

IMPROVING KNOWLEDGE TRANSFER WITH TRAININGS – A CASE OF CAR SELLERS APPROACH

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Abstract:

Knowledge transfer and compliance with service standards are very important elements for successful sales in car showrooms. Also, service standards need to be adapted to the wishes and interests of customers, as well as modern sales methods. For these reasons, it is very important for the company to set up and implement its customer service and sales activities by the standards set. The company must take care of the knowledge transfer between sellers and the locations of sales showrooms if they want to achieve good performance. In addition, they must provide opportunities of proper training of employees to enable them to acquire new knowledge and to improve their skills in communicating with customers. It is therefore necessary to check how customers perceive the service and whether the employees carry it according to the standards set. In the survey, we find that the knowledge transfer, training of employees and the familiarization with the service standards of the company can help to improve the sellers performance while approaching to customers and hence the long-term success of the company.

Keywords: knowledge, knowledge transfer, training, mystery shopping, sellers

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1. INTRODUCTION

Knowledge transfer is of key importance in all companies. Through the knowledge transfer, the sellers share their experiences and ways of solving various situations.

An important aspect of establishing standards in the company, which must be in line with market conditions, are the customer's expectations. Since customer's expectations are constantly changing, companies must also adapt to their demands.

Companies face difficulties in using the existing knowledge and transfer it to new employees (especially sellers). The value of past knowledge and experience can often reduce the number of employee errors, as well as their successful performance within the company. Benefits for such an approach are of course mutual, as the company has better-qualified employees due to efficient knowledge transfer and at the same time achieves better business results.

Gomezelj Omerzel (2008, 9) mentioned that knowledge is a mixture of experiences and information, where we can also add the professional organizational knowledge. Podmernik (2008, 13) also notes, that we can transfer the knowledge formally and informally.

However, knowledge transfer is no longer sufficient in today's turbulent market environment. Businesses must make sure that they acquire new skills and change their approaches to compete in the market. Training and courses organized for employees can be of great help to companies to develop employee's skills and knowledge. With modern and practical knowledge, employees can do their job better and more closely meet the company's stated goals (Gomezelj Omerzel, 2008, 27-29). Investing in the professional development of employees is certainly one of the best investments of the company, since it enables the development of new ways and knowledge, and improves employee approaches to customers. In this way, the company improves its competitive position in the market (Možina and Kovač, 2006, 16-17) and serves society at best.

Our research aims to explore the benefits of trainings for car sellers in particular. The trainings are an essential way to educate and transfer the right skills and knowledge to company's employees. Altogether 11 showrooms were analysed and their performance was tested. We used a quantitative methodology approach, where a questionnaire was used to record progress of the employees who joined a training course. The questionnaire was distributed before the training has started and after its completion. The first measurement of staff performance was conducted with the Mystery shopping technique in April 2017. After two staff trainings another measurement of staff performance took place in January 2018.

In our research we set the following two hypotheses:

- H1: Training of the sellers will result in higher performance by the company's standards.
- H2: The overall average result of sellers' performance will be above 50% threshold compliance with the company's standards after the second measurement.

In a following section a definition of Knowledge in a company is explained, then trainings for car sellers are addressed. Next section covers the introduction of mystery shopping concept, followed by a research findings and conclusion.

2. KNOWLEDGE IN THE COMPANY

We can define knowledge as the ability to resolve known problems. A person can solve the problem with known solutions, and it is not important how this knowledge was obtained (Ivanuša-Bezjak, 2006, 52). Knowledge can also be defined as a skill or information or context that allows and helps someone to make a quality decision and then solve a particular problem (Walczak, 2005, 331).

Knowledge, therefore, represents an important competitive advantage of the company on the market. It enables the development of new approaches, the use of new technologies, and thus impacts on improving the company's performance. It also offers higher added value to customers, as employees with more knowledge can better adapt to the interests of customers, which affects the higher probability of a decision to purchase a product or a service. However, company leaders must be aware that the company must nurture the acquired knowledge and skills in the company, and strive to upgrade and

update the existing knowledge in order to maintain their market position and market advantage (Možina, 2002, 207).

