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**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS**

**Assessment of Marketing Mix on Channel Management Practices in  
Lubricant Market - the case of National Oil Ethiopia (NOC)**

**By  
Fitsum Zewdie**

**September, 2019  
Addis Ababa, Ethiopia**

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Fitsum Zewdie**

**Advisor: Workneh Kassa (PhD)**

**A Thesis Submitted to Addis Ababa University in Partial Fulfillment of the  
Requirements for the Degree of Executive Master of Business Administration**

**Addis Ababa, Ethiopia  
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## **Declaration**

I, undersigned declare that this thesis is my original work. Furthermore, all sources of materials used for the thesis had been duly acknowledged.

Name: \_\_\_\_\_

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**Place: Addis Ababa University**

## **Certification**

This is to certify that Fitsum Zewdie Biratu has done a study on the topic “Assessment of Marketing Mix on Channel Management Practices in Lubricant Market – the case of National Oil Ethiopia (NOC)”. This study is of his original work and all the sources of materials used for the thesis had been duly acknowledged.

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## **List of Abbreviations and Acronyms**

API	American Petroleum Institute
EPSE	Ethiopian Petroleum Supply Enterprise
GDP	Gross Domestic Product
MoT	Ministry of Trade
NOC	National Oil Ethiopia
SAVE	Solution, Access, Value and Education

## **ABSTRACT**

The purpose of this study was to examine the influence of marketing mix elements on Channel Management Practices in Lubricant Market on the case of National Oil Ethiopia (NOC) in Addis Ababa market. The study applied descriptive research design and quantitative approach with a population of 251 out of which 185 sample size were selected. A self-administered questionnaire was used to collect data. The findings indicated that there were positive relationships between all the independent variables (price, product, promotion, and place) and the dependent variable, channel management. The result of regression analysis showed that product, place and promotion are significant predictors of channel management. Thus, the study recommended strengthening the current strong hold of distribution channel with increased number of resellers and the need to work more on the conventional methods of advertising its products in every opportunity available. It was also recommended that the company needs to work more on alignment of channel partners with the company to maintain their relationship for longer period of time. Moreover, the need to focus on product mix was recommended that would permit the company to expand its business through the addition of new products for distribution and availing product to the market with variety and consistency as well.

**Keywords: Channel management, distribution, marketing mix**

## Chapter One: Introduction

The back ground part of this paper will explain the meaning of marketing in general and specifically Lubricant market in Ethiopian context. It will also introduce role players in this specific industry. This chapter will include statement of the problem, objectives of the study, research questions, significance of the research, scope of the study, limitation of the study, and organization of the study.

### 1.1 General Background

Marketing is defined as “the management process through which goods and services move from concept to the customer” (Business Dictionary, 2019). It includes the coordination of four elements called the 4 P's of marketing: *Identification*, selection and development of a product, Determination of its *price*, selection of a distribution channel to reach the customer's *place*, and Development and implementation of a *promotional* strategy.

"Marketing mix" is a general phrase used to describe the different kinds of choices organizations have to make in the whole process of bringing a product or service to market. The 4Ps is one way – probably the best-known way of defining the marketing mix (MacCarthy, 1960).

*The Product* is expressed as in developing the right type of product for the intended market but it may involve physical good, a service or a mixture of both. *A Place* is concerned with a target market place with the right type of product. A product isn't much good to a customer if it isn't available when and where it's wanted. *The Promotion* focuses on telling the target market or others in the channel of distribution about the product while *price* is selling price of product which must also consider the kind of competition in the target market and the cost of the whole marketing mix (Perreault et al., 2002).

The 4P concept is further developed by Ettenson et. al (2013) termed as SAVE model that stands for *solution*, *access*, *value* and *education*. This paper deals with on how the 4Ps influence the channel management strategies in relation with product marketing channel specific to Lubricants in Ethiopian market. Companies need some sort of distribution channel management out lined with reference to company's competencies, product type or customer's location. Especially now where the market has become highly competitive as a result of information on price and other

important factors of product is found at finger tips of customers through technological advancement.

“In highly competitive markets where product and price parity by competition is an ever growing threat, successful companies are realizing the value of Distribution Channels—that they are not just a means to reach end customers, but a strategic asset that needs to be carefully built and managed. However, managing channels effectively is a challenge since channel members are independent entities, having their own goals and agendas and often working at cross purpose to a company's plans” (MDI, 2014). Product positioning is also one of the important elements while developing product channeling strategy for a company. Kotler (1993) defines positioning as “the act of designing the company’s offer so that it occupies a distinct and valued place in the target customer’s minds”.

In Ethiopia, Lubricant is basically marketed by importation through affiliation with international companies who are known to produce Lubricant for vehicles and industrial purposes. Leaving aside the main source of Lubricant from the point where it is produced and shipped to Ethiopia, there are four major role players in sales and distribution through which Lubricant is distributed until it reaches end user. They are known to be *The Company*, *Fuel Stations*, *Distributors*, and *Resellers*. According to internal office communication by Ethiopian Petroleum Supply Enterprise (EPSE), there are 29 companies in Ethiopia who are engaged in distribution of fuel product while the number of companies who are involved in the lubricant business is limited to only 10 of them.

‘The company’ plays the role of main source of product as an importer from its source of production. ‘Fuel Stations’ are those stations built by the company or by the operator himself for the purpose of selling both Fuel and Lubricants. ‘Distributors’ are few in number but purchase major share of Lubricants from the company to distribute the product to the next channel member called reseller. ‘Resellers’ are small shops who are found mainly at the door gates of Garages enabling the product to reach end user.

Each Oil company in Ethiopia deals with different International product supplier found in different part of the world to import and market the product to the general public. After completing the import process and store imported products at their stores, Companies sale it to

their agents (Fuel Stations and Distributors) at a whole sale price. Whole Sale Price is set by the Ministry of Trade (MoT) and the price is identical by product type and grade of Lubricants for all companies. Uniform price is given by MOT in an intention of protecting the general public from unfair competition and expensive product price. However, each company manipulates the price indirectly by giving different discount schemes and rebates as well. Mainly, there are two segments through which companies use to distribute lubricants: Fuel stations and distributors. The volume of Lubricant sold and distributed to the general public through the Fuel Stations is about 20% while the remaining 80% is covered by distributors (Bromhed, 2018). The trade deal between the company and fuel stations is contractual and product distribution is relatively manageable. However, as stated earlier the major share of Lubricant distribution is channeled through the distributors. These distributors are characterized as being few in number, nonexclusive and not organized enough to enable companies make a contractual deal with them in order to work in an organized manner.

As witnessed from shared market data among the major market players in Ethiopia (Bromhed, 2018), distributors play the highest role in distributing Lubricants to resellers and garages. This indicates that Oil companies like NOC needs to have strong control over the distribution channel as most part of its Lubricant sales transaction is executed through this channel. Resellers are shop owners found at every corner of the city with close proximity to garages and buys lubricants from the Distributor to resell it to end user by adding a certain margin on their cost. Trade deal between the two market players (distributors and resellers) is mostly verbal and difficult even to understand the extent of trust they have with each other for an ordinary individual since there is a huge amount of credit sales involved. In most cases, companies have no direct control over these resellers which remain major challenge of the distribution channel management.

