

Different thoughts between EIGYO (Sales), Marketing and Selling divisions in Japanese companies

Masayuki Takigawa, Kwansei Gakuin University, Japan
3-6-16-903, Senbahigashi, Mino-City, Osaka Prefecture, 562-0035, Japan
Tel/Fax: +81-72-726-6521, e-mail: m-takkey@themis.ocn.ne.jp
Hozumi Waki, NNW Japan Research & consulting, Japan
Osaka Kokusai Bldg 31 F, 2-3-13 Azuchi-machi, Chuo-ku, Osaka-City, Osaka Prefecture, 541-0052, Japan Tel:+81-6-4964-2046 Fax:+81-6-4964-2046, e-mail: imuzoh@nnwjapan.com

Abstract

We researched organizational positions of EIGYO (sales), marketing, and selling on 985 Japanese companies in Tokyo Stock Exchange.

We found out that thoughts of EIGYO, marketing and selling are different in Japanese companies. Regarding thought of EIGYO and marketing, EIGYO is almost for marketing, however, there are EIGYO for selling and marketing for marketing in some companies. Regarding EIGYO and selling, EIGYO is almost for marketing, however, there are selling and both EIGYO and selling are selling in some companies.

In particular, a role of sales focuses a single transaction and a short term business. On contrast, a role of EIGYO focuses a customer, to build relationship with them and is a long term business. EIGYO division is ambiguous and unique in Japanese company.

Theoretical Background

In European and American companies, functions of marketing are understanding marketplace, strategy planning, pricing, promotion, advertising, distribution and so forth. In research of marketing management, sales division depends on marketing division and both divisions have conflict of implement of marketing activities (Kotlar, Rackham & Krishnaswamy 2006)

In international surveys of senior executives from a wide range of business-business industries, organizational change to integrate sales and marketing is the most important issue to improve sales performance (Millar and Gist 2003, Rouzies 2004)

In Japan, on one hand, marketing division belongs to sales division in some companies. That means EIGYO (sales) is upper position than marketing in an organization. On the other hand, sales and marketing are separated and independent in some companies. That means EIGYO (sales) and marketing are same level in an organization. In addition, some companies only have sales division, and don't have marketing division. Regarding a role of sales and marketing, it is not consistent a word and thoughts of EIGYO (sales), marketing and selling in Japanese companies.

Research Questions

As we pointed out previously, it is different positions between EIGYO (Sales), marketing and selling divisions in Japanese companies.

Most companies need sales and marketing functions. However, they don't use same meanings of EIGYO (sales), marketing and selling. We assume that they don't use same word and have different thoughts of them. Then, we developed following research questions (Q1, Q2)

Q1: Are thoughts of between EIGYO (sales) and marketing different in each company in Japan?

Q2: Are thoughts of EIGYO (sales) and selling different in each company?

The objective of this paper is to identify how different thoughts of EIGYO (sales), Marketing and Selling in 985 Japanese companies in Tokyo Stock Exchange.

Research Method

We collected 1,658 Japanese companies' organization charts in Tokyo Stock Exchange in 2011 and investigated how many companies have EIGYO, marketing and selling divisions and roles of each division in 985 companies out of 1,658 companies. At first, we examined how many companies have EIGYO (sales), marketing and selling divisions in each company. Secondly, we assumed that a vertical position could express a role and an authority to relevant divisions in an organization. Then, we analyzed which division are upper level, lower level, and same level between EIGYO (sales), marketing and selling divisions in each company.

Results

EIGYO and Marketing (Table 1)

125 companies have both EIGYO (sales) and marketing divisions out of 985 companies (12.7%).

EIGYO is upper level of marketing in 81 companies out of 125 (64.8%).

In this case, a role of EIGYO is the whole marketing activities for a customer, which is management of company, strategy planning and promotion etc. That means that EIGYO is same role of marketing division in European companies.