For employees is important to know answers to questions: Know-how, Know-what, Know-why, Know-who, Know-when, and Know-where. All these questions are connected to the employees' skills and knowledge, if they can perform services according to company standard levels (Gomezelj Omerzel, 2008, 34-35).

The process of transferring knowledge in the company can be done spontaneously, and it can be transmitted according to the interests of individual employee or systematically. In the latter, there is the possibility of individual and group knowledge transfer. The individual approach is used primarily for new employees, where a mentor (supervisor) is assigned to a new employee. Group knowledge transfer takes place at thematic meetings, guided by an appropriately qualified trainer or moderator with relevant experience. (Dermol, 2008/2009, 92-93). This kind of training also helps the employees to learn the most, as they have to test their knowledge and skills on their own in practice. They practice their performances in front of the trainers and colleagues, but without fear that they have done something wrong in the performance. This exercise strengthens their self-confidence, as qualified trainers give them immediate feedback and present possible customer reactions. All this is void for greater consistency in the implementation of activities with company standards (Sitar, 2006, 63-64).

3. SALES TRAINING FOR CAR SELLERS

Training is by the Dictionary of Slovenian Literary Language (DSLJ, 2005) the "education and learning of employees (which may be vocational, professional)". Also, the competence (ibid.) is "the ability to perform certain work". Svetlik and Zupan (2009, 328-9) explained that the aim of the training is that all employees have the highest possible competencies and they are working at full productivity, by the defined standards of the company.

Research of Werther and Davis (1987, 211) showed that knowledge transfer, supported with training programme, has a positive impact on employees' skills and ability to behave in the way, it is desired by company's standards. We can all agree that employees (special sellers) must behave in a proper way when interacting with customers, which mostly means by the company standards.

Možina's (2002) research results indicated that management must organize appropriate environment for knowledge transfer and should ensure the appropriate training, to qualify their employees. This means that someone must explain to employees what are the company standards and what they need to train, to practice their approach with customers and to learn new activities. By trainings companies develop skills and ability to serve customers by the standards. Možina also mentions that during training, the trainer (moderator) can connect the old and new knowledge, with the experiences of older employees and put that all together in the modern contexts.

Training connected to the sales employees should include different skills and knowledge, connected to non-verbal, verbal and written communication, creating an excellent first impression, how to organize and lead the sales conversation, what kind of questioning techniques can be used and how, how sellers are dressed and how to use assertive communication. They also need the knowledge about the techniques and equipment, financial opportunities, and about services.

With the training and courses, companies can significantly improve the skills of their employees, improve the relationship with the customers and achieve better sales results.

4. IMPLEMENTATION OF MYSTERY SHOPPING CONCEPT AS ASSESSMENT

According to Kotler (1998, 42) the Mystery Shopping "is one of the ways that helps us create a picture of the consumer's satisfaction in such a way that we hire people who pretend to be potential consumers, and then they report to us about their experience of shopping products and/or services of our company and the competition. These imaginary customers can trigger a conflict intentionally to determine how well employees conduct themselves in a particular situation."

The International Association for Marketing Research – ESOMAR, defines Mystery Shopping as "a well-established research technique used by various businesses, governments and other organizations. The

purpose of such research is to help providers to assess and improve the standards of services offered to consumers, by comparing the services performed with desirable and comparable standards of competitive providers” (ESOMAR, 2015).

There are different approaches to the Mystery Shopping survey. Most used activities are: personal visit by “apparent consumer” at the selected location, telephone call, email survey measuring the speed and quality of responses, shopping in the online shops and the measurement of their responsiveness (G&P svetovanje, 2018).

