

# THE KYOTO UNIVERSITY ECONOMIC REVIEW

MEMOIRS OF THE FACULTY OF ECONOMICS  
KYOTO UNIVERSITY

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## CONTENTS

**Selling Process and Marketing  
Process**

*Isao HASHIMOTO* 1

**Identification and Identity:  
A Problem of "Organization  
and Man"**

*Hiroshi WATASE* 16

**Motivation of Employees in Japan**

*Isao AKAOKA* 25

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## SELLING PROCESS AND MARKETING PROCESS

By Isao HASHIMOTO\*

### Contents

- I. Introduction
- II. Selling Process
- III. Selling Labour Process and Its Elements
  - 1. Selling Labour Power
  - 2. Object of Selling Labour
  - 3. Means of Selling Labour
- IV. Marketing Process
  - 1. Formation of the Marketing Process
  - 2. Structure of the Marketing Process
- V. Development of Selling Methods
  - 1. Stage of Personal Selling
  - 2. Stage of Institutional Selling
  - 3. Stage of Selling by Machines
- VI. Developments of Way of Communication
- VII. Conclusion

### I Introduction

What is marketing? Few other problems have been discussed so much than this. There have been many attempts on this problem also in Japan after the World War II. One of the reasons which have brought about many discussions about the definition of marketing is a rapid development of managereal marketing or marketing management since 1960's. Before

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World War II., in Japan as well as in America, an argument of socio-economic marketing, that is, a macro-marketing theory was prevalent. After the war, however, a radical development of a micro-marketing theory has created new definitions of marketing. And accordingly, the confusion of the definitions of marketing has occurred from that of macro-definitions with micro-definitions. After that, various arguments have appeared on the establishment of micro-definitions. As there is no space here to introduce in detail the discussions on the definition of marketing, only two trends which are characteristic to Japanese academic circle will be referred to as follows.

First, there are those scholars who argue from practical standpoint of the business to introduce marketing instead of traditional simple sales or selling and who resort to the definitions of marketing by American scholars. In other words, they put emphasis on a new function and meaning of marketing in business activities. These opinions have been shared by those many direct introducers of marketing who have been working mainly in Tokyo. These are the definitions from a practical standpoint of enterprises.

Secondly, on the other hand, there are those scholars who point out the function and meaning of marketing newly from a socio-economic and objective standpoint. In other words, they are trying to establish a macro-definition of marketing. For example, according to their definitions, marketing is "a technique of the monopolistic capital to get and control the market".<sup>1)</sup> These opinions have been seen chiefly among those scholars on marketing who have been working in Kyoto, Osaka, Kobe and Kyushu districts.

In these definitions, however, the relationship between the traditional concept of selling and the concept of marketing has not been pointed out clearly. An emphasis has been put on elucidating the boundary of marketing in business activities and indicating the essential traits of marketing but the historical difference between the concept of marketing and that of selling has not been made clear.

Commerce and distribution have a long history from the old time. Their origin can be traced back to the age of Greece and Rome. Since that age, production, selling and consumption have been the main parts of economic activities. Among them, selling was done at the first step by producers, and at the second step by merchants, and further in the 20th century the new concept of marketing has appeared on the stage.

After World War II, the term of marketing has prevailed not only in America, Britain and Japan, but also in West Germany, France and other European countries, and moreover in 1970s it has become to be used even in the Soviet Union.

Why this "marketing" has appeared on the stage in the 20th century, why it has been termed marketing and how does it differ from traditional "selling"? It is the aim of this paper to discuss these problems quite basically.

## II Selling Process

The selling process and production process constitute two basic processes in the

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1) F. Morishita and Y. Arakawa (eds.), "The System of Marketing Management", Chikura Shobo, 1966, p. 7.

economic process, and the former, the selling process has two sides corresponding to the latter: the transaction process and selling labour process. In the transaction process, a seller and a buyer comes to an agreement to make a transaction in the market and exchange a commodity with money. On the other hand, the selling labour process is the process during which the distributive operation necessary for the accomplishment of the transaction is carried out. The distribution operation, pricing, payment, money exchange, weighing the goods, sorting, packing, storage, transportation and other operations. In accordance with the economic development, many of these operations have been undertaken by special agencies as division of labour. For example, transportation has come to be done by agencies of transport, packing by agencies of packing, storage by agencies of warehousing, and payment by bankers. Any of these operations requires certain a mount of labour and employs tools and machines corresponding to the development stage of the historical age.

