

CHAPTER IV

THE PURPOSES OF A COMPANY - DEALER RELATIONS PROGRAMME

One of the most compelling reasons for considering a programme of company-dealer relations, is that the marketing function in the oil industry is more important than ever before. Circumstances now put new emphasis on growing and more profitable sales of products and services. Before when competition was not as keen as it is to-day, outlet attendants often forgot about the importance of service.

These same circumstances mean that the company must project a favourable image of itself to the customer and to the public at large, in the face of competition. The public's impression of the company and the industry as it is gained through retail outlets has, of course, always been important. The industry has very special opportunities to reach the public through the dealers. These special opportunities can come in the form of their daily trade transactions with the company and the public which is actually the target market of the Esso organisation. To-day these opportunities offer themselves with added significance and with a promise for good results equalling, or exceeding, other

opportunities in the company-dealer relations field.

This is so because the dealer represents a more important public relations ¹⁰ factor than ever before. He is an operator entrusted, along with all his fellow dealers, with hundreds of millions of dollars of the company's capital assets. He is the ultimate testing ground for merchandising, accounting, and new service programmes. In addition, the dealer to-day is one of the company's most critical links with the public, a man to whom customers and friends look for information about corporate policies and actions, as well as for quality petroleum products and services. This interest of the public in the dealer for such information is heightened by the company's increasing marketing outlets and its determination to secure a larger part of the retail petroleum business.

The dealer has a unique function of projecting the image of the company to the public. Public relations

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Public relations - these mainly deal with the public, the target market. Public relations cover a much wider base than company - dealer relations. They deal mainly with the motoring public who are users of gasoline, greases, diesel and the like. In public relations, three parties are involved - the company, the network of dealers and the public. See Esso, Esso Dealer Public Relations, Humble Petroleum, New York, 1964.

at the corporate level¹¹ is, of course, extremely important. Often what the company does at this level can gain impact if it is also transmitted through the dealer at the community level.¹²

Working with dealers in the area of public relations improves other dealer - company relationship. As the dealer begins to understand that the company is making a genuine effort to improve his community position, he looks upon his other ties with the company in a new light. He becomes more co-operative with his dealer salesman, has a better insight into the delivery, price, supply, cost, accounting, service and other features of his business in which the company plays a chief part.

This improved relationship can help smooth the pathway between the company, the dealer, and the target consumer and is of great competitive importance to Esso. Different methods are applied towards this goal; dealer conventions, station cleanliness contests, dealer-of-the-year contests

¹¹ Public relations at corporate level - these occur between the company personnel and its retailers.

¹² Community level - this is the lowest level. Here the final consumers who form the motoring public come directly into contact with the company personnel. This contact can be a result of dealers' actions too.

and the like are undertaken by Esso Eastern Standard Malaya Ltd.

Better company-dealer understanding can improve understanding about petroleum pricing. Dealers rarely understand the company's pricing policies; nor do they fully understand how and why they should set their own retail prices. Often around this question is a cloud of suspicion and cynicism which should not, and need not exist.

Confidence in the company's motives which comes from the company's interest in helping dealers practise good public relations can gradually lead to an open and uncomplicated understanding of price fixing and it can also bring about a condition where realistic and informed recognition of economic causes and effects results in mutual benefits. The understanding which comes from such a relations programme, can bring ample benefits in dealer's appreciation of the economic facts which influence their business operations.

When there is a good company-dealer relationship, the dealers can help foster a programme of better public relations. Better public relations through dealers leads to a more effective merchandising network of dealers. The practice of public relations

by dealers is in no sense intended to replace the relations between the company and its dealer organisation. Its aim is to strengthen those relations. The network of dealers set up for public relations purposes has proven to be an energetic and enthusiastic merchandising organisation,¹³ when used with that end in mind.

New ideas flow to and from the company. The existence of a net-work of dealers, instituted for the practice of public relations by dealers, has also resulted in a very effective medium for the transmission of good ideas. Thus dealers now have found helpful in their individual service-centres. The company too has a ready-made transmission system, through which it can quickly pass along ideas of interest to dealers.

Needless to say, this structure of mutual communication has led to growing strength in all company-dealer relations. Of equal note, it has given the dealers a desired and helpful outlet for their thoughts, proposals, hopes and feelings - all very human characteristics which might otherwise

seek outlet through destructive complaints made to
outside persons or organisations.



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