

SYNOPSIS

The Malayan Tobacco Company may boast of being the first industrial firm in Malaysia to evolve a unique distribution system which classifies the outlets according to their importance and prestige value to the Company. Recognising the importance of service to the customers and product quality to ensure consumer satisfaction, this classification affords a concentration of the salesman's scarce time and energy on the more prestige outlets. It is hoped that by this means, the customers of these outlets smoking the Company's brands may indirectly act as "opinion leaders" for the Company.

It is this distribution strategy that gives the Company an edge over the other cigarette firms in Malaysia. Apart from this, the development of the distribution system has entered its aggressive, intensive and extensive phases. The aggressive nature may be seen by the consumer-contact and the hard-selling activities carried out by both the assignment salesman and the "Task Force Boys". The extensive and intensive nature may be seen from the Company's policy of not leaving an outlet unserved, however remote it is situated, or however insignificant its transaction is.

The place objectives of the Company are achieved through the co-operation with its exclusive distributors. Because of this exclusiveness, the distributors play a very vital role in the channels of distribution. The Company has worked out a system of immediate profits, commissions and allowances to provide adequate incentives to motivate them in their work.

Despite some short-comings with regards to the "smuggled goods" and problems of the sub-distributors in the channels of distribution, the distribution system has its merits. It may be said to be the most efficient among those of the other firms in the country; in short, it is at least several years ahead of them.