

# DRIVING EMPLOYEE ENGAGEMENT AT SUBARU

**HOW AIMIA HELPED TURN  
SUBARU'S SALES ENGINE INTO A  
HIGH-PERFORMANCE MACHINE**

Kurt Paben, Senior Vice President,  
Head of Channel and Employee Loyalty

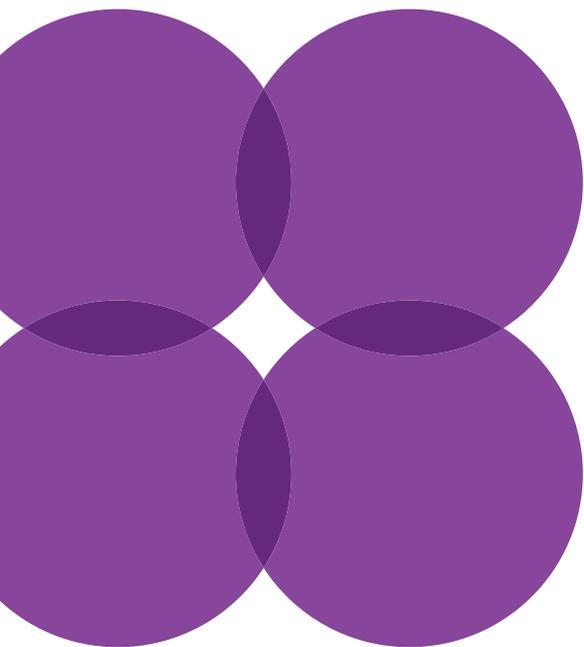
**Summary** Subaru of America, Inc. distributes, markets, sells and services Subaru vehicles in the United States. Three regions support local sales, marketing and dealer relations activities. To bolster sales and owner loyalty by creating a consistent customer experience, the company wanted to develop a curriculum to train their sales team on product knowledge and core brand principles. After reviewing the objectives, Aimia developed a comprehensive training solution that united Subaru's original idea with elements of our Positive Engagement Model.™

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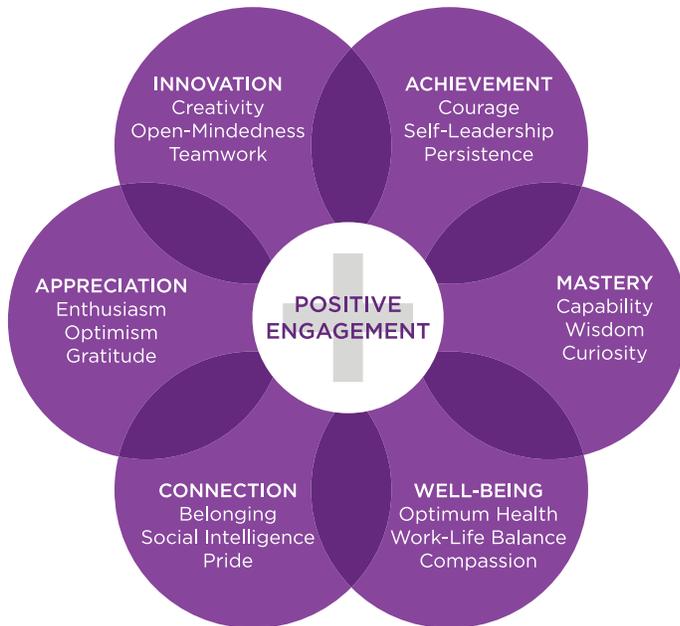


> **The Challenge**

Although Subaru enjoyed strong sales, the added volume pressure was eroding the company's sales satisfaction scores. Customer ratings for their sales process—as measured by J.D. Power and Associates—were slipping. The quality of information available through sales associates was inconsistent. Subaru needed to fix their sales process before it affected their overall performance.



**The Opportunity** Aimia understands the important role of the front line in creating a compelling customer experience that drives loyalty. For automotive manufacturers, this role falls primarily to the dealership sales team. As experts in performance improvement strategies, Aimia understood the need to create a holistic customer experience solution that would result in measurable performance improvements.