## **1.2 Statement of Problem**

Marketing management is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals (Kotler, 2000). Products can reach consumers directly from producers or through different channel management strategies as developed by each company to reach the widest possible customer base. Channels refer to the ways or outlets to market and sell products (Kotler, 2000). There could be one or more marketing channels between producer and

consumer. These marketing intermediaries play an important role and perform a variety of functions (Kotler, 2000). As it's further explained by Kotler (2000), the role and function of intermediaries could be gathering information, handling promotion, handling negotiation, placing orders, arranging finance, taking risks, and facilitating physical possession, payment, and title (Kotler, 2000). Similarly, Forsyth (2002) explains that distribution channel also acts as part of the process that persuades people to buy. In other words, the quality of distribution – how well the various channels work – is a marketing variable. Managing the distribution process is a creative marketing activity (Forsyth, 2002). Varied beliefs amongst market players bring about a question as to which strategy helps most in order to achieve its end goal. Benjamin N. states that a company operating in a developed market needs to carefully consider its distribution network design in order to achieve profitability (Neuwirth, 2012).

Indian Farmer Fertilizer Cooperative Ltd. (IFFCO) is a premier organization in the cooperative sector engaged in production and marketing of Urea and complex fertilizers over three decades. Following a study conducted on its Distribution Channel Management (Patra, 2016), it has come to choose and focus more on its distribution channel to market its various fertilizer brands. However the need to explore an effective alternative marketing channel still exists to make the IFFCO fertilizer a universal brand in the country. In the case of Lubricant market in Ethiopia, distributors/traders buy more products from specific company upon the perception of end users or looking for cheap price of products. Credit Policy is used by companies to gain more volume of sales in some cases. Some companies use their package, quality, design, features or standards of a product to win the market. Others use incentive schemes, credit and delivery policy or a combination of different credit policies to win the market. Varied promotional activities are used by others to influence customers and eventually sale more product and influence the market. Clearly, there are a number of challenges in between the idea and implementation of distribution system with the right marketing mixes followed by the company.

Study conducted by Ansuar (2016) on similar subject concludes that NOC is not working well on branding activities and the price of products being higher than the competitors (Ansuar, 2016). The study further indicates that NOC has faced problems to implement its marketing strategies. However, as the Market is dynamic and working in the field of Marketing under both commercial and Retail business units of the company for more than 10 years, I have witnessed a

great deal of changes in the marketing dynamics of the company as well as the country in the past few years and would like to study the channel management practice with respect to marketing mixes and the extent of influence each market mix has over the channel management of the company. My study will have more sample size and includes Addis Ababa market in addition to NOC marketing team, which is the major gap in the previous study.

This study will benefit in providing information for future research in other sectors or industries with respect to the influence of market mixes on channel management practices of the industry. From the customer point of view, the study will also provide knowledge on how the industry channel works. Moreover, customers will understand the roll of intermediaries in providing them with a broader range of products from varied producers of similar type of lubricants. With the review of literature, the research will also point out the importance of taking perspective in redesigning distribution structures. With the different questionnaires developed and analysis to be made, the research tried to show if the channel management being practiced is taking the company to the right direction.

### **1.3 Research questions**

In relation to the different reasons for marketers determine their channel management and strategy to sell products as provided in the industry; this research is designed to answer the following questions:

1. What is the existing channel management practice in relation to marketing mixes?
2. What is the relationship between components of marketing mix and Channel management?
3. What is the impact of each market mix on channel management?

### **1.4 Objective of the Study**

#### **1.4.1. General objective**

The general objective of this study is to Assess Marketing Mix on Channel Management Practices in Lubricant Market on the case of National Oil Ethiopia (NOC).

### **1.4.2. Specific Objectives**

1. To analyze the existing channel management practice in relation to marketing mixes.
2. To assess the existing channel management practice in relation to marketing mix elements.
3. To determine the relative importance of marketing mixes that determines channel management practice.

### **1.5 Research Motivation/Rational**

This research is motivated by the professional marketing practices of the researcher's observation in the Lubricant industry. The researcher has the experience of working for over 20 years in the oil industry with in marketing department and using this opportunity would like to review and evaluate the different challenges facing Lubricant sales and marketing activity of companies in the oil industry.

Marketers agree that the different grades of lubricant imported by major players of Lubricant in Ethiopia are believed to be similar when seen from performance point of view. However, each company's market share varies significantly as a result of other factors, marketing mixes (4Ps) in this case, influencing the channel management and the answer will be sought taking the experience of National Oil Ethiopia (NOC).

### **1.6 Scope of the Study**

Due to time constraint, scope of the research is limited to the case of National Oil Ethiopia (NOC) lubricant market challenges and confined to Addis Ababa retail market where actually most of the Lubricant trading is done.

### **1.7 Significance of the Research**

The research will attempt to find the challenge in managing a channel in Lubricant sales market. This will be done through finding answer to the Research questions stated earlier. Eventually, it is believed that the research paper would be a resourceful input to Oil companies who are currently operating in Ethiopia or as well as those who will be interested in the future to get in to Lubricant sales industry of the country.

## **1.8 Organization of the Paper**

The study is organized in five major chapters. The first chapter introduces the reader to the purpose and subject of the paper with General background of channel marketing and the Fuel industry in Ethiopia. Second chapter deals with the literature review with regards to market mixes and channel management in general. Third chapter focuses on research methodology and the fourth chapter discusses on data presentation and analysis of findings. Based on the findings, the fifth chapter will deal on conclusions and recommendations as forwarded by the researcher.

## **Chapter Two: Literature Review**

### **2.1. Theoretical Literature Review**

#### **2.1.1. The Evolution of Marketing Channels**

It will be essential to start the review of marketing channel from its definition and its evolution. A marketing channel refers to “a set of interdependent organizations involved in the process of making a product or service available for use or consumption” (Palmatier et al., 2014). Early research on marketing channels derived predominantly from work in economics (Watson et al., 2015), which views channels of distribution as flows of goods or services. Research in the early twentieth century tended to regard interactions between firms as optimization or cost minimization problems and vertical marketing systems as extensions of the firm; other, non-economic factors largely were ignored (Watson et al., 2015).

The use of marketing channel has become a common practice for most companies as a requirement for their products to reach and be used by end users. A fundamental avenue for delivering offerings to end users, sales marketing channels account for approximately one-third of worldwide Gross Domestic Product (GDP) (Watson et al., 2015).

The business environment had to go through different stages to reach to this level as indicated by Palmatier (2014). In order to achieve this share of global sales, channel systems have had to adapt to significant changes in the business environment, such as the shift to service-based economies, consolidation of channel intermediaries, development of new channel formats, increased online shopping, and the globalization of business (Palmatier et al., 2014).

#### **2.1.2. Distribution channel management**

Distribution or Marketing channels is basically a mechanism designed by an organization in an intention to achieve its distribution objective and reach out customers with a particular goods and services. A channel is thus a route through which end users are reached with products from the manufacturer.

Each member of a channel (e.g., Agents, Wholesalers, and Resellers) perform a variety of task and play an important role in making sure products reach from the main source of production to

the end users. Such channel should work thus in close administration of the manufacturer as they are actually directly related to the end goal of the company.

As explained in detail by Mehta et al. (2002), Marketing Channel Management refers to the process of analyzing, planning, organizing, and controlling a firm's marketing channels. Referring to other articles, it further describes the different set of Marketing Channel Management as comprised of seven decision areas: (1) formulating channel strategy, (2) designing marketing channels, (3) selecting channel members, (4) motivating channel members, (5) coordinating channel strategy with channel members, (6) assessing channel member performance, and (7) managing channel conflict. All seven areas are critical to superior market performance and long-term customer loyalty (Mehta et al., 2002).

### **2.1.3. Formulating marketing channel strategy**

Channel strategy refers to the broad set of principles by which a firm seeks to achieve its distribution objectives (Mehta et al., 2002). It focuses on devising channel tactics pertaining to issues such as the role that distribution should play in the firm's overall corporate objectives and strategies, the role distribution should play in the firm's marketing objectives and strategies, and the congruency that exists between channel strategy and the marketing mix. Locating new markets in which the firm's products can be marketed and suggesting new technologies that can make marketing channels more efficient are examples of channel strategy decisions (Mehta et al., 2002).

