

INTRODUCTION

It had been a great experience producing this Graduation exercise and the time spent on it, it is hoped will be rewarding. The writer would like to emphasize that had he not been offered a brief spell¹ of service in Esso under the Grant-in-aid Programme, the compilation of the topic presented here would be quite impossible. After making careful consideration and comparison with other areas of the company's organisation, this subject - "Esso Company-Dealer Relations Programme" - was finally selected as the topic for this graduation exercise.

This topic forms a very important section of the Marketing Department but it no less comprises an area of great significance too in the company's Department of Public Relations. Both these departments are shown in the organization chart which is presented in Chapter 2. At a glance, one can see that the topic

1

This is a programme instituted by Esso Standard Malaya Ltd. in 1965. Through this scheme it recruits temporary workers from the University. It is also part of its Malayization Programme whereby the company studies the potential of prospective staff members. See Esso, Esso News, Vol. 5, No. 2; Esso Standard Malaya Ltd. 1966.

presented here affects, to a significant part, the Staff and Operating departments and as such its importance to the company must not be underestimated.

Reasons:

This area of study was especially selected because of the fact that the dealer, as a sales representative for Esso products and services, is receiving growing recognition from the company. The reason for this recognition is plain. It is the Esso dealer who comes into direct and constant contact with the public, as a personal representative of the company, whose name he bears, whose trademark is all over his driveways and on the products he sells. The dealer's contact is with, first, the company, then, the customers, fellow businessmen, neighbours and friends and these give the best possible reason why the dealer can be such a tremendous public relations force.

Objectives:

Considering all the factors given above, the main objectives of this exercise are to show:-

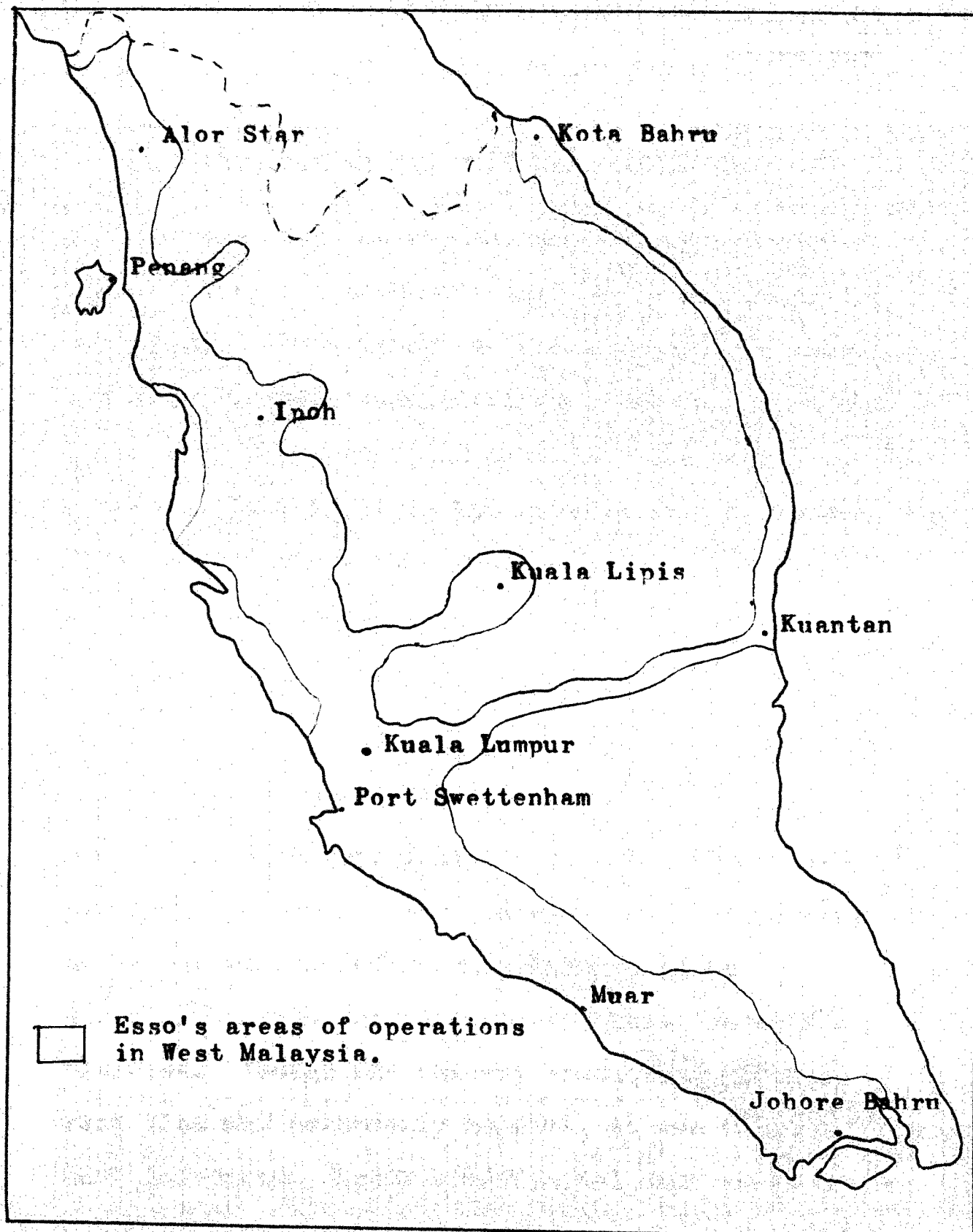
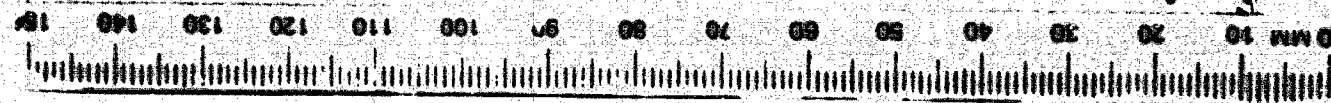
First - the very important part played by dealers in the marketing of Esso products.