The foundation of Aimia's approach to customer experience is the principle of Positive Engagement—a holistic methodology and toolset that helps drive the best performance from the sales associates and frontline staff who serve as the face of your brand. This exhaustively researched and validated model defines the six factors that contribute to a highly effective team that achieves outstanding business results:

- > **Achievement**—Courage often is overlooked in business, yet it provides the needed push for taking risks and experimenting with new ideas and opportunities.
- > **Mastery**—In a rapidly changing environment, employee skill building and personal development ensure that the business can grow and change over time. Deep expertise also contributes to Innovation and propels the organization into positive cycles of change.
- > **Well-Being**—This serves as a foundation for superior performance. Well-Being represents optimum health and work-life balance. If the goal is to build a thriving workplace, it stands to reason that feeling fit physically and mentally will set the stage.
- > **Connection**—Relationships are the thread that links employees to each other as well as to the business. Healthy internal relationships also contribute to healthy customer relationships.
- > **Appreciation**—Enthusiasm and optimism bring energy to a business, and expressions of appreciation reinforce the unique value each person offers. Appreciation also fosters gratitude, which nurtures a strong service orientation.
- > **Innovation**—Creativity is required to solve today's problems and to build a vision for the future. An innovative organization also fosters openness and diversity.

We began the design process with this end in mind. The key to success? A measurement strategy that provides tangible impact on both sales performance and customer satisfaction.

**The Solution** Using our Positive Engagement Model as a foundation, we redefined Subaru's approach to training and aligned the company's associated reward and recognition programs. Our first task was to help Subaru identify the gaps in their current performance improvement initiatives. For example, we identified early on that a key stumbling block to success was the lack of integration between the company's training certification, rewards, and recognition programs for Subaru dealership sales managers and sales consultants. As a result of this discovery process, we recommended a comprehensive approach to integrating these programs to build stronger employee engagement that drove sales.

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Subaru supports this alignment through a web portal called Subaru Foundations, which provides a one-stop platform for communications, training, sales tools, and comprehensive reporting. The portal includes individual dashboards that allow sales managers and consultants to monitor their progress, as well as comprehensive online reporting tools for sales managers, dealers and Subaru executives. Key elements of the solution include:

- > **Sales Certification Program**—We helped Subaru develop needs-based curriculum and coursework for Sales Managers and Sales Consultants. This technology-based training solution includes games and easy-to-find information always at their fingertips. Subaru backs this commitment to brand and product knowledge excellence through a certification program with teeth: Foundations certification is a prerequisite for participation in all recognition and reward opportunities—both national and regional.
- > **Web Portal**—Foundations provides easy access to course materials, product information, sales skills tips, and industry news to Subaru's sales certification participants. The content is dynamic, relevant, and timely. Managers and associates who become certified receive access to a "performance portal" that provides a comprehensive, personalized view of their progress, as well as multiple levels of comprehensive reporting tools. The site is also optimized for mobile devices.
- > **Data collection and analysis**—Robust tracking tools integrate, organize, and analyze data from all key touch points. Our solution can correlate data to key performance measures, as well as create a success profile based on multiple variables. Moreover, Aimia's Decision Sciences team completes a quarterly analysis that has helped Subaru identify opportunities for enhancements, improve program strategy, and deliver cost savings—all while driving greater performance overall.

Over time, Subaru has added additional functionality and features to Subaru Foundations, including a video streaming service called Subetube, a product information tool called SubeSource, and an employee recognition tool called SubeStar. Today, Aimia manages all of these programs, and provides a majority of the content for the web portal.

**The Solution** The key success elements to the Subaru Foundations address five of the six factors that lead to positive engagement.

### KEY SUCCESS ELEMENTS

- > **Mastery**—Success happens when the sales team knows the product, understands expectations, and follows process. In addition to providing a formal curriculum of learning nuggets and foundational coursework, Subaru helps employees achieve mastery through online product information tools, videos, and timely sales tips. These tools keep the sales force engaged and at the top of their game.
- > **Connection and Innovation**—Subaru now provides more opportunities for informal learning that facilitates information exchange, leverages associate knowledge, and creates a greater sense of team unity across Subaru dealerships.
- > **Appreciation and Achievement**—Enhanced performance occurs when you combine mastery initiatives with recognition and reward programs to create positive engagement through achievement and appreciation. At Subaru, sales managers and sales consultants can earn rewards for vehicle sales, as well as can earn recognition honors for top performance based on sales and customer satisfaction.

Subaru believes that the professionalism of its dealership sales network is the foundation of ongoing success. The company has therefore made a commitment to Foundations that will ensure the program lives up to its name.



Engaged frontline employees trained to deliver a consistent, outstanding, and memorable customer experience are critical to differentiating your company from the competition. Furthermore, holistic customer engagement drives measurable results to your bottom line:

- > Firms with high employee engagement scores have an earnings/share growth rate of 28.0%; low-scoring firms have a negative rate of 11.2%;

*Towers Perrin survey, July 2008*

- > Firms that score high on engagement improve operating margins 4% on average; firms with low scores experience an average 2% decline.

