

of companies interviewed belong to this category. Fifty-nine percent of all the companies we contacted either offer service or stock some spare parts.

Sales Representatives-- Most sales representative organizations in Southern California consist of one or two full-time operatives only, working on a commission basis. They are generally capable of handling basic installation and sometimes service. They do not generally hold stocks or spare parts.

Other major points uncovered during the interviews are as follows:

- There are very few distributors with sales over \$5 million dollars. The average company makes annual sales of \$1 to \$2 million.
- We identified fifty distributors operating in California. Thirty of these are located in the Los Angeles marketing area and twenty in the San Francisco marketing area. Several companies operate northern and southern branches. Some companies have branches in the San Joaquin marketing area. Our research showed that the majority of the Los Angeles distributors concentrate exclusively on sales in Southern California. Distributors in Northern California and the Pacific North-West often sell widely outside their immediate locations because their home markets are small. The number of salesmen employed can vary widely from company to company; they usually work on a straight commission basis. One or two distributors pay their salesmen advances to cover out of pocket expenses.
- Most distributors agree that the food and pharmaceutical industries