Mystery Shopping with a personal visit to the location usually can provide us the most detailed recording of the behaviour and activities provided by employees. That is possible if we sent specially trained and qualified so-called “apparent” consumer. Well-trained apparent consumers are not visible in the sales environment. They do not stand out from other consumers and employees could not recognize the assessors of their work (Brešar, 2000, 40; G&P svetovanje, 2018). The objective of using techniques of Mystery Shopping is to provide unbiased and realistic insight into the interactions between employees and consumers.

With the use of Mystery Shopping technique, we can find out the potential problems and deviation from set company standards. At that basis, the company can organize the relevant skills training (Karlsson and Horbec, 2006, 52). It also enables the company to evaluate of compliance with serving standards, the arrangement of selling and serving areas and approach of employees to consumers (Karlsson and Horbec, 2006, 36).

5. RESEARCH

We surveyed 11 showrooms of one automotive brand and measured the skills and approaches of sellers to new car buyers. The first implementation of the verification was in April 2017 and the second verification was in January 2018. In both measurements, the same questionnaire was used. Two training sessions were conducted between both verifications to improve salesperson’s sales skills.

Measurements were carried out with the method of Mystery Shopping and with the help of specially trained test buyers – Mystery Shoppers. The questionnaire was divided into seven assessment lots. We checked: 1) the first impression, 2) the analysis of the needs of the customer, 3) the demonstration of the vehicle, 4) the offer of the test drive, 5) the possibility of buying a used vehicle with the possibility of financing the purchase of a new vehicle, 6) the completion of the conversation and 7) the sellers’ presence in front of the customer. Each area included various assessment parameters that were verified by the evaluators. The answers were then evaluated with points, and for each area, the average points scored were calculated. In the end, we calculated the average of all, in the assessment standards of the fields involved.

5.1. Research results

First impression

Within the framework of the first contact, the performance at the first measurement was 50%, while the result was significantly corrected at the second measurement (Figure 1). 76.8% of the sellers made the first contact by the prescribed standards of the company at the time of the second measurement.

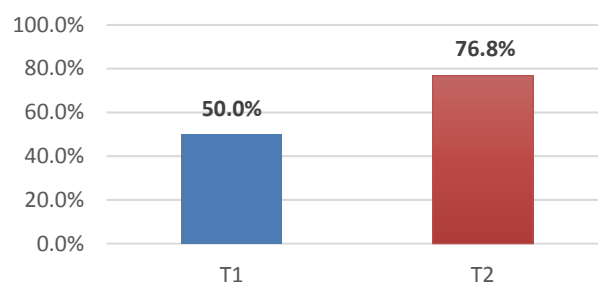


Figure 1: Results of the first impression of customers

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Customer needs analysis

Within the framework of the customer needs analysis, the result was very low after the first measurement there only 21.6% of the sellers carried out activities in order to obtain information on the needs of customers. As part of the second review, the result improved, and in the framework of the second verification, 58.7% of the sellers carried out the process of obtaining information on the needs of customers by company standards.

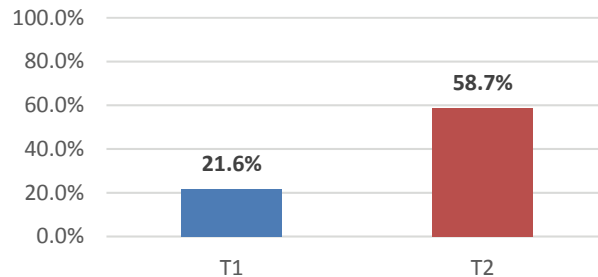


Figure 2: Results of customer needs analysis

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Demonstration of the vehicle

In the context of the demonstration of the vehicle, the compliance with the standards of the company from the sales force was carried out in 52.3%, while during the second check, the result improved and the sellers performed a presentation of the vehicle in accordance with the prescribed standards in the company in 85.3% of cases.