*Towers Watson, March 2011—three-year survey of 41 global companies*

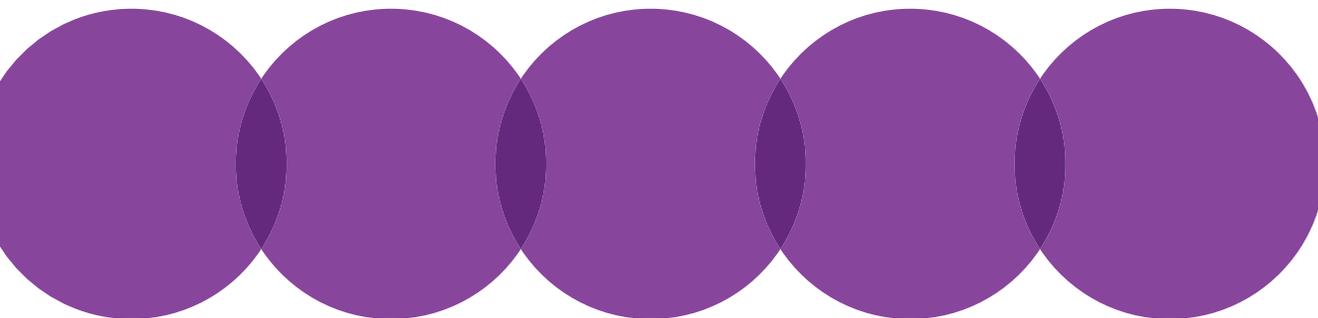
**The Results** As a result of implementing Aimia's engagement solution, Subaru has realized key business benefits.

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Key business benefits include:

- > Foundations-certified salespeople sell more than twice the number of vehicles on average than their non-certified counterparts.
- > Salespeople who use the web portal sell more vehicles on average than non-users.
- > Subaru's ranking on the J.D. Powers and Associates Sales Satisfaction Index has moved up four positions.
- > In the U.S. Subaru has been setting annual sales records since 2009. From 2009 to 2010, sales increased by 50 percent.
- > Subaru set another record in 2011, leading the company to become the only automaker to post U.S. sales increases over four consecutive years.
- > Foundations also won the 2011 Brandon Hall Excellence Award for the best program in Sales Training and Performance.

Certainly, Foundations has become a key contributing factor to Subaru's sales success. In 2011, the company's ongoing commitment to employee engagement led to Aimia helping them launch a new training initiative aimed at creating a better customer experience. By listening to Subaru's business concern, framing a solution within the context of employee engagement, and applying the science of loyalty management, Aimia exceeded Subaru's expectations and helped turn Subaru's sales engine into a high-performance machine.





## About the Author

### **Kurt Paben, Senior Vice President, Head of Channel and Employee Loyalty**

Kurt Paben is a 27 year veteran of the Loyalty industry with experience in the motivation of employees, business partners and customers for some of the most notable brands in the world. He has worked with dozens of global and domestic Aimia clients in a variety of industries including High Tech, Automotive, Telecommunications, Financial Services and Direct Selling.

Kurt leads the Channel and Employee Loyalty team for Aimia. He is committed to developing programs that produce measureable results and creating memorable and unique face-to-face or hybrid events that help Aimia clients get closer to their most important audiences. He is passionate about connecting the science of data with the development

of personal relationships — believing more engaged employees and higher-performing business partners deliver long-lasting customer loyalty.

He also has extensive experience in helping Aimia clients achieve their business objectives through the deployment of reward and recognition initiatives, innovative communications, event marketing and successful loyalty programs.

Kurt has played an active role in industry roundtables, advisory boards and speaking engagements and currently serves on the Site International Foundation Board of Trustees as the President-Elect.

Kurt received his Bachelor of Science degree in marketing from the Kelley School of Business at Indiana University. He is also a graduate of the Executive Leadership Program at the Carlson School of Management at the University of Minnesota.



### **About Aimia**

Aimia Inc. (“Aimia”) is a global leader in loyalty management. Employing more than 4,000 people in over 20 countries worldwide, Aimia offers clients, partners, and members proven expertise in launching and managing coalition loyalty programs, delivering proprietary loyalty services, creating value through loyalty analytics, and driving innovation in the emerging digital, mobile, and social communications spaces. Aimia owns and operates Aeroplan, Canada’s premier coalition loyalty program, Nectar, the United Kingdom’s largest coalition loyalty program and Nectar Italia, Italy’s first independent loyalty coalition program. In addition, Aimia owns stakes in Air Miles Middle East, Mexico’s leading coalition loyalty program, Club Premier, Brazil’s Prisma Fidelidade, and i2c, a joint venture with Sainsbury’s offering insight and data analytics services in the UK to retailers and suppliers. Aimia also holds a minority position in Cardlytics, a U.S.-based private company operating in transaction-driven marketing for electronic banking. Aimia is listed on the Toronto Stock Exchange (TSX: AIM).

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