Second - the Esso dealer as a very effective instrument of linking the company to the public.

Third - that success of the company's and dealers' marketing plans very much depends on good company-dealer relations.

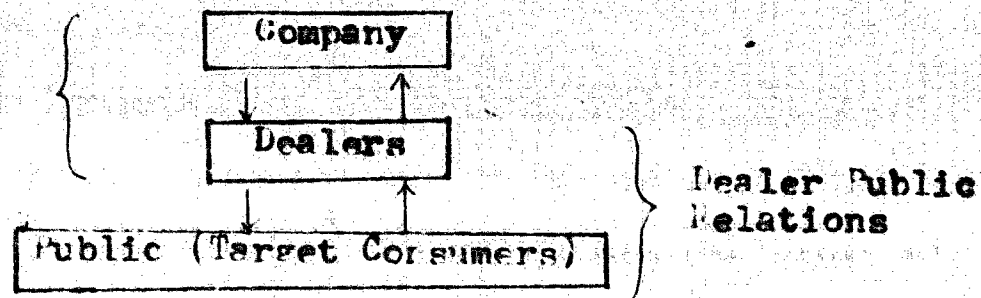
Scope

The scope of this exercise covers only Esso Standard Malaya Limited and the dealers covered are mainly operators of Retail Outlets selling Esso products such as fuels like gasoline and diesel, lubricating oils, greases, Extra Motor oil, brake fluid, Esso 2-T, Esso Lube, and the like. The main part of this Graduation Exercise deals with the activities of the company and its dealers in implementing a Company-dealer Relations Programme but the area of dealer public relations is slightly embodied too; for it is just an extension of the former. The whole notion is actually the linkage among the company, its dealers and the public with the dealers playing the important part of intermediaries and the company acting as the initiator of this line of communications which is actually the life-line of its marketing efforts. The success or failure of the company will depend on how this linkage is constituted. Following is a map showing the areas and scope of Esso's operations in Malaya.



Most of Esso's Retail Outlets are in the West Coast. This is due to the fact that this region is better developed than the East Coast. In the East Coast there are less than ten outlets.

Company
Dealer
Relations



Company - Dealer - Public Relations

The diagram above is typical of the line of communications the company employs in its marketing operations. From it we can clearly see that there is a two-way traffic communication line, that from the company to the public and that from the public to the company. In this line, the dealers form a central position and their role must necessarily be of immense importance.

Limitations

It had not been difficult to gather materials for this exercise but it must be stressed that this subject had not been fully touched by any company personnel yet and as such, a wide range of reading had to be undertaken before materials could be consolidated and interpreted into this Graduation Exercise. Though the company executives had been very kind and uncommonly helpful, it was to be regretted that in certain fields confidential data could not be released and consequently, some very relevant facts had been unavoidably omitted. Actual figures such as profits and losses of Retail Sales Development were

thus not presented here. Figures such as the dollar amounts for advertising campaigns and the calender² schedules of sales promotions to be put forth this year, were also not released. It is not the company's policy to release any important data for outside publication.

The writer wishes to stress that though he had access to some of these confidential data, unfortunately he had been requested to use them only as a guide and not for direct reproduction into his writing. Out of good faith to the company, he had however not done so but where permissible, data were reproduced to aid comprehension and to help clarify some of the points presented here. Most of the data produced were highly confidential and many of the policies in the areas of credits, discounts, differentials, retail sales development, station rental, and dealer relations were the company's own and not be solicited for competitors' benefits.

Methodology:

As a prerequisite to this study many books and magazines from various departments of the company were gathered. In all, four departments had been

These schedules are actually tables showing the exact dates when advertising campaigns are to be released to boost up sales.

