortable with the information. Everyone learns at a different pace, and the e-learning initiative allows people to control the learning process for themselves. These training modules will be effective even for those associates who are not very text-oriented, or for those whose first language may not be English. The key terms and phrases that they will need to become comfortable with are repeated over and over again as part of the lessons.

Although the concept of e-learning could potentially help reinforce manufacturers' key messages to their retail partners in a cost-effective format, there are concerns, as with any new initiative, that it will be implemented properly. "It may be the old-fashioned way, but I prefer face-to-face training. Computers cannot replace the interactive training experience provided by a live human being," suggested Jeffrey Cowan, director, home audio products group at Boston Acoustics. Cowan agreed however, that the use of a well-planned e-program could be effective in reinforcing the initial message over the course of a year, and certainly support the retailers as they hire new associates. Manufactures like Boston Acoustics rely on an educated sales force to communicate the value-added nature of their products to consumers. With technology items, sales training often centers around reducing or removing the intimidation for consumers, who are trying to keep up with the industry's rapid changes and make an intelligent purchase. Additionally, retailers have found creative ways to provide services that lessen the stress on their customers, offering in-home setup and delivery. Not only does this add value for the consumer who wants to avoid the complexity and frustration of wiring everything properly; it also serves to strengthen the partnership between the retailer and the manufacturer. The common goal served by any training initiative is to insure that the consumer electronics purchase results in a happy customer, and the emergence of e-learning programs may play a key role in providing retailers with the tools they need for future success.