Now, I will analyze in the following, the elements of the selling labour process to elucidate the structure of the selling process and make clear the basis of its development and evolution to the marketing process.

### III Selling Labour Process and its Elements

What elements compose the selling labour process? I will develop below the discussion on this problem in comparison with the labour process in the production process.

At first, I will refer to the elements of production which function in the labour process and consist of the subjective factor, that is, labour power and the objective factor, that is, the means of production. More in detail, they are composed of following 3 factors: at first, as the subjective factor, labour itself or labour power: second, as the objective factor, the object of labour; and third, the means of labour. Corresponding to this production process, the selling labour process consists of following 3 factors: first, selling labour power as the personal factor; second, the object of selling labour as the objective factor; and third, the means of selling labour.<sup>2)</sup>

#### 1. Selling Labour Power

A selling worker is the owner of selling labour power which is the total of human mental and physical abilities realized in the labour process and the realization of which constitutes labour itself. The selling labour process is the process during which such selling labour power acts on the object of labour. In this meaning, selling labour power is the active and subjective moment of the selling labour process. Labour power in the production process, as a rule, becomes an actual production factor only when connected with the object of labour and the means of labour, except that such an organ as the

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2) There is an opinion that the factors of the selling process are not necessarily limited to 3 factors. Recently, for example, Prof. Natsuo Shirayanagi who has been conducting attractive studies lists the goods in addition to labour power, the object of labour and the means of labour in his discussion on the "trade process" (Natsuo Shirayanagi, "Studies on the Distribution Process". Nishida Shoten, 1975, pp. 52ff.).

human hand itself acts as the means of labour. In case of selling labour power, however, the connection with other means of selling labour does not necessarily constitute the indispensable actual condition. Travellers or house-to-house salesmen, for example, can sell the goods only by labour power in their house-to-house selling. These selling only by labour power are called personal selling. As seen below, however, selling labour power has been connected with some means of selling labour and the ways of this connection have formed historical characteristics of selling methods.

## 2. Object of Selling Labour

The second factor is the object of selling labour. The object of labour in the production process has been nature itself in which men have been existed, and, more in detail, it has been raw materials such as main materials and secondary materials which have been obtained from nature and have constituted the main substance of the product. Labour power works on these objects of labour and creates new product. Therefore, labour power is called the subjective moment and the object of labour is called the objective moment.

However, there occurs a somewhat complicated problem about the object of labour in the selling process. That is the problem either the goods on the customer (on potential customer) constitute the object of selling labour. The former, the goods of course are the commodities to be sold and the latter, the customer are buyers or potential customers for a seller and are men as buyers. As such, the difficulty of the selling labour process and the complexity of selling activities consist in that not only the goods but also men appears on the stage as the object of labour in the selling process.<sup>3)</sup>

First, the case where the goods are the object of labour: This occurs when any labour or sales efforts (=activities) for the buyer are not needed to realize value in the selling process. For example, as a shop in the middle ages where an iron pot producer only places the products on the store, on iron pot in front of the store and customers without asking questions pay money and take iron pot, the seller alone not need to do any labour or sales efforts for selling. Also in self-service selling in supermarkets and stores of self-service system in these days, there needs no labour in the shop other than the account of the price, that is, the calculation by the register, However, supply and display of the goods and also packing at the register stand are done by human labour. Similarly, selling by a vending machine is done automatically and moreover in this machine not only the transfer of goods but also payment are carried out mechanically. Even in this case, however, the replenishment of goods to the vending machine, collecting coins from the machine and maintenance of it require human labour. In addition, in the discussion of modern self-service system and vending machines it is necessary to take into account the fact that the goods there are almost, in fact, standardized goods and many of them are made by well-known makers. The decision making necessary for the realization of value of the commodity has already been done by the effect of advertisement and publicity on by the

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3) The scholar who pointed out this problem firstly is Prof. Natsuo Shirayanagi (cf. *op. cit.*, p. 43ff.).

experience of purchasing before the transaction process in the shop. Therefore, modern transaction processes should not be considered as themselves only at the point of encounter, but should be observed in view of their social mechanism.