### **2.1.4. Designing marketing channels**

Channel design refers to the development of new channels or the modification of existing channel structures. Anderson et al. note that marketing channels must be aligned with the firm's overall objectives and competitive strategy (Mehta et al., 2002). Devising the structure or "architecture" of the marketing channel system entails four key channel design dimensions: (a) number of levels in the channel, i.e., the number of intermediary levels between the firm and ultimate users, (b) intensity at the various levels, i.e., the number of intermediaries at each level, (c) types of intermediaries, i.e., particular kinds of middlemen, and (d) number of channels, viz., single, dual, or multiple marketing channels (Mehta et al., 2002).

A product may reach end users through different channel of distribution. A channel of distribution could be in the form of firms or individuals participating in the flow of products from producer to consumer.

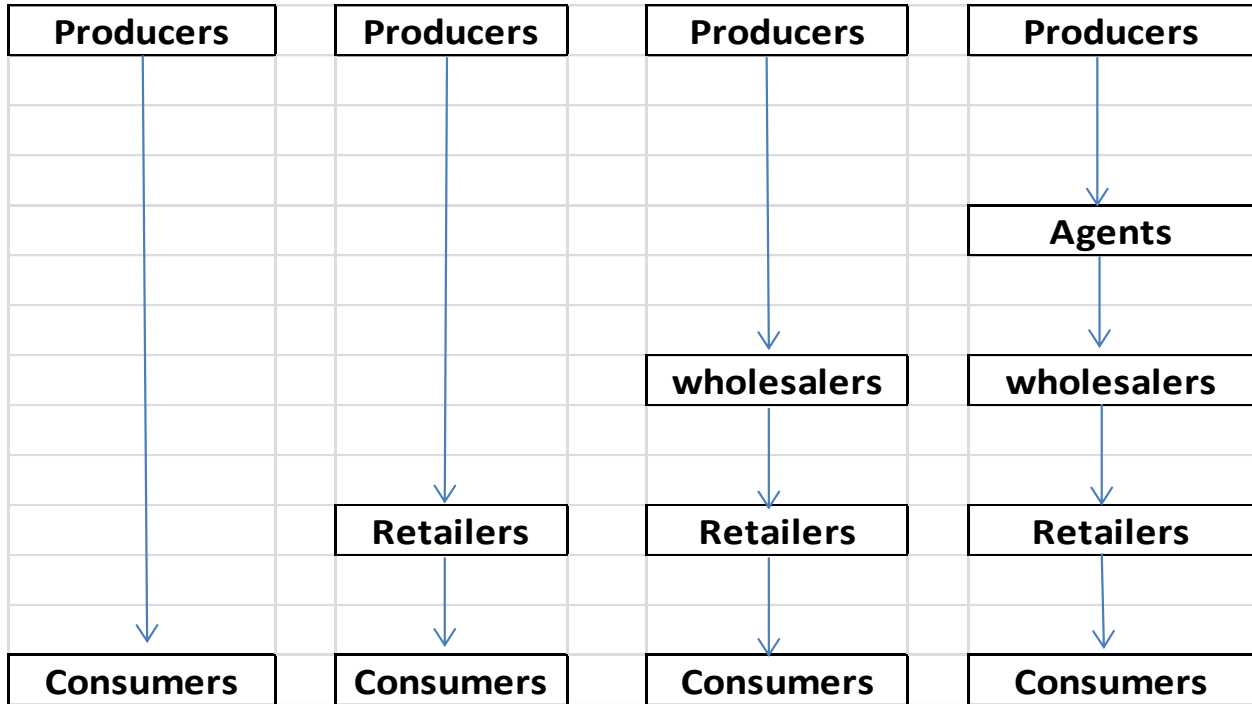


Figure 2.1 Types of Channels (Perreault & McCarthy, 2002, p. 50)

In a business or service market, it's common for the product to reach end users directly. This is also common in the internet market where product reach targeted customers. However, in merchandising business different retailers and wholesalers are involved. If a particular business has several different target markets, the use of different channels of distribution comes in to picture.

### 2.1.5. Selecting marketing channel members

Once the marketing channel has been designed, channel members are selected to represent a firm and resell its products to final customers. Initially, prospective channel members are found and assessed for "fit." To do this, a prospective channel member's credentials (e.g., credit history, reputation, number of product lines, market coverage, and number of sales people) need to be examined for alignment with the firm's marketing objectives. Ultimately, the producer secures

and converts prospects to formal channel members by offering them various motivational inducements (Mehta et al., 2002).

### **2.1.6. Motivating marketing channel members**

Companies do not have direct control over channel members since they are external independent institutions. There will be a tendency not to cooperate with company instructions and policies by the channel members. In order to take administrative measures on channel members, producers need well scripted contractual agreements especially with the immediate channel member for the purpose of compliance as well as maintain channel effectiveness (Mehta et al., 2002).

Motivating channel members plays a strategic role for an effective channel management. In essence, a company devises various motivational programs to induce channel intermediaries to exert higher levels of effort in serving the firm's target market. Some motivational strategies commonly used by firms to induce channel member cooperation include paying higher slotting allowances, offering higher trade discounts, providing strong advertising and promotional support, training channel members' salespeople, and offering superior logistical support (Mehta et al., 2002).

### **2.1.7. Coordinating marketing channel strategy**

Marketing channels have conventionally been viewed as a network of dissimilar but interdependent institutions that have merged together for purposes of trade. Marketing channel scholars have long promulgated the need for coordinating and integrating channel activities with other departments of a firm. Such efforts are undertaken to ensure that all channel participants are cognizant of the company's marketing activities with respect to channel members. Despite the differing goals of independent channel participants, coordination of the channel is necessary to reduce the redundancy of work effort and the inefficient allocation of distribution tasks among channel members (Mehta et al., 2002).

### **2.1.8. Assessing marketing channel member performance**

R. Mehta et al. explains as companies' performance is becoming highly dependent on the efficiency of channel members which is also crucial in achieving competitive advantage. Thus, by assessing the performance of channel members, firms can discern how successful they have been in implementing channel strategies as well as achieving their distribution objectives. Sales volume per target set by the company at the beginning of budget year, compliance to company's policies and procedures, number of recruited sub distributors, are among the measures of performance the company could consider (Mehta et al., 2002).

### **2.1.9. Managing marketing channel conflict**

Channel members need to work in harmony to keep the market function smoothly. Members should work hand in hand with the company's distribution strategy, such as product price, credit policy and territory of product distribution should be maintained as per contract agreement.

As reviewed by Watson et al. (2015), Conflict in marketing channels, which has been the focus of numerous channel investigations, refers to goal-impeding behavior by one or more channel members (Watson et al., 2015).

### **2.1.10. Organizational Strategy Development**

Before firms choose those who will distribute its products, it usually formulates the channel design. As Tek (1997) puts it "The implementation phase of distribution channel management takes place after the design process." A structured design is a must in a firm so that at the end of the day it will be a competitive advantage among competition and keep the firm in a better position.

Organization can simply be defined as a collection of resources that are working together somehow to achieve a common purpose (<https://managementhelp.org/organizations/definition.htm>).

In a company where a distribution channel is a requirement, the organization should encompass formulating appropriate distribution strategy that best suits the market in which the firm operates.

As stated by different scholars, the approaches of structuring distribution organization can be classified with an analogy of marketing organization (Paksoy, Pehlivan, & Kahraman, 2012). Accordingly, five types of distribution strategies are explained below:

### **2.1.10.1 Product based strategy**

Firms that have multiple types of products mostly use this strategy. In this approach distribution network management is structured through the product lines and for every specific product or product line a manager is assigned who is responsible for all management activities for that specific product or product line (Paksoy et al., 2012).

