

The sales environment in newfoundland

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The sales environment in Newfoundland and Labrador presents unique challenges. Not only does the geography pose a challenge to sales managers, but it also lacks ethnic diversity. Competition in Newfoundland and Labrador can also be challenging with the province's number of close-knit communities. The shrinking population and "" Brain Drain"" often leads to challenges with recruiting new salespeople. Furthermore, people from outside of the province are often unfamiliar with Newfoundland businesses and its markets. This lack of knowledge is often cause for lack of exposure for Newfoundland companies to the rest of the country.

To properly research sales management in Newfoundland and Labrador, it was necessary to interview a local sales manager to obtain information on personal experiences. For the purpose of this report, we interviewed Mr. Peter Kapyrka of Robinson-Blackmore Printing and Publishing. Mr. Kapyrka's background in sales began with being a salesman for 10 years. These 10 years brought with them the responsibilities of calling on several national agencies in Toronto and Montreal. Mr. Kapyrka was also a sales manager for six years and a sales trainer for three years.

As Robinson-Blackmore's Vice President of Publishing, he is currently responsible for all of Robinson-Blackmore's advertising sales, both locally and nationally. The role of the sales manager varies from company to company. Typically, however, a sales manager will be responsible for functions such as recruiting, training and organizing, on top of guiding the sales force. The task of managing a sales force is complex; it involves external activities which focus on bringing in orders and revenue from

outside of the company, as well as internal co-ordination and cooperation with virtually every internal department.

Good sales managers sustain regular contact and share information with their sales team, this activity is greatly facilitated by technological advances such as e-mail, voice-mail, video-conferencing, etc. They should also provide assistance to sales force in coping with the uncertainty and constant change in today's business environment. One of the major challenges for companies in Newfoundland and Labrador is the geographic location. Newfoundland, being an island and therefore not having a land connection to the rest of Canada isolates our province.

This makes dealing on a national level quite difficult because of our inaccessibility from the " mainland. " Within our province, there are two large metropolitan areas, St. John's/Mount Pearl and Corner Brook. Reaching rural communities has proven difficult as the major hub cities are on opposite sides of the province. Robinson-Blackmore has divided the province into 15 regions where their newspapers are circulated. They operate a monopoly in some of these regions as they are the only weekly newspaper in circulation. Often the major daily newspaper, The Telegram, does not get circulated at all to these regions.

For example, the Telegram has virtually no channels of distribution to many parts of rural Labrador. According to Mr. Kapyrka, there is a shrinking market in Newfoundland and Labrador. This means that Robinson-Blackmore constantly needs to come up with new ways to sell to clients in a dwindling

market. Another difficult challenge that Robinson-Blackmore is faced with in this province is when dealing with National Advertising Agencies. They are not familiar with the geography of the province, and they have no concept of the market.

It is assumed that the two hub cities of the province are in close proximity to one another and salespeople should have the ability to reach all regional clients. Compared to other major metropolitan cities in Canada, in 2001, St. John's had a population of 176, 200, while cities like Toronto, Montreal, and Vancouver had populations of 4, 881, 400, 3, 511, 800, and 2, 078, 800 respectively ([http://www. statisticscanada. ca](http://www.statisticscanada.ca)). This is a significant difference, and National Agencies cannot understand the vast isolation of our province. Cities like Toronto, Montreal, and Ottawa are within hour-long distances of each other, yet to drive from St. John's to Corner Brook could take as long as 10 hours.

This is not to mention the time it would take to reach small, out port communities, some of which do not have major highways. The sales environment of Newfoundland and Labrador (NF) has been shaped by a particular combination of geographical, economic, cultural and historical forces. Traditionally, Newfoundland has been characterized by a lack of diversity. The vast majority of Newfoundlanders are white with English or Irish descent.

According to Statistics Canada's national census in 1996, 11. 2 % of the Canadian population was of an origin other than British or European, in

Newfoundland that percentage drops to 1.9, and in Ontario which holds a number of larger, urban centres the number jumps back up to 14%. On a national and global scale this automatically puts NF at a disadvantage. However, Newfoundland is becoming a more diversified population. With this diversified population comes the need for local sales managers to be more culturally sensitive. Local sales managers must be able to respectfully deal with all types of people to be successful. This is the impact of globalization on the business environment.

While Newfoundland is still predominantly Irish and English, globalization will have a progressively significant impact on the local sales environment.

Competition is always a challenge for sales managers. However, with Newfoundland's geography and unevenly distributed population, knowledge of competition is critical to achieving success. In speaking with Mr. Kapyrka, it was noted that there is currently no real growth outside of St. John's. If anything, the markets are shrinking. In order to overcome the challenges of this lack of growth, Robinson-Blackmore must attract as many local companies as possible.

Development of good customer relationships is critical. The lack of growth outside of St. John's forces Robinson-Blackmore to rely on regulars for repeat business. Increasing advertising from these repeat clients is critical. In relation to Robinson-Blackmore Printing and Publishing, competition in Newfoundland and Labrador consists primarily of _____. This company, however, is the primary "daily" newspaper source in the province. Robinson-Blackmore's principal focus is in "weekly" newspapers. In communities

outside of St. John's and Corner Brook, homes to Newfoundland's two daily newspapers, Robinson-Blackmore has virtually no other competitors.

In these 13 markets, there is no other print media available. Competition in Newfoundland can, however, also be challenging. Newfoundland and Labrador has a very unique personality. Tourists are often pleasantly surprised by its quaintness and the hospitality of its people. Its quaintness, however, can also have a negative impact on sales. There are various "close knit" communities across the province in which everyone knows everyone else's business, and your business becomes everyone else's concern.