In case of above mentioned examples, any on almost any efforts are necessary to realize value in the transaction process. In other words, there is no need of human labour for selling. Therefore, it can be defined that the object of labour is the goods.

On the other hand, in the realization process of value in use, such operations are conducted, for example, in the shop as taking the goods out of packing, sorting, arranging, putting price labels and wrapping. Further, human labour is required in storage, that is, in the maintenance and conservation of value in use, and also in transportation, that is, in the transfer in space of value in use. In these cases, the object of labour is also the goods.

Main efforts in modern selling processes, however, have been directed to the realization of value rather than to the realization of value in use. For example, in the shop, only the goods as value in use were placed on the shelf in the past, but now in display and selling a greater emphasis is put on the promotion, that is to say, on the realization of value, making efforts how to call attentions and interests of customers, arouse their desires, cause their purchasing action and give them satisfaction (so-called the process of AIDAS). In other words, the emphasis has been shifted to the active persuasion of customers from the maintenance and conservation of value in use of the goods. Briefly speaking, the customer as the buyer, that is, a man has become the object of labour in the selling labour process rather than the goods. The above mentioned shift from labour for the realization of value in use to labour for the realization of value has begun principally on the basis of the formation of the capitalistic economy and its rapid development has proceeded by the increase of difficulties of selling in the capitalistic economy.

Moreover, an important change has begun to appear in the selling process. Selling labour for the realization of value not only has changed the object of labour in selling labour in the shop, but also brought about the formation and development of tools of institutional selling by the production of mass advertisements and various promotion measures using mass media such as newspapers, journals, radio and television. These tools of institutional selling, if used in the shop, can be said a means of selling other than that of personal selling on selling labour, but the advertising in this case is also a product of human labour which has been prepared before the time when the seller and buyer encounter in the shop. As in the production process human labour is labour at present and a machine is called "labour in the past", tools of institutional selling in the selling process are "labour in the past" in the selling process. Here lies the factor in time which causes to arise the "marketing process" discussed below.

In spite of these changes in the selling labour process, goods, as they are called the best salesman, remain the most important factor for the selling process. The production of goods as such have now been undertaken by producers, that is, modern big businesses, not by merchants in the transaction process. By the cooperation between the producers and the sellers who understand directly desires and needs of customers and are in charge of the transaction process, such goods can be produced of which value is realized easily.

Here lies the factor in space which causes to arise the "marketing process".

### 3. Means of Selling Labour

The third factor is means of selling labour. Means of labour in the production process is the means which mediates between labour power and the object of labour and is used by a person when he acts on the object of labour to change its form. Among such means of labour, tools for production have been most important. Men have used nature on the products made of nature as means of labour, except the stage when the hands of men themselves acted as means of labour. The core of such means of labour has been tools as those for production and machines and apparatus. Thus, in the production labour power acts on the object of labour by using means of labour. From the viewpoint of products, means of production is also an objective moment of the production process.

Means of selling labour in the selling process is tools for selling. They are, for example, pens, ink, papers, desks, abacuses, calculators and other means of office labour, using these tools for selling, a seller acts on the other party to reach a "concensus" to make the transaction. For example, in the transaction process of such commodity as land, above mentioned means of office labour almost will do for the business. Also a desk jobber who trades wal and other goods and conducts the business only with a desk does not need any other particular means of selling labour.<sup>4)</sup> These examples show the substance of the value realization by the achievement of a transaction.

In the selling process by trades in store of many goods, however, show cases, store buildings and lands constitute important means of selling labour. These means of selling labour correspond to buildings and machines and apparatus in the production process, but their roles are not so decisively important as those means in the production process.

