

CHAPTER III

DEALER RELATIONS PROGRAMME

Fully aware of its responsibilities to its customers, employees and the public, Esso Eastern Malaya Ltd. periodically restates its policy regarding its most important customer, the Esso dealer.

The company supports the principle that the motoring public can be served best by the distribution of its products through retail outlets operated by independent businessmen - Esso dealers.

They are the strongest link between the company and the consumers of its products, the motorists. Because the company's success is so directly linked to that of the dealers, Esso maintains a keen interest in these independent businessmen. Its reputation in a community and with the motoring public living there or passing through, is influenced by the local dealers' attitude, conduct and caliber of service. A dealer who fails to give friendly, prompt, efficient service, or who fails to maintain accepted standards of cleanliness and appearance of station and personnel, discredits the sign and harms the business of his fellow dealers.

The company believes that the selection and training of new dealers is an important responsibility; likewise the selection of station sites and the building of modern stations. It spends much time and effort in carrying out these responsibilities, therefore, if an incompetent or inadequately trained man takes over a station, the company must choose to condone a poor operation at a good site, or to find a new dealer for the station. Either way, both the dealer and the company suffer and its dealer programme can become impaired.

As an independent businessmen the dealer is free to buy and sell Esso and other products, and free to operate his business as he sees fit, subject only to the conditions of a written contract with the company. In cases where stations are leased, the responsible, financially sound dealers who have demonstrated that they can operate a station successfully and maintain or improve the value of the property, are offered frequently a lease of up to three years' duration. Lease renewals are reviewed and discussed well in advance of expiration date.

The company trains and encourages its salesmen to give the dealers, at their request, counsel on station selling, managing, merchandising and operating methods and procedures, and on recent

automotive developments. Esso dealers are also encouraged to discuss important station matters with members of the management, whenever they wish.

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In order that the statement of policy of the company can be reviewed more readily, the many responsibilities of both the dealer and the company in this relationship are restated in a tabulated form given below:

It clearly defines the responsibilities of a dealer and the company with respect to such important elements of business as corporate image, product quality and station outlets:

	<u>The Esso Dealer</u>	<u>Esso Standard Malaya Ltd.</u>
Corporate Image	As the leading local dealer to operate his station successfully as an independent businessman.	As the leader in the industry, to support the principle that the motoring public can best be served through retail outlets operated by carefully selected, trained and counselled dealers.

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This statement of policy is followed by all Esso affiliates throughout their areas of operations. This was formulated by the Head Office at New York. See Esso, Retail Sales Development, The Esso Policy; Esso Standard, New York.

The Esso Dealer

Esso Standard Malaya Ltd.

Product
Quality

To Merchandise,
promote and sell
in a manner
commensurate with
the product
quality and price
to meet competition.

To supply highest
quality products at
fair prices,
delivered on
schedule.

Station
Outlets

To maintain
appearance of
outstanding
attractiveness,
cleanliness, and
orderliness.

To furnish most
modern designs for
attractive and
functional stations.

Operating
Procedure

To participate in
training of
entire staff as a
necessary sales
and profit
building effort;
to operate those
hours that best
serve the motoring
public.

To counsel, train,
and assist the dealer
in his merchandising
and servicing
problems, and
operating schedules.

The Esso Dealer

Esso Standard Malaya Ltd.

Advertising
Promotions

To co-operate in
current
advertising and
promotional
campaigns;
display current
materials
promptly and
neatly.

To sponsor product,
service and
institutional
advertising; to
furnish point-of-
purchase materials.

Lighting

To maintain
equipment in
good working
order, and
make proper use
of it to
increase business.

To furnish the best
types of exterior and
interior equipment to
meet local
conditions, attract
business.

Permanent
Equipment

To maintain
equipment in
good order and
make proper use
of it to
increase business.

To provide identification
sign, pumps, lifts,
overhead lubrication
reels, etc. needed
for successful
operation.

Rest
rooms

To maintain
facilities in good
working order and

To equip stations
with the best
facilities to meet

exceptionally
clean condition
to encourage
trade.

local demands and
customs.

**Customer
Satisfaction**

To provide
friendly service
and quality
workmanship
willingly in
selling and
dispensing
products and
performing
services in
surroundings
equal or
superior to those
of competitors.

To guarantee product
quality to create a
strong desire among
motorists to trade
at Esso stations,
superior to those
of competitors.

This statement of policy is made solely to
give a clearer understanding between the individual
dealer and the company. It serves as a guide-post
whereby all personnel connected with the Esso
organization can best serve the company.

The service station business is a dynamic
business which calls for excellent entrepreneurship,
resourcefulness and understanding of human relations.

The very word service defines its ultimate purpose that of helping people, and in the last analysis, it is not the building, or the layout, or tools, important as they are, that give customers service. Rather it is the people running the station who give service. The station personnel more than any single element, control the success or failure of a station's business. The importance of selecting the right people and keeping them at peak performance cannot be overemphasized. In the company's dealer relations programme great emphasis is placed on the selection of dealers.

The Importance of Proper Selection:

A new dealer can be, and should be, an extremely valuable asset to Esso reputation. The time, effort and care devoted to finding and selecting new dealers is one way of assuring business volume and is a very important marketing effort. It takes time but it is worth it; for selection of a good dealer is the key to successful service station operation. Dealer turnover is to be avoided as much as possible, because every time the company has to change a dealer, it means:-

- a) a loss to the company
- b) an inconvenience to Esso customers, and
- c) a hardship to the dealer himself who started something he was unable to carry on to a successful

The company has a responsibility to the man it selects. The right type of dealer will contribute to the business of a service station in the following ways:

- 1) Reputation of the station and its goodwill is maintained.
- 2) Qualities of products and services are more favourably accepted by customers.
- 3) Old customers are retained and new customers continually added.
- 4) Amount of business per customer is increased.
- 5) Amount of time and expense is more economically used to build up business of the station.

Changing conditions, competition and the consumer's demand for better service make it desirable to have the best type of man to operate an Esso Station successfully. Emphasis on an efficient type of dealer is also in accordance with the company's new station design and operation, which allows for expansion and improvement in merchandising products.

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See Esso, Retail Sales Development, The Importance of Dealer Selection; Esso Standard, New York.

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and services. Adhering to an established procedure is the surest way of selecting the best type of dealer. Of utmost importance in the final selection are the circumstances⁸ in a particular location, the earning possibilities of the station, competitive conditions and special information⁹ about the dealer candidate.

Methods of selection of dealers are diverse. The first is merely a matter of talking it up through the many personal contacts the salesman establish in the course of a normal day. A second method is through planned publicity in the form of advertising. A third possibility is finding potential dealers among present dealers' employees and fourthly, is the approach to men in the company's salaried training stations, many of which have proved to be the best source of successful candidates. The most important aspect of successful recruiting is building up and maintaining a ready number of prospective dealer candidates and good recruiting means a never ending search for the best possible dealership material.

⁸ These circumstances include the traffic exposure of the service station, the number of competitive outlets nearby and the nature of the motoring public.

⁹ The special information is usually about the dealer's character, status in society and his financial position.