A role of marketing division is promotion, brand management, strategy planning, and market research in each company respectively. EIGYO executes other marketing roles like collaborate with R&D, account management, management of distributor etc.

Marketing division is upper level of EIGYO division in 6 companies out of 125 companies. In this case, a role of marketing division is management of company (66.6%) and promotion (33.3%).

EIGYO and marketing division are same level of position in 38 companies out of 125 companies (30.4%).

In this case, a role of marketing division is management of company and strategy planning in 24 companies out of 125 companies (19.2%).

Mostly a role of EIGYO is marketing and a role of marketing is only promotion (95.2%; 119 out of 125)

EIGYO and Selling (Table 2)

80 companies have both EIGYO and selling division out of 985 companies.

EIGYO division is upper level of division in 54 companies out of 80 companies (67.5%). In this case, role of EIGYO division is broader roles, which is not only personal selling but also management of other promotional activities and distributor.

Selling division is upper level of EIGYO division in 6 companies out of 80 companies (7.5%) In this case, role of selling division is same meaning of EIGYO and referred name instead of EIGYO and a role of EIGYO division is just personal selling.

Some companies use a word of "Selling" for a role of EIGYO.

Mostly, s role of EIGYO is marketing and a role of selling is selling (91.3%; 73 out of 80)

Discussion

Regarding EIGYO and marketing, we found that the most company have EIGYO divi-

sion (75%), don't have both EIGYO and marketing divisions. Some of them have both EIGYO and marketing divisions (12.7%).

Mostly a role of EIGYO is marketing and a role of marketing is only promotion (95.2%; 119 out of 125). Then, thought of EIGYO is almost marketing; however some companies have different thought, which is EIGYO for sales and marketing for marketing in European company.

Regarding EIGYO and selling, they have both EIGYO and Selling in 80 companies out of 985 companies (8.1%)

Mostly, s role of EIGYO is marketing and a role of selling is selling (91.3%; 73 out of 80) .Then, thought of EIGYO is marketing and thought of selling is selling.

In Japan, historically, EIGYO has fulfilled customer needs to build and keep a long term relationship with customers. They provide services to customers first and generate a profit from them second in several industries like Japanese traditional pharmaceutical companies and traditional department stores. In these cases, thought of EIGYO is not only selling but also marketing. That means they understand marketplace, customer need and meet it to build relationship with customers for a long time. EIGYO is not same as sales or selling, and both sales and marketing in some companies. Then, thought of EIGYO is almost marketing division in European companies.

Regarding marketing division in Japan, marketing division developed to extend from the old sales division in 1950s and 1960s. A role of marketing was to understand a marketplace, and ensure producing goods, services required and desired by customers. Then, thought of marketing is still transaction marketing, and promotional activities like 4P and 3C in some companies now. A role of marketing is just a promotional role in some companies.

Conclusion

We found out that thoughts of EIGYO (sale), marketing and selling are different in Japanese companies. Regarding EIGYO and marketing, EIGYO is a role of marketing and marketing is only promotion (95.2%; 119). It is sales and marketing in one group, and is selling in another one. Historically, EIGYO is a core function of a company and provide services for a customer first and get profit from a customer second. That means that they understand market place, customer needs and meet them, and build relationship with a customer. That means EIGYO execute both sales and marketing roles in an organization, for instance, traditional pharmaceutical companies (herbal medicine) and traditional department store. These companies are EIGYO-driven organization. Then, in this case, EIGYO is sales, marketing and selling. A role of EIGYO is not only sales, but also marketing in some companies.

In particular, a role of sales in European focuses a single transaction and is a short term business. On contrast, a role of EIGYO in Japan focuses a customer, to build relationship with them and is a long term business. EIGYO is very unique, ambiguous because thought of EIGYO is different in Japanese company.

Limitation and future research

We found out different thoughts of EIGYO, marketing and selling by a chart of organizations. That is very limited research. We don't know what makes those differences. Then, we need more research like hearing each company.