From historical view of means of selling labour, there was no need of stores in the age of trade by travelling, by travellers or peddlers. In the age of trade in shop, store place gradually began to be required at first. And secondly, advertisements, paper and box for packing, and the like have appeared newly as important means of selling labour. Historically, sign boards of stores which appeared in the 18th century in Britain are said to be the origin of advertising. In America only retail advertising for neighborhoods was seen until the middle of the 19th century. Towards the end of the 19th century, with the advent of national advertising by means of national papers and national magazines and the beginning of product advertising by producers, advertisements as new means of selling labour have created a definitely "new selling process".

Retail advertising such as P. O. P. advertising and sign boards have been useful directly for obtaining "concensus" to make a transaction at the encountering spot, that is, in the store at the time of selling. However, with the advent of mass media such as news-magazines, radio and television in the 20th century, advertisements have begun to be separated both in time and space from the encounter for transaction at the place of transaction as in the store and the like, and in this sense they have become useful indirectly

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4) For desk jobbers, refer to Isao Hashimoto, "Theory on Modern Commerce" Minerva Shobo, 1971, p. 147.

for the conclusion of transaction. That is to say, in timing, product advertising by makers has begun to be given before entering transaction, and thus an indirect presentation and preselling of the products by advertising have been done in the process before transaction. Also, in space, advertisements have begun to go into homes and offices of consumers as well as in the stores of transaction. By such separation between means of selling labour and the process of selling transaction, the process of selling has been expanded remarkably both in time and space. Thus, the marketing space and marketing time have been created and the "marketing process" discussed below has been formed.

The advent of such advertising, anyway, has been an epoch-making innovation to the process of selling. As the innovation of the production process in the capitalist economy has been performed through the industrial revolution by the appearance of machines as tools for production, the innovation of the selling process has been carried out by the creation of the tools for selling as means of institutional selling centering advertising in the monopolistic economy.

#### IV Marketing Process

##### 1. Formation of the Marketing Process

Various changes in the process of selling labour brought about with the development of the commodity economy and capitalist economy have proceeded from certain quantitative development to a qualitative development. This is the transformation from the selling process to the marketing process. The marketing process as such is the process of distribution developed and transformed from the selling process and is one special step of the selling process in a broad sense.

I have already referred to the fact that the formation of the selling process requires as its premise the advent of money circulation and commodity distribution and that with the appearance of merchants mediated by commodity distribution the origin of the selling process had been created mainly by commodity producers and merchants. The selling process at this stage in its characteristics, however, was only a transaction process during which the seller and buyer encountered in a "fair" in case of the market trade or at "store" in case of the store trade and reached the consensus of exchange at the point of encounter. Before and after the encounter=transaction the seller and buyer had no relation and no information each other.

Why such selling process has developed to the marketing process?

Main causes of this can be seen by dividing them into a socioeconomic factor and a technical factor.

At first, a socioeconomic factor one can refer to the increase of difficulties in selling with the development of the capitalist economy. With the formation and development of the capitalistic society through the industrial revolution, difficulties of selling in the distribution process have increased gradually. Both producers and merchants, however, cannot continue the movement of profit multiplying without selling their commodities. In order to solve this contradiction between profit seeking and the difficulties in selling, the selling process should have been changed gradually.



As discussed above, the first of these changes can be seen in that the object of selling labour has begun to shift gradually from commodities to men as buyers. Second, the function of means of selling labour as in the case of stores and showcases has changed from that of keeping value in use of commodities to that of selling by arousing buying desires of customers with decorating stores and show cases. Third, the most decisive change is the appearance of a new means of selling labour, that is, the creation of means of institutional selling focussing on advertising as a means of communication to customers. In other words, instead of previous personal communication centering on the place of encounter by personal selling, mass communication focussing on mass media has been established. Such a change of communication means has been an important condition for the formation of the marketing process. And as a technological premise of the advent of institutional selling focussing on mass communication, the technological development of communication means centering on mass media has been necessary.