### **2.1.10.2 Geographic based strategy:**

The big firms that act in broad markets (all national or international markets) can establish their distribution management departments through geographic based strategy. This strategy will be effective if the consumer demands change with respect to region (Paksoy et al., 2012).

### **2.1.10.3 Customer based strategy**

As the name indicates, distribution strategy is formulated based on the customer type. Classification of customers in to wholesalers and Retailers is a good example of customer based strategy. However, it must be dealt cautiously while categorizing customers as there may be discrimination among customers as a result of competition between departments (Paksoy et al., 2012).

### **2.1.10.4 Function based strategy**

This is a type of strategy where by similar activities are grouped to fit the distribution channel of a given firm (Paksoy et al., 2012).

### **2.1.10.5 Hybrid based strategy**

A combination of strategy that encompasses two or more of the above four types of strategies might be chosen by some firms depending on the requirement of customers. The variety of products manufactured in a firm could also necessitate a mix of distribution strategies (Paksoy et al., 2012).

## **2.2. Components of Marketing Mixes**

Perreault et al. (2002) expresses the usefulness of reducing all the market Mix in to four, namely Product, Place, Promotion, and Price which are commonly known as the 4Ps.

"Marketing mix" is a general phrase used to describe the different kinds of choices organizations have to make in the whole process of bringing a product or service to market. *The Product* is expressed as in developing the right type of product for the intended market but it may involve physical good, a service or a mixture of both. *A Place* is concerned with a target market place with the right type of product. A product isn't much good to a customer if it isn't available when and where it's wanted. *The Promotion* focuses on telling the target market or others in the channel of distribution about the product while *price* is selling price of product which must also consider the kind of competition in the target market and the cost of the whole marketing mix (Perreault et al., 2002).



**Figure 2.2 The four P components of the Marketing Mix (Kotler, 2000, p. 10).**

### 2.2.1. Price

Pricing of a product is a crucial marketing decision, which needs to recognize the brand valuation, positioning, target customer perception, competitor prices and the target margins desired. The perception of high prices positively correlates with premium quality and is also a differentiator in customer perceptions associated around novelty, prestige, status symbolism and

exhibitionism. In addition to price tag fixed for a particular product, it can be expressed in terms of discounts, allowances, payment terms and credit periods.

For customers with higher income; the brand, quality, and fame of the products are much more important than price. However, in populations where it consists of crowded and poor families the price gains high importance (Dölekog̃lu, 2001). Getting the information on price applications of competitors is an important criterion to establish distributing strategy. As it is known price is an important factor between for comparison of similar alike goods and this likelihood may depends on cost or may not (Tek, 1997). While a trader or importer makes its choice and contract, first step is defining the purchasing–payments activities with agreement of both sides. Distributor’s loyalty to his paybacks and contracts is an important criterion (Kotler, 2003).

### **2.2.2. Product**

A product refers to a tangible or intangible offering to satisfy a need. They may be distinct in their offer or they may be a combined offer, wherein both are components of varying degrees in the final offering. Whereas a product is created to satisfy a need of the customer, marketers should avoid the fallacy of what Levitt (1960) calls marketing myopia by concentrating on the product and not the customer’s need (Levitt, 1960). In an Oil industry, one type of product type classification is using viscosity grades. Mostly referred as mono grade lubricants are made for the purpose and use in an area where the temperature does not vary, whereas Multi-grade lubricants are produced for the use where the temperature varies.

Lubricants of same products are commonly packed in different volume packs. For example, motor oil lubricants are often packed with 1L, 4L, 5L, 20L, 25L, and 208L packages. So customers demand varies depending upon their requirement of pack and supplier’s provision. Lubricant quality and attributes are determined by the American Petroleum Institute (API) as a requirement of universal standardization. Different letter coding is used to determine the quality of different types of products. These letter codes are written in most pack of lubricant’s sticker. For instance an API grade with SL refers to Service (S) vehicle with a quality level grade of L, while CI refers to Commercial (C) vehicle type of lubricant with a quality level of grade I lubricant. Another criterion is brand positioning of competitors and level of fame of the product.

Cost of being a brand defined as cost of advertising and other sales strategies (Tosun, 2003). Local nationalism has a big role on consumer. Also some expressions like “my lubricant” or “my brand” are very good for local oil firms (BYSD, 2002).

Product mix is also one concept that needs to be sought by a marketer. Product mix which is also known as product assortment is the set of all products and items that a particular marketer offers for sale (Kotler, 2000, p198). Kotler further explains that a product mix of an individual company can be described in terms of *width*, *length*, *depth*, and *consistency*. Width refers to the number of different product lines the company carries while length refers to the total number of items in the mix. The depth of a product mix refers to how many alternatives are offered from each product. The consistency of the product mix relates to how the various product lines are closely associated in end use, production requirements, distribution channels, or some other way.

### **2.2.3. Promotion**

Like low price, quality, and profitability, advertising also used to be known by customers and to find effective distribution channels. This will help distributor to keep money and effort. In this sense the important issue is how the competitors use national or local advertising tools (Roger, 2005). Because customer demand depends on level of knowledge about the characteristics, image and availability of that brand can be reached easily (Roger, 2005).

### **2.2.4. Place**

The forth P in the marketing mix is Place or distribution, which is also referred as distribution channels or just channels. Marketing channels enable marketers to reach consumers through intermediaries called channel partners. These channel partners could be wholesalers, distributors, dealers and retailers, who buy, hold inventory and resell to end users.

Producers and importers prefer distributors, which have strong financial structure to have a good place in their market. In nature of commercial mentality this is related with payback of goods sold. The firms aim to have a strong place in the market with a strong financially structured partner who works as distributors (Tek, 1997). For warranty, product importers usually demands for a Bank Guarantee as a collateral which confirms credit worthiness of the distributors (Tek, 1997). Product importer evaluate the distributors’ qualification on the number of years of

sectorial and general experience past recorded problems in those years, or payment problems to understand the reliability of distributor before working with it (Tek, 1997).

Knowing the different products that distributors distribute and distributors' product portfolio is one important criterion. An alternative way to estimate and understand the reliability of distributors is if other firms are known that trust the distributor. In other words the distributing national brands and have stableness on this way is another criterion to guess reliability of the distributors (Paksoy, Pehlivan, & Kahraman, 2012). Efficiency of the distributors can be defined by the number of points (retailers, garages, etc.) that the distributor can reach. Here the important issues are not only distributors' sales and revenues but also the ability to force retailers to sell ones goods (Tek, 1997). Number of sales man and vehicles that a distributor own is an important criterion. Firms must find an effective distributing strategy to reach their aims with making their retailer effective in target area (Tek, 1997).

If a firm wants to take a place in market, it has to have ability to explain competitors' strategies and brand positions (Kotler, 2003). Kotler further explains that if we look at the brands that use strategies which focus on product–distribution, we can see that they generally keep their place in market with distributors generally. Choice of distribution channels are directly related with the firms' operating area definition. For every distributor some values like its geographic position, population, and demand may be related with the effect of this distributor. In this sense establishing brand value and an effective distribution strategy related with competitor market power depends on choosing distributors (Kotler, 2003).

### **2.3 Related Literature Review**

Saha (2015) has conducted a research in launch of new categories of lubricants by focusing on the impact of marketing channel and promotion strategies of lubricants marketing companies, on adoption and usage of synthetic lubricants for two-wheeler motor vehicles powered by four stroke petrol engines. The research objectives were to study the marketing channel and promotion strategies adopted by lubricants marketing companies and their impact, to assess awareness of two-wheeler users and mechanics regarding synthetic lubricants for two-wheelers, to study buying behavior, to study the role of the marketplace influencers and to study the factors influencing recommendations of two-wheeler mechanics (Saha, 2015).