References

- Belinda Dewsnap. 2000. "The Sales-Marketing Interface in Consumer Packed Goods Companies: A Conceptual Framework," *Journal of Personal Selling & Sales Management*: Vol. XX, No. 2 (spring), 109-119.
- Carpenter Phillip. 1992. "Bridging the Gap Between Marketing and Sales," *Sales and Marketing Management*, Mar, 144, 3, ProQuest Central.
- Christian Homburg. & Ove Jensen. 2007. "The Thought Worlds of Marketing Journal of Marketing and Differences Make a Difference," *Journal of Marketing* Vol. 71 (July 2007), 124-142.
- Clark Kim B, and Takahiro Fujimoto. 1991. "Product Development Performance: Strategy, Organization and Management in the World Auto Industry," Boston, Harvard Business School Press.
- Dominique Rouzies. 2005. "Sales and Marketing integration: A proposed Framework," *Journal of Personal Selling & Sales Management*, Vol. XXV, no. 2 (spring), 113-122.
- Frederik E & Webster Jr. 1992. "The Changing Role of Marketing in the Corporation," *Journal of Marketing*, Vol. 56 (October), 1-17.
- Gupta Ashk K, S.P.Raj, and David Wilemon. 1986. "A Model for Studying the R & D-Marketing Interface in the Product Innovation Process," *Journal of Marketing*, 50(April), 7-17.
- Gupta Ashk K. and David Wilemon. 1987. "Managing the R & D-Marketing Interface," *Research Management*, 30(2): 38-43.
- Gupta Ashk K. and David Wilemon. 1988 " The Credibility-Cooperation Connection at the R & D- Marketing Interface," *Journal of Product Innovation management*, 5 (1), 20-31.
- Gupta Ashk K., S.P.Raj, and David Wilemon. 1991. "Improving R & D/Marketing Relations in Technology-Based Companies: Marketing's Perspectives, " *Journal of Marketing Management*, 7, 25-45.
- Kotler P. and Kevin Lane Keller. 2006. "Marketing Management," Twelfth Edition, Prentice-Hall.
- Lawrence Paul R, and Jon W Lorsch. " Organization and Environment: Managing Differentiation and Integration," Boston, Harvard Business School Press.
- Masato Sakai. 2013. "Factor of Active Sales Organization: Findings from Survey on Marketing Capabilities of Japanese Firms," *Organizational science* Vol. 47, No 2, 37-46
- Miller Tory G. and Erick P Gist. 2003. " Accenture-Economic Survey, " *Selling in Turbulence Time*, New York.
- Rouzies Dominique. 2004. "Observatoire de la relation marketing-commercial," Special Report by the Center for the Study of Sales and Marketing Relationships, White Paper, ADETEM, BT-Syntegra, HEC-Paris, Microsoft and Novametrie.
- Ruekert Robert W, and Orville C Walker Jr. 1987. "Marketing Interaction with Other Functional Units: A Conceptual Framework and Empirical Evidence," *Journal of Marketing*, 51(1), 1-19.
- Schein Edger H. 1993. "Organizational Culture and Leadership," 2nd ed., San Francisco, Jossey-Bass.

Table 1

Upper level of division	No. of Companies	Ration (%)	Comment
EIGYO (sales)	81	64.8%	EIGYO for management of company , strategy planning and marketing for only promotion
Marketing	6	4.8%	Marketing for a whole marketing roles and EIGYO for selling and promotion
EIGYO (sales) and marketing are same level	38	30.4%	EIGYO for management of company, strategy planning and marketing for only promotion
	125	100%	

Table 2

Upper level of division	No. of companies	Ratio	Comment
EIGYO (sales)	54	67.5%	EIGYO for marketing and selling for personal selling and management of distributor
Selling	6	7.5%	Selling for sales management and Sales for personal selling
EIGYO(sales) and Selling are same level	19	23.8%	EIGYO for sales in one product division, selling for sales in another product division within an organization in some companies.
Total	80	100%	