As such a technical factor of the formation of the marketing process, one thus should refer to the development of means of communication and transportation. For the realization of two-way communication other than the transaction process where the seller and buyer have face-to-face communication at the point of encounter, the development of technological means is necessary and the progress in the postal and corresponding system is required as its premise. And for the establishment of mass communication the development of mass media such as newspapers, radio, etc, is necessary as its premise. For example, the establishment of the postal and corresponding system as a modern institution was in the second half of the 19th century as toward 1840 in Britain and toward 1877 in Japan, and that of the telephone system was during the period from the end of the 19th and the beginning of the 20th centuries as shown by its practical use in America in 1876 and its introduction into Japan in 1877. As for mass media, newspapers have begun to prevail in 1880's and radio broadcasting, in 1920's in America and from 1925 in Japan. As generally known, TV broadcasting has become prevailing since 1950's.

On the technical base of such creation and development of communication means and mass media the selling process has made a great change, and the conditions in time and space of marketing have been prepared.

First, in timing, the persuasion by information communication in the selling process has begun to be done before the encounter between the seller and buyer during the transaction process. This is the main content of selling in advance. By such selling in advance the "pre-transaction process" has been introduced in timing. On the other hand, the development of marketing techniques in the 20th century has created such techniques and services as to maintain and strengthen good relations with customers after the closing of the transaction at the point of encounter. Thus, the "post-transaction process" has also been introduced. As above, on the basis of the establishment of monopolistic capitalism in the beginning of the 20th century, the selling process has been transformed to the process including following 3 steps: the "pre-transaction process", the "transaction process" and the "post-transaction process". This total process is called the marketing process.

Second, in space, although the space for selling efforts previously was limited to the place of encounter, it has now become distant from the place of encounter on the technical

base of the development of mass media and extended to the home, streets, offices and at last to the society as a whole through newspapers, magazines, radio and television. As a result, it is now said that modern consumers are living everyday by breathing oxygen, nitrogen and advertisements. In such space as above, it has become possible to deploy a variety of marketing strategies including not only advertisements but also sales promoting strategy in a narrow sense such as channel strategy, brand strategy, gimmicks, premiums, exhibitions, etc. Such space is called marketing space.

The expansion of the selling process in time and space as abovementioned has more and more rapidly proceeded on the basis of the development of technical factors and by the pressure of such socioeconomic factors as increasing difficulties of selling in the capitalist economy. These difficulties in detail are narrowing of markets, increasing market problems represented as stagnations, sharpening of competition and the pressure of mass production, which have been the factors regulating the development of marketing.<sup>5)</sup>

In short, the marketing process is the selling process at the stage of the monopolistic capitalism and a new process essentially different from the old selling process which have depended only upon the transaction process at the point of encounter. This process, as mentioned above, has extended in time before and after the transaction process, and expanded also in space from the point of encounter to the society as a whole. Thus wide-ranging marketing time and space have been created.

2. Structure of the Marketing Process

Now, what structure does have the marketing process? It has three parts in time. That is to say, the selling process before the monopolistic capitalism consisted only in the transaction process, but that at the stage of the monopolistic capitalism is composed of three parts, in the center of which lies the transaction process. With the development of commodity distribution and markets, the time before the transaction has been included

Table 1. Marketing Time and Space

				Marketing space			
Pre-transaction process		Transaction process		Post-transaction process			
		Selling space					
Sales situation	Selling encounter (Transaction encounter)		Conclusion of transaction		Closing of sales		

5) For the prospect of the development of marketing, see : Fujiya Morishita (ed.), *Theory on Marketing Economy II*, Minerva Shobo, 1973, pp. 2ff.; Isao Hashimoto, *Theory on Modern Marketing*, Shinhyoron, 1973, Chapter 1.

into the selling process. This is called the pre-transaction process. On the other hand, the time after the conclusion of transaction has also been included into the selling process. This can be called the post-transaction process. Thus, the selling process now proceeds following the time sequence of the pre-transaction process, the transaction process and the post-transaction process. The total of them constitutes the marketing process.