Descriptive research design was adopted as methodology and the research instrument used to collect primary data was a well-structured questionnaire. The researcher has found that there is significant difference in awareness of synthetic lubricants between users of synthetic lubricants and conventional lubricants; adopters of synthetic lubricants are highly involved in the purchase process, this finding is contrary to the widely accepted categorization of lubricants as a low involvement product category, users of synthetic lubricants exhibited significantly higher levels of interest in acquiring greater knowledge on the lubricants, existence of significant difference in sensitivity to prices and value for money between users and non-users of synthetic lubricants, etc.

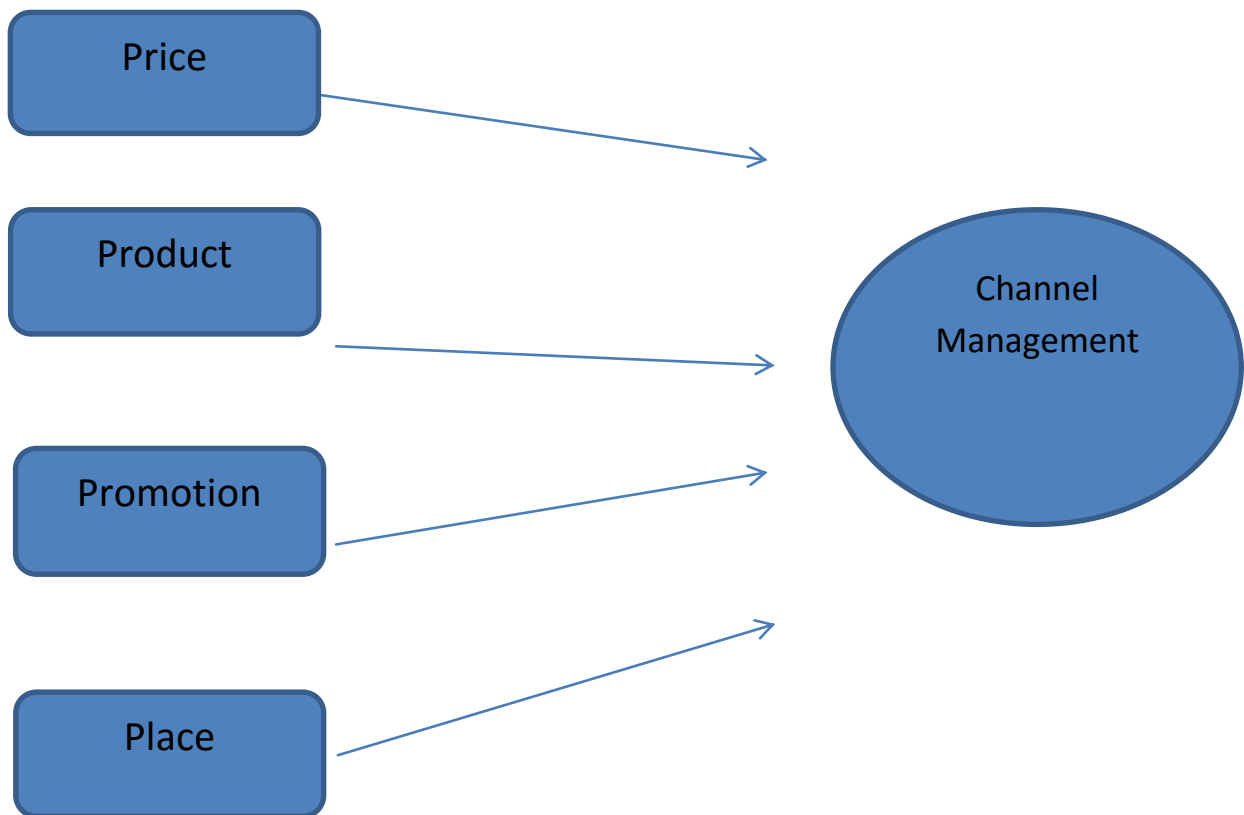
A study by Nyalita (2009) was conducted by focusing at surveying factors influencing the distribution channel performance of Kenyan Wine Agencies Limited (KWAL) with a view to building the distributor/customer relationship and attaining the competitive advantage. The study was guided by two objectives: to assess the distribution channel performance in the wine industry and to determine the factors influencing the distribution channels performance in the wine industry, among the supermarket outlets in Kenya. Both the structured and self-administered questionnaires were used to collect the data. The responses from the questionnaires were checked for the completeness and the Statistical Package for social sciences was used to analyze the results of the questionnaire. From the findings, the study recommends that factors that greatly affect performance of distribution channels of KWAL products in supermarket outlet were economic factors and poor public awareness. The study also recommends that KWAL Company should segment its market to easily influence the performance of its distribution channel in supermarkets in Kenya. The study also recommends allocation of more resources and improving public awareness (Nyalita, 2009).

A study was also conducted by Amara (2012) with an objective to establish the effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. The study adopted a descriptive survey research design. The population of the study was all the forty three commercial banks operating in Kenya. The study used both primary and secondary data to be collected through questionnaires and data was analyzed and presented using percentages, mean and standard deviation. After analysis was made, it was found that the branch network, electronic banking and multiple distributions were used by the banks. Marketing

strategies being employed by the banks were aggressive marketing, mass marketing and value marketing. The marketing features employed by the banks was close relationships with customers, product specialization, extensive market research, selective distribution, segmentation of market, high quality innovative products and controlled relationship with customers while increased relational norm with channel partners, intensive distribution to a mass market and low behavioral control on consumers were employed by the banks to a moderate extent. The marketing distribution strategies results to increased sales, market share and profits, the bank being able to market changes more effectively and enhanced ability of the bank to generate, disseminate, and respond to market changes (Amara, 2012).

## 2.4 Conceptual Framework

Miles and Huberman (1994) defined a conceptual framework as a visual or written product, one that “explains, either graphically or in narrative form, the main things to be studied—the key factors, concepts, or variables—and the presumed relationships among them”. Considering the objective of this study, an assessment of determinants that needs to be considered in developing ones Channel Management is essential. Thus the researcher will focus on mainly the four major marketing mixes influencing and believed to determine company’s channel management.



**Figure 2.3 Conceptual Framework (Source: Own literature review)**

## **Chapter Three: Research Design and Methodology**

### **3.1. Research Design**

As the study focuses on the assessment of marketing mix that affect channel management decisions of oil companies, the research design would be mainly descriptive.

### **3.2. Research Methodology/Approach**

The methodology to be used in this research is quantitative. The data captured using self-administered questionnaire will be analyzed quantitatively using measurements such as percentages, frequency, mean, standard deviations, and other statistical measures which will be used to answer the research question.

### **3.3. Data Source and collection of Data**

The main source of data for this study is primary data generated through the use of self-administered questionnaires. Secondary data such as Industry market share and training materials from basic knowledge of lubricants will also be used to discuss on product awareness and market situation in the industry which are gathered from sources including company workbook guide lines, procedures & manuals which cannot be disclosed because of their confidentiality nature. Demographic location is considered during collection of data from individuals who are involved within the retail and distribution channel. Data collection will focus on Addis Ababa region as the major market of the company is covered by distributors and fuel stations that are found in Addis Ababa.

### **3.4. Target Population**

The target population for the research is NOC's marketing team, Lubricant shops (resellers), Lubricant Distributors, and fuel stations found in Addis Ababa region. From the recently collected census data by Retail Territory Managers of NOC, the number of resellers and distributors are found to be 200 and 10, respectively. Marketing team of NOC who are 20 in number and 23 fuel stations of NOC found in Addis Ababa will participate in responding to the questionnaire developed.