Attempting to sell advertising in this kind of climate is challenging as salespeople must first rid themselves of the "outside" stereotype and then try to form relationships with clients that you have great difficulty in reaching because of isolation. If, for example, a new store begins operating in St. John's, the majority of the city's population will be aware. With little selection of advertisers to choose from, it is critical that Robinson-Blackmore be the first friendly face that the company sees.

If, for some reason, this is not the case, then it is very important for Robinson-Blackmore's sales associates to present the appropriate benefits to meet that particular potential customer's needs. Due to the "close knit" nature of Newfoundland and Labrador business, the sales associates must form relations with their customers in order to achieve loyalty to Robinson-Blackmore. With only Robinson-Blackmore and ___ being the main competitors with provincial distribution in Newfoundland, whether the new

company in town wants their advertisements to be seen daily or weekly will also play a major role in their decision-making.

It is very important that Robinson-Blackmore and its sales associates be well informed at all times. According to Shelah Allen (1997), executive director of the Atlantic Community Newspapers Association in Lunenburg, Nova Scotia, she feels that " It's not fair to assume we don't get the national ads simply because the planners have something against community newspapers, perhaps it's more a case of us not getting our message out". An example she illustrated was of a large chain department store, a welcome sight for rural salespeople.

This department store had booked an ad with only one of her papers because they only wanted to run in one town - where their store was located. Bernadette Jordan, a sales representative for three community weekly newspapers, explained that although her publications served an area with a population of 40, 000 and that the area included three towns and a dozen or more villages, this department store was the only one in its chain for over 100 kilometres, and one of the only two department stores serving the entire population of the region.

The department store booked the ad in both papers serving the area and thanked Jordan for her direction (Allen 1997). With respect to Robinson-Blackmore, also a member of the Atlantic Community Newspapers Association, this example helps to illustrate the importance of informing larger organizations of the benefits of advertising in community newspapers.

It also illustrates larger organizations' lack of knowledge of the Newfoundland market. The Newfoundland and Labrador sales environment is characterized by difficulties in two fundamental, yet very different, aspects of recruitment.

Newfoundland and Labrador companies have had difficulties in attracting top sales managers and securing large mainland contracts. The province has long had the problem of losing its most educated citizens. This phenomenon has been termed the "Brain Drain". The result of the "Brain Drain" on the provincial sales environment is significant. Many of the most promising young sales people are lured to larger firms in more populated centers like Montreal, Toronto and Vancouver. These sales people can obtain higher wages, benefits and compensation by working for larger firms.

The appeal of working on national and international contracts is enough to take a large percentage of Newfoundland and Labrador's talent pool. This is a problem for local sales managers. Top sales managers see little opportunity for advancement and promotion up the corporate ladder. As a result, the migration of salespeople continues. The province's sales managers often see their current position as a stepping-stone for employees on their respective career path. They are waiting for a promotion to a larger firm to come along, which, again, often results in a migration to a larger center.

According to Mr. Kapyrka, local sales managers frequently have little to no experience operating outside the local sales environment. The result of this

is a difficulty for local firms in hiring sales people to cater to national accounts. Talented young salespeople who leave the province rarely bring their national experiences back to the local level. The "Brain Drain" has had a very significant effect on the quality of sales people operating in the Newfoundland and Labrador sales environment.

The migration for talented sales people from the province is not being supplemented by an influx of talented salespeople from other provinces or countries. This increases the impact of the "Brain Drain" on the province's sales environment. Sales people are leaving and very few are taking their place. This results in a thin talent pool. One reason why sales people are not immigrating to Newfoundland and Labrador is the lingering stigma that, as a province, its people are totally reliant on the fishery for sustenance.

The lingering falsities that exist have a large effect on all business operations in Newfoundland and Labrador. On a national scene there is little specific knowledge about the province's business environment. This lack of knowledge often breeds ignorance. Sales managers have difficulty in securing national contracts. The geographic isolation of Newfoundland is a major barrier to the volume of national sales that exist locally. Clients often seek a centralized national operation despite the favorable business climate in Newfoundland and Labrador (from the employer's perspective).

The province has an appealing financial operating environment stemming from high unemployment rates, low minimum wage level, and a competitive real estate market. (John stats) It is clear that the province's sales

environment faces a number of challenges that are difficult to overcome. Most significantly, the " Brain Drain" vastly reduces the talent pool of sales managers. This combined with the lingering national stigma associated with Newfoundland and Labrador creates a double-edged sword that results in a reduction of qualified sales managers.

Not only does Robinson Blackmore sell advertising space to local companies, but it also sells to national companies looking to advertise its products and/or services in Newfoundland and Labrador. Selling advertising to National agencies entails pitching to other salesmen and agencies as opposed to dealing directly with individual clients. This process can often take months, as opposed to making deals with clients in Newfoundland whereby decisions can often be made on the spot. Another difficulty in dealing with National agencies is high turnover rates in sales personnel.

According to Mr. Kapyrka, this high turnover rate (approximately every six months) means that Robinson-Blackmore has to continually present to new media buyers, thus constantly having to start new relationships. Compared to selling advertising nationally, local sales are for the most part made with the same salespeople where strong relationships have formed. Despite the fact that Newfoundland and Labrador is a somewhat challenging environment for a sales manager, whether they are experienced or just starting out, it is also an environment that fosters learning and growth.

The increased use of technology and the internet is continually diminishing the negative effects that are attributed our geographical location. Also, these

advances provide increased opportunity for people outside of Newfoundland and Labrador to be more aware of what is happening here. In the face of these, and other challenges, Robinson-Blackmore has thrived in Newfoundland and Labrador. Up to this point they have worked with these challenges and used them to their advantage, and will undoubtedly continue to do so in the future.