

## Comparison of “Eigyo” in Japan with Marketing & Sales

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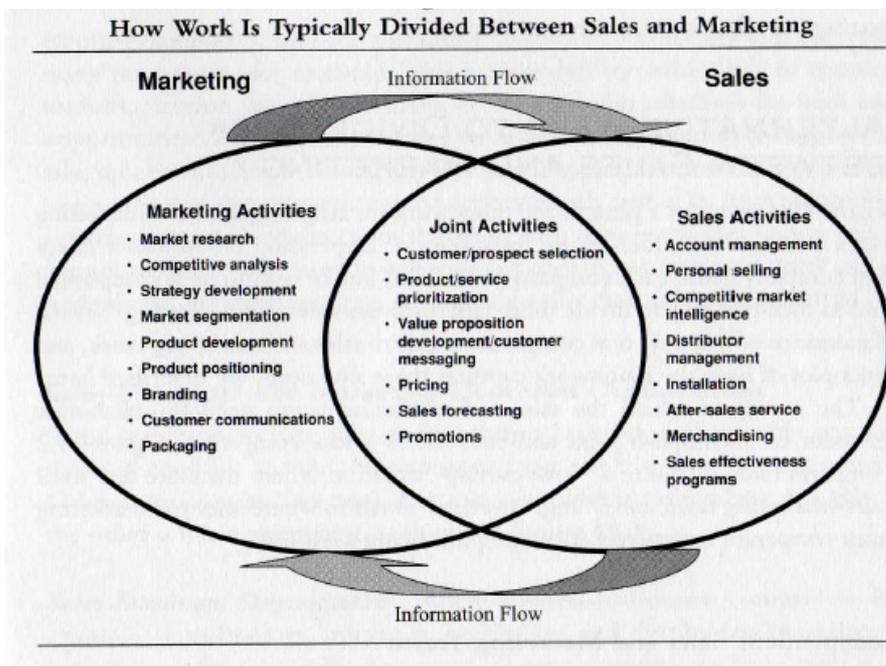
### Abstract

In actual sense, there is no English that corresponds to the “Eigyo in Japan”. The word of Eigyo contains both functions of marketing and sales. IT is considered that the feature of Japanese Eigyo is in co-creating many kinds of values with customers and in some cases subsequent customers, and supplier and in some case supplier’s suppliers through the negotiation with their related departments of the company, and customers and suppliers.

Key words: co-creation of value, customer value, sales style, sales person, relationship building and maintenance

### 1. Introduction

The Figure 1 represents an example of relationship between marketing and sales.  
(Figure1)



(Source: Zoltners, et al., 2010, p.375)

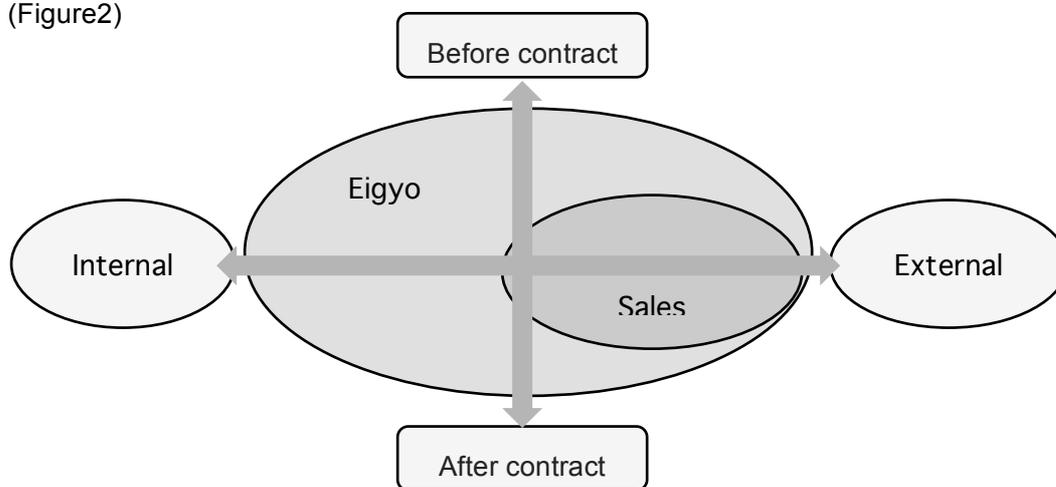
According to the Figure 1, the role of marketing and sales is clear. However, the role of a Japanese Eigyo person is different from the one in the Europe and United State of America. An Eigyo person takes various activities in both the marketing and sales field.

## 2. Theoretical background

### (1) Relationship of Eigyo and sales in Japan

Hosoi and Matsuo (2004) made the Figure2 to clear the relationship between Eigyo and sales in Japan. According to this figure, Eigyo covers both internal activities in the company and external activities with customers. On the contrary sales covers only external activities with customers.

(Figure2)



(Source: Hosoi and Matsuo, 2004, p.129)

### (2) Customer values created by the Eigyo in Japan

Nakanishi (2010) identified the five kinds of customer value created by Eigyo in Japan as follows

- ① The information value: Appropriate information about the market provided by Eigyo person reduces the customer's risk of decision-making.
- ② The advice value: The customer can make a right purchase plan by the appropriate advice provided by the Eigyo person beforehand.
- ③ The operation cost reduction value: The Eigyo person can reduce the customer's work load by providing his/her helpful activities. In other words, thanks to the maintaining relationship by Eigyo, it has lowered the physical and psychological costs takes for customers to find a solution.
- ④ The labor offer value: The Eigyo person often provide labor not related to his/her own product (For instance, an arrangement of the sport/concert ticket in the case

of corresponding to the private needs of the customer, communication to the other departments in the customer, and so on).