Now, let us discuss each of these steps of the marketing process. First, the transaction process found in the center is discussed. What differences are there between the old traditional transaction process and modern transaction process as a step of the marketing process? In the traditional transaction, the seller and buyer of a commodity happened to encounter in the fair which was opened, for example, once a week or once a month. When the seller and buyer reached an agreement there, a transaction was concluded and the exchange between the commodity and money, that is, the transaction was conducted. If expressed in a modern way, the seller encounters the buyer in the fair, the seller conducts the presentation of the commodity, and if the buyer wants the commodity and an agreement is reached, immediately a transaction is concluded. These steps of the encounter—presentation—pricing—agreement—closing of transaction—and the exchange between the commodity and money constitute the transaction process. In this traditional transaction process, the seller and buyer usually have had no relation and no communication between themselves both before the encounter and after the conclusion of transaction.

In the modern selling process, however, the transaction process has become only a part of the marketing process. Consumers as buyers, before the encounter between the seller and buyers, that is, before they enter the transaction process, have been given communication of the goods through mass communication advertising by newspapers, magazines, radio and television. And in case of an indoor encounter, they have been given the presentation of the goods by showcases, show windows, showrooms and exhibitions in the store. In other words, they have already entered the sales situation. This process, in which the presentation of goods in the market and the persuasion activity by information supply are conducted, is called the pre-transaction process. And the selling before entering the transaction process can call the pre-transaction selling. In this pre-transaction selling process, the space, where the sales by inspection in a showroom and the mass selling through mass communication advertising can be made, is created. If the space is called the pre-selling space, with this the activity space for modern marketing can be said to have appeared on the stage.

On the other hand, in modern times also the process after the transaction process has become a part of the selling process. Producers and distributors as sellers give even after the quality guarantee services, repair services and credit services such as by installment system. Through these activities after the transaction the enforcement of brand images is promoted. And through these activities the seller aims to maintain and develop good relations with consumers. Further, through mouth-to-mouth communication by these consumers, the seller expects that his products will be recommended to their friends and acquaintances and aims the customer relations to be expanded. If these activities are called totally the follow up activity, the process in which the follow up activity is conducted can be called the post-transaction process. The activity during this past-transaction process is

succeeded at the same time by the pre-transaction process of next selling process and a new sales situation will be repeated.<sup>6)</sup>

## V Development of Selling Methods

How have selling methods been developed? There are various viewpoints to approach to this problem. However, a viewpoint of what elements play the most important role in the process of selling labour defines an important skeleton of the process of selling labour. That is, in view of that human labour and what means of selling labour among the elements of the selling labour process have played important role, the historical development process of selling can be divided into following three stages: (1) personal selling; (2) institutional selling; and (3) selling by machines.

### 1. Stage of Personal Selling

This is the stage where the selling by selling labour which constitutes the subjective and active element of the selling labour process, that is, the personal selling is the principal method of selling. In other words, it is the stage where means of selling labour, that is, tools for selling do not constitute the means of selling. This personal selling is a traditional form of selling older than that in the Greco-Roman Age and is the most important form of selling still now. The problem how to manage and control the personal selling form the interest of an enterprise constitutes the starting point of sales management. This personal selling began to appear at the stage of product exchange between ancient communities which is the most primitive form of exchange and the stage product exchange between individuals which started from the time when the private property system had been developed. In a silent exchange which is the most original form of product exchange, the parties involved had no oral conversation and there was no persuasion or communication other than the presentation of the product itself.

### 2. Stage of Institutional Selling

This is the stage when advertising and other means of institutional selling have become the main means of selling instead of personal selling. This stage has started substantially from the time when the selling process has evolved and transformed to the marketing process under circumstances of the modern capitalism in the 20th century. This institutional selling is a typical selling method predominant in modern capitalism since World War II. The problem how to manage and integrate various means of the institutional selling in the marketing process is the core problem of marketing management.