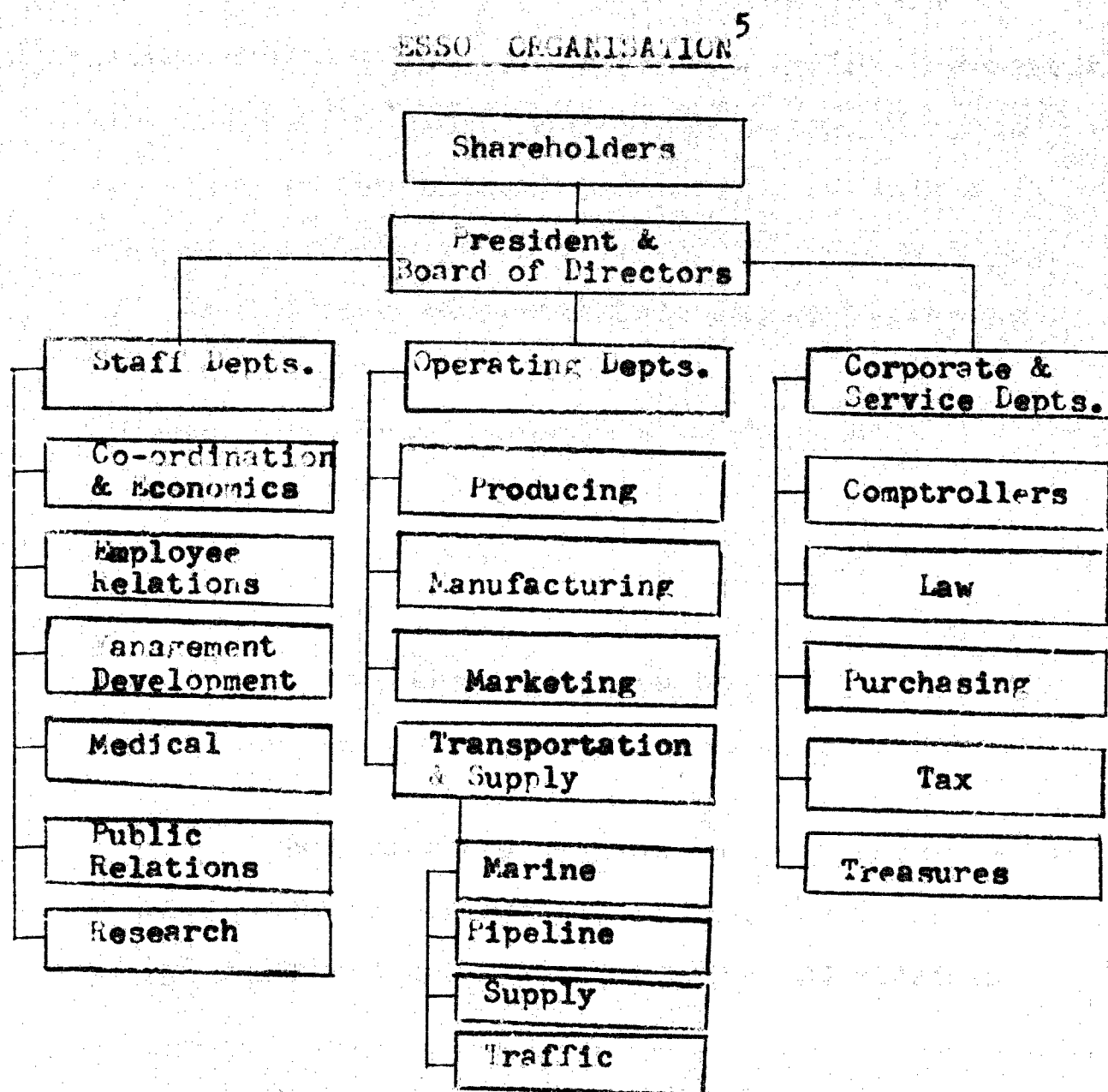
particularly helpful and they were:-

- 1) Retail Sales Department;
- 2) Advertising Department;
- 3) Marketing Analysis Department;
- 4) Public Relations Department.

The first three are, of course, embodied in the broader area of Marketing as shown in the organisation chart. In all, about thirty books and magazines were made available for the writer's perusal. These however, were not sufficient to provide materials for a detailed appraisal of the topic of discussion because many of the books gave unsuitable information. Through a series of interviews, further first-hand substance was added to the writer's notations. There was another source of information which was no less important, at the writer's disposal - that was, the company's dealers. During the course of the writer's work in Esso, he had been sent out to different service stations in Perak, Kuala Lumpur, Seremban, and Singapore and this therefore offered him an excellent opportunity to acquire first-hand knowledge from Esso dealers in their relations with the company and the public.

The sorting out of facts and the presentation of the layout of the exercise came next and after meetings with Mr. Lee Ming Chong, a very helpful and

efficient supervisor, this Graduation Exercise finally came out in its desired structure and form. This was the culmination of approximately two and a half months of field work.



⁵ See Esso, Marketing Training, Introduction; Esso New York, 1963.