

Manufacturers' Reps Gaining Added Stature

By REYNOLDS KNIGHT
The roles of manufacturers' representative, traditionally the sales arm of small business, is taking on greater significance.
For years the "reps" have peddled the wares of small firms unable to maintain their own sales staffs. Their greatest asset is an intimate knowledge of the sales area they cover. Usually a rep represents a number of small manufacturers and a wide variety of products.
But several recent developments have altered the status of the reps. One is that large manufacturers have been engaging reps to personalize and localize their selling efforts. Another is the growth of technically expert but small industrial firms, such as electronics companies, that are short on knowledge about selling. More than 50 per cent of all electronics sales, which total \$13 billion annually, are now made by manufacturers' reps, according to one estimate.

IN THE PAST 20 years the number of reps has nearly doubled to the present total of 20,000. They account, according to several estimates, for from \$7 to \$10 billion in sales annually. Annual sales by an individual rep may reach as high as \$7 or \$8 million.
It appears that the reps' future is bright, with all businesses, large and small, turning more and more attention to improved marketing and sales promotion techniques.

PRODUCT PACKAGING — The development of suitable packaging to assure the safe and efficient shipment of merchandise from factory to customer always has been a challenge to the ingenuity of American manufacturers, both big and little.
Nowadays such widely used packaging materials as cellophane, plastic, cardboard and wood crating supply the solution for most packaging problems.

BUT RECENTLY Alco Products, Inc., a leading manufacturer of diesel-electric locomotives, came up with something new in packaging techniques. To protect a shipment of locomotives bound for Greece from the damage of sun, wind and salt water during the long on-deck ocean voyage, Alco engineers "packaged" the 118-ton diesels in "cocoon" of a plastic-like material which is sprayed on like paint. Two coats are applied over each locomotive's finish. The cocoon is then peeled off at the destination.
The shipment to Greece marked the first time that locomotives have been protected by coatings of this kind, according to Alco officials, although other smaller cargo has been shipped that way.

USE WITHOUT OWNERSHIP — The profit squeeze has been a powerful force in the growth of a flourishing young industry: fleet leasing of autos and trucks.
Businesses pressed for working capital are finding that use-without-ownership of vehicles permits them to free funds for profit-making and plant expansion. As a result,

thousands of companies have begun to lease fleets in recent years, according to George A. Culp, vice president of Service Leasing Corporation, a subsidiary of C.I.T. Financial Corporation.
In a typical leased fleet of 200 vehicles, capital freed from fleet inventory can produce net earnings as much as \$50,000 annually, after taxes. This is significant, particularly to small and medium firms which operate on narrow profit margins and small cash reserves, Culp said.

THE biggest users of leased fleets are companies that are expanding rapidly, but large corporations are also turning to leased fleets, Culp noted. The mass purchasing power of leasing firms enables them to purchase new vehicles at a lower price and their expert merchandising personnel can get the maximum available price when used vehicles are sold. These are cost-reduction factors that appeal to most large corporations.
Passenger cars still account for the majority of leased vehicles, but truck leasing is beginning to pick up sharply, mostly because of new low-cost plans offered by leasing firms, Culp said. He predicted that approximately half of all business vehicles will operate under leasing plans by the end of the decade.

THINGS TO COME—Electric blankets have taken on a new task — cooling; a Chicago manufacturer recently introduced a blanket that uses an air blower to circulate cool air between two sheets for comfortable summertime sleeping... Disposable dish cloths impregnated with detergent have been introduced; the cloths — 25 to a box — are being test marketed and will soon go into nationwide distribution... Ready-to-use infant formula in 8-ounce cans is on the market; the formula requires no mixing or heating, can be stored without refrigeration.

AUTOMATED MARKETING — Computers are playing an increasingly important role in marketing. Normally associated with communications, data processing and payroll and statistical chores, computers are being called into service by marketing professionals to assist in such areas as proper product pricing, sales forecasting, "product mix," advertising expenditures, and even the selection of types and locations of various media used in advertising. Many marketing experts feel the trend to computer-assisted market planning will revolutionize the field in coming years.

BITS O' BUSINESS—Industrial output in June leveled off after four months of consecutive gains, according to a recent government report... Consumers can expect a modest increase in bread prices in coming months as a result of reduced wheat output and higher wheat prices... Cement makers expect shipments to rise about 3 per cent this year because of new distribution outlets and expansion of sales areas.



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