Institutional selling is selling by means of selling other than personal selling, that is, selling by means of sales promotion in a narrow sense such as advertising, publicity, display, demonstration, sampling, contests, special sales, pamphlets, leaflets, exhibitions, shows, fairs and the like. Among these means of selling, selling by display, demonstration and sampling has been developed to some extent with the progress of the trade in store. The

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6) Cf. R. J. Markin, *Marketing*, 1979, p. 497 ff., and M. A. Jolson, *Marketing Management*, 1978, p. 550 ff.

most important means of selling in the means of institutional selling, however, is mass communication media.

If traced back to the original form, the history of advertisements is fairly old, but it was not until the 1880's that the basis of modern mass advertisements was built. Among four major mass advertising media—newspapers, magazines, radio and television, newspapers have been the first, typical media, as they have occupied the position of main media in advertising before World War II. It was in the 1880's when in these newspapers national, product advertising by makers rather than local retail advertising began to appear. This national advertising has begun to grow actively in those industries as bicycle, tobacco, drug, cosmetic, shoes, soap and food industries such as chocolate. It has reached its peak in the period before World War II in the 1920's. The advent of means of institutional selling has given an epoch-making, historical change to the traditional selling process.

### 3 Stage of Selling by Machines

This is the stage where machines become a main means of selling in the selling process, in other words, the stage where machines appear in the selling process instead of human labour and transactions are carried out chiefly by machines. The typical example of such selling by machines to date is vending machines. As for the development of vending machines, it is said that their original type appeared already in the 19th century and toward the beginning of the 20th century the machines were employed in America for selling of those commodities as candy, chewing gum, tobacco, matches and postage stamps. It is not, however, until the 1960's that vending machines began to prevail practically. Recently, also in Japan the automation in selling has progressed rapidly not only in the retail trade but also in banking and other fields. The products sold by vending machines are required to be those standardized, those of wellknown brands and those not perishable. At present, vending machines treat tobacco, hot drink, candy, toys, milk, etc. and they are used also in life insurance sales. Commodities treated by the machines will be increased gradually in the future. It is now pointed out as the problems in increasing the use of vending machines that the cost of the machine is high, its appearance is not so elegant and repairs of its failures are troublesome. And these tendencies toward automation does not mean that human labour and the tools for selling other than machines have become completely unnecessary.

At first, human labour is still indispensable as a means of selling although supplementally and partially. Human labour by the seller at the point of encounter where the transaction is done has become substituted by human labour of the buyer under the "self-service system". That is, the access to the point of encounter, input of money, taking out the products and the transport are all done by buyer's labour. On the other hand, human labour by the seller does not become unnecessary. Input of the goods into the vending machine, collection of money and maintenance of the machine are still carried out by seller's labour. Moreover, the planning and management for the installation and maintenance of the machines still depend on human mental labour.

Second, means of institutional selling does not become unnecessary totally. Rather, with the selling in advance by means of institutional selling such as advertisements, selling

by machines can have effects and increase the efficiency in selling. Thus, institutional selling has become a premise of the formation of selling by machines. In any case, vending machines will become increasingly prevailing in the future. For this an important condition is that the wage of selling labour increases in the future and the cost of the vending machine is lowered relatively, and moreover the reduction of the operating cost of a selling agent can be resulted by this.

The second example of mechanization is selling by robots. With the radical development of the computer industry, the "robot labour force" replacing the selling labour force will become more prevailing. But the similar problem of high cost as in vending machines will remain for robots.

Further, the third example of mechanization is telephone selling. The agents of telephone selling invite orders of buyers through newspaper advertising, television, radio and catalogs. Especially in recent times, the "captain" system which connects television with telephone selling has appeared on the stage. This sort of telephone selling is highly appreciated by consumers, since it takes lesser time and trouble without the expense and difficulties of traffic in shopping and with no charge of purchasing cost such as parking and waiting time at the register.