### 3.5. Sampling Method and Sample Size

To determine the sample size from the total population of resellers, the table developed by Krejcie and Morgan (1970) that is instrumental in determining sample size for research activities is used (Krejcie & Morgan, 1970). Hence, the table shows that for a population size of 200 resellers, a sample size of 134 would be considered and questionnaires will be distributed. Moreover, the whole number of 8 major distributors and 23 Fuel stations found in Addis Ababa, 20 Marketing staffs of NOC will be included in the sample size.

**Table 3.1 Sample Size**

S. No.	Total Population size found in Addis Ababa	Total Population	Sample size consider	Remark
1.	NOC Marketing Staff	20	20	
2.	NOC Lubricant Distributors	8	8	
3.	Fuel Stations	23	23	
4.	NOC Lubricant Resellers ( $n = \frac{N}{1+N(e)^2}$ )	200	134	(Yamane, 1967)
	<b>Sample Size (Total)</b>		<b>185</b>	

### 3.6. Data Collection Procedure

The questionnaire was prepared to get all the necessary input in line with the study mentioned above and it was organized in two sections. The first section is designed to obtain the demographic, work experience, educational level and job category of respondents.

The second section of the questionnaire is developed to get sufficient data on both dependent and independent variables and make data analysis at the end of the paper. A five point Likert Scale questionnaire were distributed to all respondents. During the development of the questionnaire,

feedback was sought from the advisor and questionnaire was distributed to 6 (six) participants as pilot survey prior to the distribution of questionnaire to all respondents.

### **3.7. Data analysis Method**

The study was carried out using descriptive statistical analysis, correlation and multiple regression analysis. Descriptive statistical analysis with the help of frequency tables, mean, percentages and standard deviation were used to explain the general information of respondents and channel management practices based on the data gathered from the questionnaire. With Pearson Validity Test, correlation between both dependent and independent variables were measured in order to see the relationship between components of marketing mix and channel management. Cronbach alpha was used to test the reliability of the items used in the study and all analysis was done using SPSS version 20. Similarly, two way ANOVA and one sample t-test were done to test the strength of the model used as well as compare the sample respondents with the population value and both results are depicted in the appendix.

On the other hand, multiple regression analysis was carried out to measure the impact of the four components of marketing mix on channel management. Regression was tested by formulating the following model:

$$CM = \beta_0 + \beta_1 (\text{Prc}) + \beta_2 (\text{Prd}) + \beta_3 (\text{Prm}) + \beta_4 (\text{Plc}) + e$$

Where CM = Channel Management

Prc = Price, Prm = Promotion, Plc = Place, e = error term

### **3.8. Validity and Reliability Tests**

#### **3.8.1. Reliability Test**

In order to test the internal consistency of variables, Cronbach's alpha coefficient was calculated for each variable and the result is show here below. As can be seen from Table 4.10, Cronbach's Alpha of each variable is above 70% which tells us the reliability of the responses on the questionnaire is reliable and acceptable.

**Table 3.2 Cronbach's Alpha**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>No of Items</b>
Price	0.827	5
Product	0.743	6
Promotion	0.785	5
Place	0.878	5
Channel Management	0.703	8

**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

### **3.8.2. Validity**

In order to ensure the quality of this research design, content and constructs, validity of the study was checked. The content of questionnaire was verified by the advisor, who has also looked into the appropriateness of questions and the scales of measurements. In addition to professional experience in the field of marketing, peer discussion was also another way of checking the appropriateness of questions on each variable. Moreover, the pilot test that was conducted prior to the actual data collection has helped to get valuable comments.

### **3.9. Ethical Considerations**

The intention of the data to be collected was made clear to participants and the information obtained from them would not be disclosed to any party and solely used for academic purpose. To ensure that privacy of the respondent, respondent's name and other identifications were not used in the study. Participants were asked to take part willingly and responded in accord.

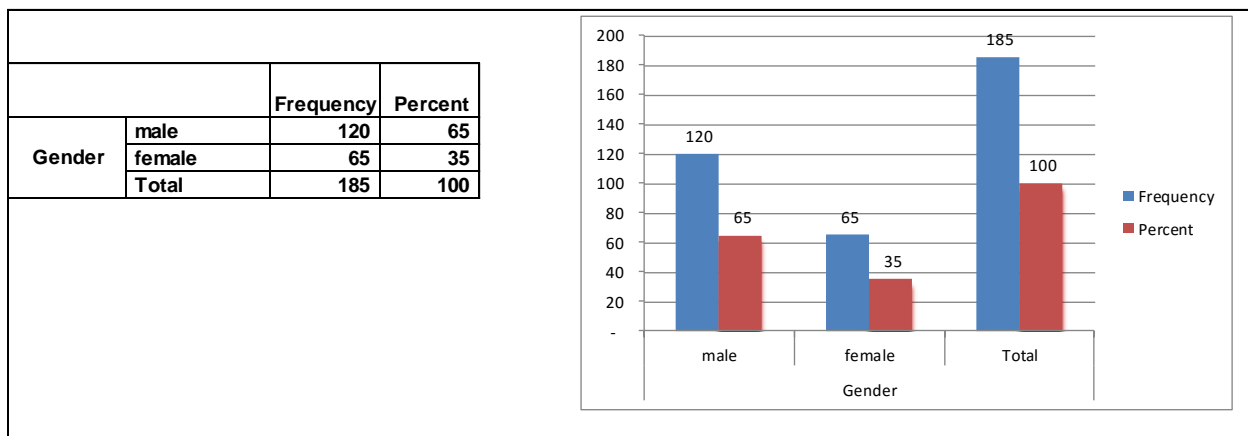
## Chapter Four: Data Analysis, Results and Discussion

The general objective of this study was to Assess Market Mix Influence on Channel Management Practices in Lubricant Market on the case of National Oil Ethiopia (NOC). The analysis and findings presented in this chapter are based on data collected from primary sources. Sample size of 185 was considered to collect data from self-administered questionnaire presented to respondents and all questionnaires were collected successfully. Descriptive statistics (percentages and frequencies) are used to describe the data and are presented using frequency tables and percentages. Graphs (Bar Chart) are used to present the finding and understanding.

### 4.1. Back Ground Information about Respondents

This section presents the background information of the respondents that includes, gender, Age, Marital Status, work experience, Education level and Job Category.

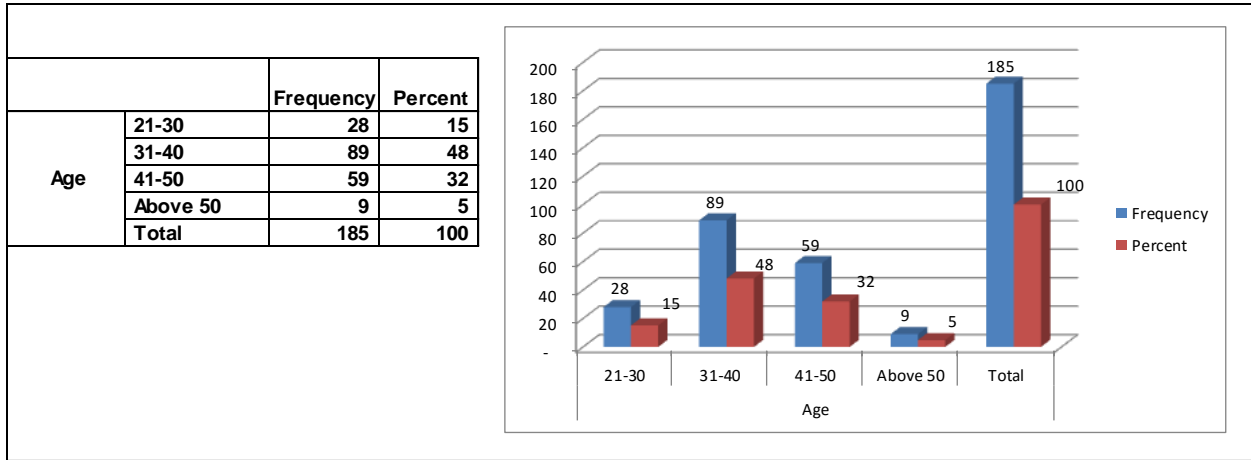
**Figure 4.1 Respondent Profile – Gender**



Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

Figure 4.1 shows that out of the total 185 respondents 120 (65%) were males and 65 (35%) of them were females. The difference in number between the two sexes is understandable since the sample selection was made just based on the shops available in Addis. However, a good number of female respondents have participated in the survey.