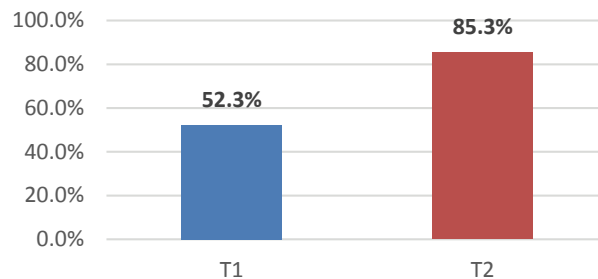


Figure 3: The results of the demonstration of the vehicle

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Test drive offer

In the context of the test drive offer, only 25% of sales staff carried out the standard in customer service at the first check-up, while in the second check, the proportion of such sellers who offered a test drive rose to 68.9%.

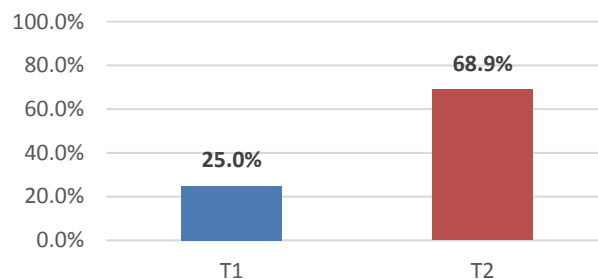


Figure 4: The results of a test drive offer

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Buying a used vehicle with the presentation of the possibilities of financing the purchase of a new vehicle

In the part of buying a used vehicle and offering various financing options, only 35.7% of sellers performed the task well, while in the second check, according to the standards, the offer of the purchase of a used vehicle and the presentation of the possibilities for financing the purchase of a new vehicle was carried out by 78.3% of the sellers.

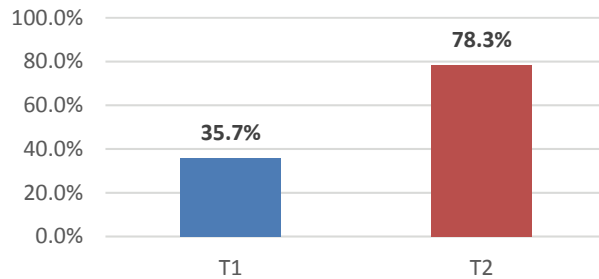


Figure 5: The results of the offer of buying a used vehicle and the presentation of the possibilities of financing the purchase of a new vehicle

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Conclusion of the conversation

As part of the conclusion of the conversation with the client, 44.4% of the sellers were doing a good job during the first check, while 75.9% of the sellers performed the task by the company's standards after the second check.

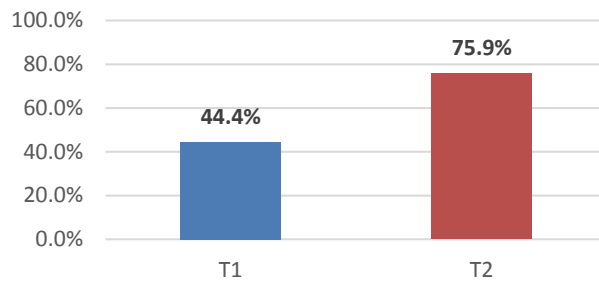


Figure 6: Results of the conclusion of the conversation

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Sellers' presence in front of the customer

The last assessment was to evaluate the sellers' presence to customers. In the first check, according to the required standards of the company, the performance by the sellers was appropriate in 75.8%, while during the second check, the corresponding performance of 90% of the sellers was carried out.

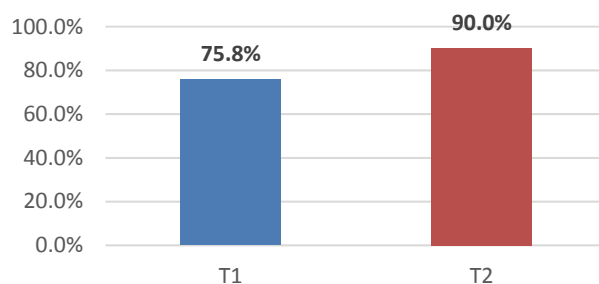


Figure 7: Results of the sellers' presence in front of the customer

Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

Average sellers performance

If we combine all areas of verification of seller service standards, then the achievement at the first check was 53.9%, while the result in the second check showed a significant improvement according to the prescribed service standards, and the result was 80.5%. Total performance improved by 26.6%.