"Captain" system: This is the system which connects the product information and presentation by TV broadcasting with telephone order and which has been put into experimental practical use in Tokyo since August, 1981. CAPTAIN is the connection of initials of the words "character" (CA), "pattern" (P), "telephone access" (TA) and "information network" (IN). This system has been developed by the Ministry of Postal Services and Telephone and Telegraph Corporation with the cooperation of wide-ranging information enterprises such as those of newspaper, communication, publication and distribution. The system is planned to be brought into practical use in 1983.

The above mentioned progress of labour-saving selling by mechanization lies on the development line of new selling methods. In a historical views, at first the original type of retail trade appeared on the stage as non-store trade at periodical fairs and by travelling merchants. Secondly, the trade at store developed in which merchants settled at certain places and had stores and which has become a prevailing type of trade in modern times. Thirdly, however, new selling methods which need no store have appeared as a part of the trade at store. One of these methods has been the correspondence sales mainly by means of catalogs selling. Now, telephone selling connecting with television has been appearing. And further, the unmanned stores chiefly by vending machines are increasing. These forms of selling are all a retail trade requiring no store or non-store retailing, moreover, the long-range development tendency of selling methods seems to show a Triade of the trade without store—trade at store—and the trade without store. At any rate, even the house-to-house sales can be seen, in fact, as a type of the retail trade without store.

## VI Development of Way of Communication

Now, selling methods can be classified into following four steps corresponding to the change of means of selling labour: first, natural selling; second, personal selling; third, presentation selling; and fourth, mass selling. These show the historical development tendency of selling methods and at the same time constitute the selling methods in modern times. Let us explain them simply as follows.

At first, natural selling is the selling method where the seller presents to the buyer only the value in use of the commodity naturally, without making any explanation and persuasion. For example, it is the case of product presentation in a shop in the Middle Ages. In recent times, it is the case where the sellers display local produced vegetables and plants along the street. Further, the display of products in a supermarket or by a vending machine seems to be included in this category, but in these modern selling methods the seller has already given communication to buyers by advertising and packing, etc., and therefore they differ from the case where the product is sold naturally without adding any information.

The second is personal selling where the product presentation and persuasion activities by sellers are conducted. Therefore, here are activities for persuasion and demand creation by information supply. These sellers are sales clerks, salesmen, or sales forces, moreover, a sales manager who supervises them may be included.

The third is presentation selling which includes, in addition to personal selling by sellers who present the product itself or the sample, activities of product presentation and promotion such as at show windows, showrooms, fairs and exhibitions, or by demonstrations and sampling. The sellers in such presentation selling include industrial designers and sample sending clerks other than sales clerks.

The last is mass selling where, in addition to the information supply by sales clerks, industrial designers and others, those communication activities are emphasized which focus on mass media such as electric wave media including TV and radio as well as print media including newspapers and magazines. This is the selling method at the stage of institutional selling.

These selling methods exist as modern selling methods, to some extent being mixed. They have become, so to speak, diversified. Therefore, there occurs a problem for an enterprise how to integrate effectively those communication tools of products. This problem is that of communication mix.

## VII Conclusion

As above, the historical meaning of the marketing process can be elucidated more definitely by reviewing the historical development process of selling methods and communication methods.

In the age of the first personal selling during the development process of selling methods, the marketing process did not appear. With the shift of the leading role in the

selling labour process from means of personal selling to those of institutional selling, the selling process has transformed into the marketing process. On the other hand, during the development process of communication methods, with the shift to the stage of the fourth mass selling the actual marketing process has been formed. Therefore, the marketing process will be developed also in the future with increasingly greater variety in accordance with the massive growth and diversification of communication media.

Further, the principal difference between the selling process and marketing process consists, briefly speaking, in that the selling process is a cell and a point in the economic phenomenon. There is no extension in time and space, and there occurs a transaction only by that the seller and buyer have communication at a point of the market to reach an agreement.

The marketing process, to the contrary, has spatial extension as symbolized by commercials through radio and TV, and also has extension in time as symbolized by pre-transaction selling, where a "transaction" is formed by having communication three-dimensional in time and space. In this context, it can be said that the selling process which was only a point in the past has grown to a space gradually and further to a solid three-dimensionally, that is, to the marketing process.