

## Better information, Better decision

### Market Intelligence



**ASAKO HOSHINO**  
Vice President

**“Why does a company conduct market research on consumers? It is not just about asking the customer if they prefer A or B, which is often what managers want to know. Accumulating knowledge on consumer behavior and emerging trends is how you come up with ideas that are truly focused on the customer. Our aim is to gain the deepest understanding of the customer possible, and use that insight to identify future trends.**

**The Market Intelligence department is relatively new, formed by combining the research functions once carried out separately by various divisions. The merger and our independent status have brought several practical benefits. We now have uniform procedures for conducting research, better research methodologies, and greater objectivity in the interpretation of the data. Today, we’re a team of experts in this field, not simply coordinators between research organizations and the decision makers. We are often benchmarked by other industries.**

When the department was first established, Mr. Ghosn made one thing very clear: Do not attack the methodology! Different business areas may complain when we release information that is negative or differs from their objectives. However, they cannot attack how we came to our conclusions, because our methodology is considered the best within the organization. We are transparent in our

selection of methodologies and how we approach conclusions. Among the various areas, we aim to be the department that most effectively utilizes the PDCA—plan, do, check and action—cycle. We are always working to get better and more accurate information to upgrade our methodology. Every year we hold a PDCA session to review our methodology with other departments. Anyone can assess Market Intelligence at this time. This is also a great opportunity to share methodologies and approaches with various functions.

We also conduct trend review meetings with all decision-makers, including non-marketing officers, to understand social, consumer and value trends so that we can identify sources of innovation for all areas. This makes us unique. Our analysts enrich the analysis, interpretation and forecast because they are aware of global social and consumer trends. The trend review meetings also remind people in all departments—even those not directly involved with sales and marketing—that customers are truly the center of our business.

We work with different research experts and companies as our partners. They offer a variety of high-tech techniques such as glasses with cameras that track eye movement, instruments that measure brainwaves or pupil dilation to detect preferences, and non-categorical measures that help us find personal evaluations of perceived quality or design. Our job is to evaluate these research companies and their output, and to develop the best methodology for our issues. We are always refining the tools we have and looking for new ones that will boost our accuracy. Our strong ties with outside experts are a source of competitive advantage for Nissan.

Again, it all goes back to being customer-oriented. Confirming that customer-oriented stance will create value for Nissan. Market Intelligence must be a dedicated evangelist for this change.”



## Sales & Marketing



**YUSUKE SEKIGUCHI**  
Vice President

**“In 2003, I was the “pilot”—essentially the project leader—of a cross-functional team that redefined the traditional sales function as a marketing function. Now I cover car sales as well as traditional marketing activities such as advertising and sales promotion. This is part of our effort to address one of the most competitive auto markets in the world—Japan.**

**Our dealers conduct sales activities in the marketplace, and our role is to ensure that what they do reflects Nissan’s plans. We also gather customer feedback from the showroom to see how we can improve processes. Direct communication through online outlets is another new way of reaching out to customers.**

Although the total market in Japan was down in 2004, we managed to pick up market share. The two halves of the year were completely different, however. The first half was the ‘dry season’—where we didn’t have any new model introduction for over 12 months. We underestimated the impact that would have on our business, and the dealers had a tough time because of it. Then we organized the SHIFT\_ event in the second half of the year, and for the first time ever introduced six new models simultaneously. This completely changed the playing field. While it was a challenge for the dealers to launch six models in five months, it had a significant and positive impact.

Japan’s population peaks in 2006, and automobile demand is expected to decline thereafter. With this in mind,

we’ve been focusing intensively for the past three years on building customer relationships. We realize we must increase and enrich our contact points with customers to raise our market presence. To this end, we decided to retail the full lineup through both our Red and Blue dealer channels, which formerly offered different products.

Our next task is to improve the quality of the sales and service process. We have already upgraded the management of our brand identity through various methods. For example, individual dealers used to handle newspaper insert production. We moved all insert production to headquarters, which not only reduced costs but also created a more powerful, uniform communication to customers. Today, 15 percent of our showroom traffic is generated from these inserts, an increase from 6 percent prior to centralization.

The introduction of the Tiida provided an interesting test case in interactive communications for us. Not long before we launched the car, blogging became very popular in Japan, as it has been elsewhere. There are many car-related blogs where people share information about their favorite cars. As an experiment, we started a blog about the Tiida and encouraged people to comment on the car. This was the first proactive usage of automotive blog in Japan and brought a tremendous response—it actually became the market leader in terms of unique visits. The blog proved to be an amazingly effective way to generate word-of-mouth and communication between Nissan and its customers, and we will continue to utilize this channel in various ways.

Another positive change in our division is a more cross-functional way of doing business. We communicate frequently with upstream functions such as Design, Product Planning and Communication through V-up and cross-functional activities. This is an essential exchange, because when Nissan creates a new product or service, we are responsible for communicating the unique value we provide to the customer through ‘SHIFT\_ points.’ We are demand creators, and that is how we create value for the company.”



## Aftersales



**JUNICHI ENDO**  
Senior Vice President

**“Aftersales was established in 2002 because Nissan wanted to expand the scope of what was once the Parts Division. Our primary objective is to extend the value chain. We are trying to engage new-car owners for a longer time by offering an extensive range of attractive aftersales products. These products include parts, service contracts, conversion—both accessories and customization—and new service methods such as quick inspection and quick body repair. Global Aftersales covers the downstream business in cooperation with other marketing and sales divisions.**

This has become an increasingly global function as we deploy and monitor various programs throughout the world. For example, Project SX, the new Nissan service standard, should drastically improve dealer service operations. This program educates dealers on how to be more customer-oriented by providing insights into productivity, marketing

and management. To increase service productivity and efficiency, we send former factory foremen and engineers to various service workshops to analyze service staff performance. This will help cut repair times and improve customer satisfaction. The Nissan Sales and Service Way is also a tool used to increase the quality of service provided by all dealers. Its successful implementation has enhanced customer satisfaction worldwide.

The conversion business in Japan looks very promising. We discovered that 50 percent of car owners want to customize their vehicles, and 28 percent already had. Such a high penetration rate illustrates how much people want a car that's different from everyone else's. The Rider series—customized versions of Nissan cars developed by our wholly owned subsidiary Autech—are very popular, especially among younger Japanese. The series exemplifies the major potential of the conversion business.

Global Aftersales is a young division, but we've performed well from the start, meeting our global commitments every year during NISSAN 180 and contributing to the Company's growth. We have expanded nearly 20 percent year-on-year between 2001 and 2004, and intend to continue this momentum during NISSAN Value-Up. We will optimize our cost structure by sourcing parts from the leading competitive countries. We are striving to develop an even tighter relationship with our customers and to provide them with new services throughout the ownership cycle. I believe this broader range of aftersales services will provide sustainable growth in Nissan's revenues and profit.”

## MOTORSPORTS Motorsports



Motorsports is a dynamic form of marketing that offers a natural forum for presenting the Nissan brand. On the track, Nissan's technologies are pushed to the limit—and sometimes beyond—under grueling conditions.

Nissan participates in a wide range of motorsports, including the Super GT Series.

This is the most popular racing series in Japan, and is increasingly broadcast around the world. Motorsports will remain an important marketing outlet that enhances both Nissan's brand presence and our engineering capabilities.