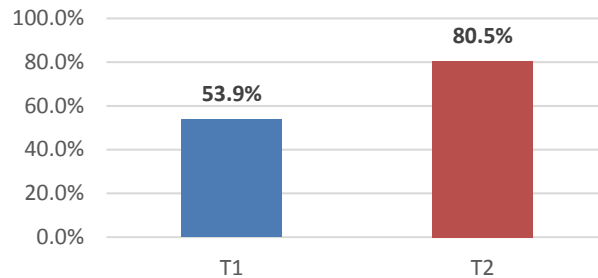


Figure 8: The results of total service on average
Note: T1 –first measurement (April 2017), T2- second measurement (January 2018)

5.2. Verification of hypothesis and discussion

At the beginning of our research we have defined following two hypotheses:

- H1: Training of the sellers will result in higher performance by the company's standards.
- H2: The overall average result of sellers' performance will be above 50% threshold compliance with the company's standards after the second measurement.

Our first assumption was that trainings significantly improve the performance of the sellers. Trainings often are guided by the strict rules of company's standards and guidelines which employees have to manage while performing their job. We tested sellers for seven sets according to company's prescribed standards. The results showed that after the trainings the performance of car sellers has improved in each of the seven assessment sets. The most improvement was recorded for 4) test drive offer (44% increase), followed by 5) Buying a used vehicle with the presentation of the possibilities of financing the purchase of a new vehicle (43% increase). Sellers' presence in front of the customer (7) improved the least by 14%, however the sellers' presence was already at high levels after the initial measurement (at 76%, see Figure 7). Our findings confirm our first hypothesis that trainings improved in all seven cases sellers' performance according to company's standards.

Among 11 sellers which we have surveyed, the performance overall increased from 3% to 88%. However, one seller managed to score 1.1% lower at the second measurement compared to the first measurement. After the first measurement 4 out of 11 sellers did not reach 50% compliance with the required standards of the company. After the second measurement all sellers managed to score above 50% threshold. One managed to perform almost perfectly according to the standards, with the score of 98. Altogether, all sellers improved their performance and reached more than 50% compliance with the company's standards after just two trainings. Our second hypothesis was also confirmed.

6. CONCLUSION

We have focused in this paper on the knowledge transfer and how we can improve selling skills of employees with training. The sellers are the first and most important live contact with the customers, and the overall company success relies much on their efficiency and approach.

It is very important to organize the knowledge transfer in the company in a systematic way. For that purpose, we can use different activities and methods. One of the best is the organized training with an experienced trainer. He can help employees to develop new skills and manage the transfer of the best practice between the employees.

Companies must be aware of changes in the market and preferences of the customers if they want to be competitive. Because of that, they have to organize a systematic transfer of the knowledge and best practice between the employees. They also need to organize the training to develop skills and provide

opportunities for professional development of their employees. However, the company must also set the standards of service according to the customer's desires and needs.

Our research findings are in line with other scholar's research. Lyles and Salk (2007) argued that the training for employees has a positive impact on the company's performance. Employees with knowledge transfer and training gain on their flexibility and understanding of customers' needs, while increasing sales and reducing the company's operating costs (Burke et al., 2006). Jones (2000, 472) therefore noted that the company's management views the process of learning and training as a process by which it could increase staff capabilities, and consequently improve the results.

As it follows from the provided research, we can state that the training of employees and mutual knowledge transfer can significantly improve their skills in all areas. Accordingly, to that, the company's results are also improving. Additional knowledge and skills can be used as an important competitive advantage. Competitors can use the same standard of service, but it depends on the employees to what extent they will engage and carry out the activities in line with the company's standards. The right attitude, knowledge, and engagement of employees represent a competitive advantage that cannot be replicated.

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