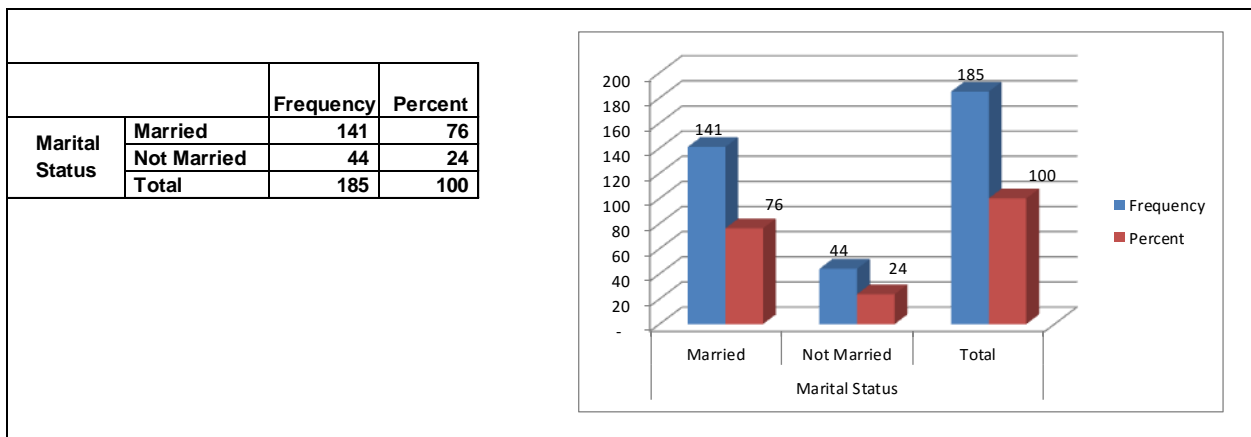
**Figure 4.2 Respondent Profile-Age**



Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

Figure 4.2 shows the age group of respondents. Accordingly, most of the respondents are within the age group of 31 to 40 (48%). There were 28 (15%) respondents from age group 21-30, 59 (32%) individuals from the age group 41-50 and only 9 (5%) from the age group 50 and above.

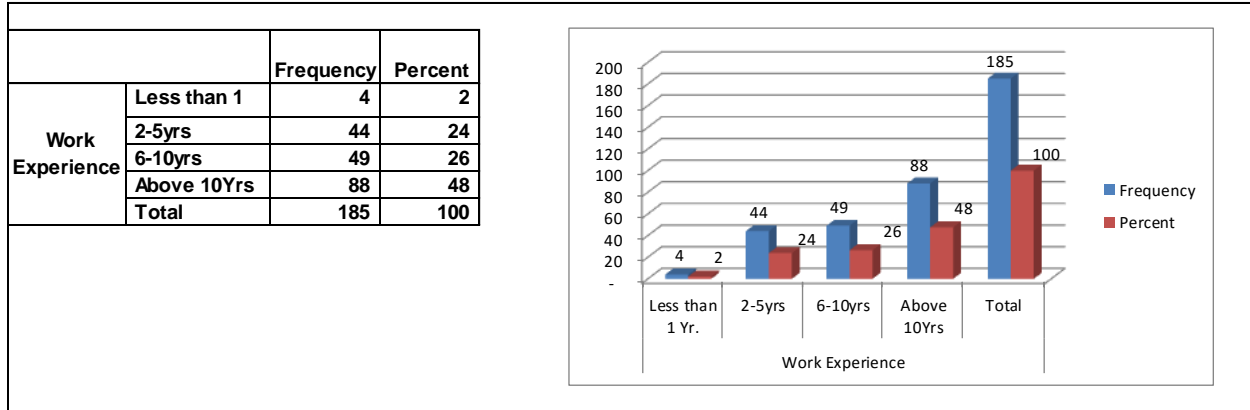
**Figure 4.3 Respondent Profile-Marital Status**



Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

Figure 4.3 above depicts the marital status of respondents who have participated in the survey. Accordingly, 141 (76%) of the respondents are married while the remaining (24%) are not yet married.

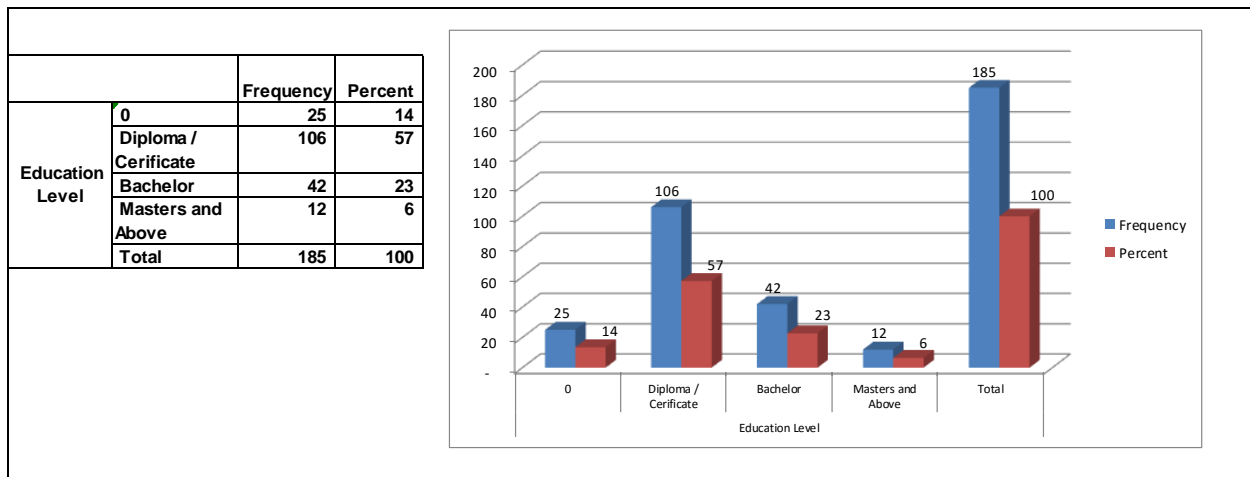
**Figure 4.4 Respondent Profile-Work Experience**



**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

Figure 4.4 shows Work Experience of each respondent. Close to 50% of the respondents have work experience of 10years and above, indicating that a good portion of the respondents have good knowledge of the business.