- ⑤ The development support value: When the Eigyo person knows that his/her company's product cannot fill the customer needs, the Eigyo person willingly negotiates with the product development department group in his/her company to provide an appropriate product to the customer.

**□□The research question**

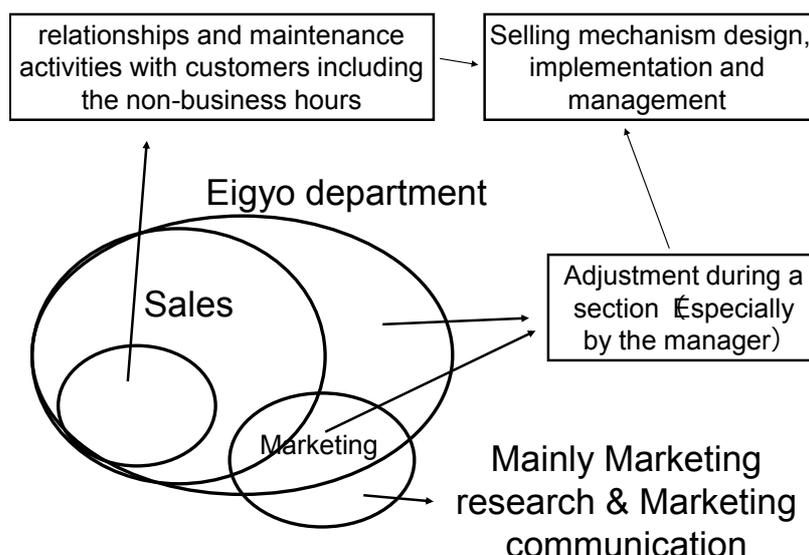
In this paper we would like to clear the relationship between marketing and sales in Eigyo.

**□□The research methods and result of the research**

We examined the history of Eigyo in Japan. Prototype of the Eigyo appeared in a wholesale and retail trade. We can find the records of selling the goods at the market in the sixth century. Wholesale and retail trade greatly developed in the Edo era because the big city had been developed in various places. Because Samurai had a higher status at that time, Eigyo's identity in Japanese society was very low.

We interviewed many Japanese businesspersons in a variety of industries. We made the Figure 3 to show the relationship of Eigyo and marketing and sales in Japan based on the interviews. As a result of the interviews we think Western-styled relationship between marketing and sales has not still established in Japan.

(Figure3: The relationship of Eigyo, sales, and marketing in Japan)



(Source: Authors made the figure.)

In the United States, marketing and sales is usually divided as a result of the division of the labor relationship. After marketing department makes a selling plan, then sales department work on the plan. Therefore, if the sales performance of the product or service falls below the plan, it means that salesperson could not work on the plan effectively. On the contrary In Japan, after the sales department builds a selling plan as a whole, then salesperson is adjusted the needs of each customer as view of micro perspective for the customers including many changes in trading conditions and product specifications so as to satisfy the customer. If the sales results could not be as planned, it will be the responsibility of the Eigyo department. Marketing department provides the basic data for making the selling plan from the marketing research, and supports sales activities through marketing communications.

### 5 Discussion

One of the major features of the Japanese Eigyo is in its roles that coordinate activities among many departments of their own company, customer's company, even customer's customer's company, and their supplier companies. Eigyo co-creates many kinds of values with customers, subsequent customers, and suppliers through the adjustment with related departments of the company and customers and suppliers. In the future, we need to do a lot of case study research about the relationship among marketing, sales, and Eigyo in Japan. The Figure 4 is a tentative working framework for the case study research.

(Figure 4)

		Cordination with a customer and supplyer company	
		○	×
Adjustment in their company	○	The all-round Eigyo	The inside ninja Eigyo
	×	The outside ninja Eigyo	The sales-focused Eigyo

(Source: Authors made the figure based on the discussion among the members of the Eigyo-gaku Research meeting about Sato's basic idea proposal and also thank Sato's doctor students for the naming of the cells .)

The all-round Eigyo can coordinate many problem with the customer enterprise and in their company, and some cases with their supply companies. The inside ninja Eigyo can coordinate some activities among many departments only in their company. The outside ninja Eigyo can coordinate many activities in the customer and supplier company. The sales-focused Eigyo specializes in selling like Drucker's meaning about sales.

The question of which type of Eigyo is appropriate is depend on the characteristics of the customer segment. Also, it is determined by the strategic vision and positioning strategy of the company. In particular, the all-round Eigyo needs a lot of time and cost to train the Eigyo persons. Thus, it is considered whether the company can get the profit to cover these costs by segment bu segment in selecting the type of Eigyo the company pursues.

The above point has also been mentioned in the value-based selling research. The value-based selling is a sales method that sales person firstly understands the business model of the client companies, secondly considers what kind of positive impact on its business model by their products and services and then makes a value proposition for the client company, and thirdly communicates the value proposition to the customer clearly. The value-based selling action is not always an effective sales approach in all situations. When a company would like to implement the value-based selling, it should consider the following three points□Terho 2012, p.184□.

1. There are sales persons who can do Value-based selling and cannot do it.
2. Value-based selling is effective only if the seller can be sufficiently differentiated itself from the competition.
3. Value-based selling is not to conform to all of the customers. It is important customer's motivation to build a long-term partner relationship and amount of the value from it.

Our final comment about the Eigyo in Japan. With regard the theoretical concept of the organizational dynamic capability, we think top person of the Eigyo department embody the mechanism of the dynamic capability because the person know the customer need and supplier situation at both micro and macro level and based on the knowledge about market opportunity and threat the person can coordinate many important activities on the value chain beyond the company. We need the case study research on this question.

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