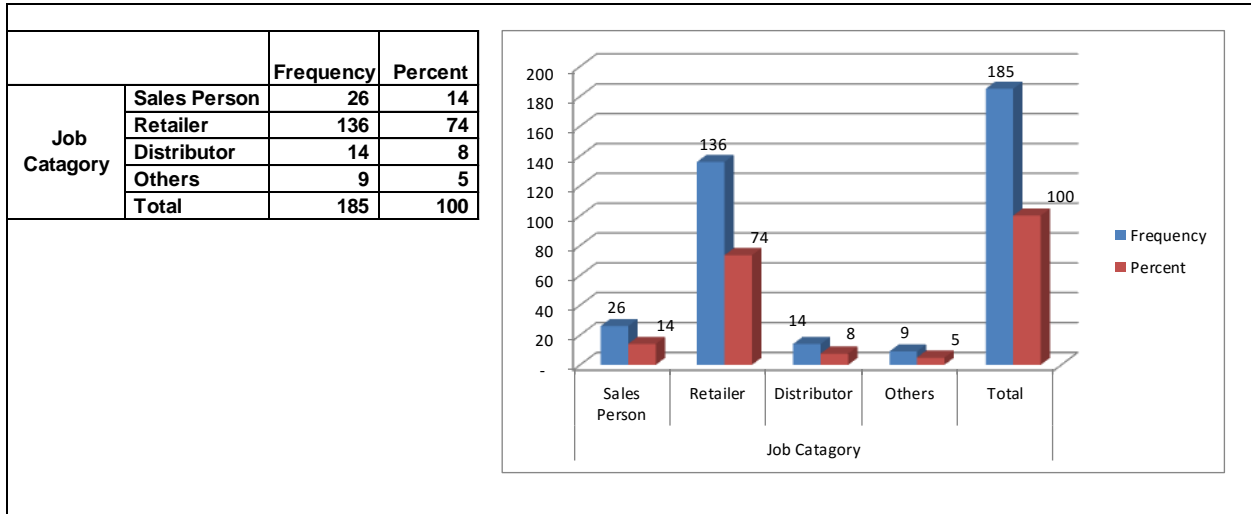
**Figure 4.5 Respondent Profile-Educational Level**



**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

Figure 4.5 above indicates the different educational level of the respondents participated in the survey. Most of the respondents (57%) of them are holders of Diploma or Certificate. 25 (14%) of the respondents did not indicate their education level. While 42 (23%) and 12 (6%) of the respondents are Bachelor degree holders and Masters or above, respectively.

**Figure 4.6 Respondent Profile-Job Category**



Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

Above figure 4.6 shows respondents’ job category. Most of the respondents 136 (74%) are involved under the retail business. 26 (14%) are sales persons and 14 (8%) are working as distributors.

## **4.2. Data Analysis for Assessment of Marketing Mixes and Channel Management**

Results on the review of the different marketing mixes and channel marketing with regards to the business of Lubricant distribution are discussed in this chapter.

### **4.2.1. Channel Management Practice in Relation to Price**

Questions that were developed in order to help evaluate the practice of channel management of Lubricant market in relation to price were measured using the Likert Scale of measurement, from the range of ‘Strongly Agree’ up to ‘Strongly disagree’. As a result, the finding from the questionnaire is presented using table 4.1 and discussed here under.

**Table 4.1 Channel management practice in relation to Price**

Measuring Items		strongly agree	agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree	Total	Mean (St. Deviation)
The company offers least price to Lubricant Traders.	F	7	12	10	85	71	185	<b>1.91 (1.018)</b>
	%	3.78	6.49	5.41	45.95	38.38	100.00	
The company gives longer Credit Period to its Lubricant Traders.	F	3	13	24	97	48	185	<b>2.06 (0.904)</b>
	%	1.62	7.03	12.97	52.43	25.95	100.00	
Company gives High Credit Limit to its Lubricant Traders.	F	2	13	14	77	79	185	<b>1.82 (0.924)</b>
	%	1.08	7.03	7.57	41.62	42.70	100.00	
The Company gives Sales discount to its Lubricant traders.	F	2	19	11	81	72	185	<b>1.91 (0.976)</b>
	%	1.08	10.27	5.95	43.78	38.92	100.00	
The Company gives Sales incentive to its Lubricant traders.	F	3	16	3	112	51	185	<b>2.70 (1.369)</b>
	%	1.62	8.65	1.62	60.54	27.57	100.00	
<b>Cummulative</b>	F	17.00	73.00	62.00	452.00	321.00	925.00	
	%	1.8%	7.9%	6.7%	48.9%	34.7%	100.0%	

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

Referring to each questions in relation to the price distributed to the sample size, well over 83% of the respondents agree that the company does not give price discount, longer credit period, high credit limit, and incentive and as well does not offer least price to its lubricant traders who participate in sales and distribution of lubricants. This may mean that the independent variable - *price*, does not have much influence on our dependent variable which is *channel management*.

#### **4.2.2. Channel Management Practice in Relation to Product**

Table 4.2 is survey response that indicates reaction of respondents on how customers view with respect to the nature of the product. By taking six sub variables, a response was gathered and summarized in the table. Accordingly, 51% of respondents agree that company’s product is preferred as a result of the different characteristic and features the product has. As can be seen from the detailed summery mean value of 3.66 and 3.98 indicates that mainly customers prefer NOC products as a result of service the company offers and due to Company’s product

availability in the market, respectively. From the cumulative result, it can be referred that overall 51% of respondents have a positive feeling on the product.

**Table 4.2 Channel management practice in relation to Product**

Measuring Items		strongly agree	agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree	Total	Mean (St. Deviation)
Customers buy Co.'s Lubricant because of its Quality.	F	13	53	26	62	31	185	<b>2.76 (1.234)</b>
	%	7.03	28.65	14.05	33.51	16.76	100.00	
Customers buy Co.'s Lubricants because it has product Variety.	F	15	45	7	64	54	185	<b>2.48 (1.348)</b>
	%	8.11	24.32	3.78	34.59	29.19	100.00	
Customers buy Co.'s Lubricants due to the Brand Name of the Product.	F	9	68	6	51	51	185	<b>2.64 (1.349)</b>
	%	4.86	36.76	3.24	27.57	27.57	100.00	
Customers buy Co.'s Lubricants due to variety of packaging per product type.	F	7	79	14	47	38	185	<b>2.84 (1.279)</b>
	%	3.78	42.70	7.57	25.41	20.54	100.00	
Customers buy Co.'s lubricants as a result of the service the company provides.	F	26	104	26	25	4	185	<b>3.66 (0.953)</b>
	%	14.05	56.22	14.05	13.51	2.16	100.00	
Customers buy Co.'s Lubricants as the product is most available in the market.	F	73	74	0	38	0	185	<b>3.98 (1.106)</b>
	%	0.00	39.46	40.00	20.54	0.00	100.00	
<b>Cummulative</b>	F	143.00	423.00	79.00	287.00	178.00	1110.00	
	%	12.9%	38.1%	7.1%	25.9%	16.0%	100.0%	

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

### 4.2.3. Channel Management Practice in Relation to Promotion

Table 4.3 shows measurement from the survey questionnaire to respond to customers' tendency to buy NOC product as a result of the promotional activity NOC is implementing. From the cumulative figure, the survey indicates that only 48.9 respondents agree that they are informed about the product through the different media, both formal and informal.

By looking in to the detail finding on the frequency table, 51.4% of respondents believe that there is no enough sales promotion conducted by the company. Also, 55.6% of respondents disagree on the presence of TV/Radio advertisement on the product. Similarly, 52.4% of respondents do not believe in the sales force involvement in promoting the product. With 3.74

mean value, the survey indicates that a good number of respondents (71.9%) believes that customers hear about the product rather through word of mouth.

**Table 4.3 Channel management practice in relation to Promotion**

Measuring Items		strongly agree	agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree	Total	Mean (St. Deviation)
Customers are informed about NOC's product through sales promotion.	F	7	62	21	70	25	185	<b>2.76 (1.165)</b>
	%	3.78	33.51	11.35	37.84	13.51	100.00	
Customers are informed about NOC's product through Advertisement (TV/Radio).	F	13	66	5	60	41	185	<b>2.73 (1.336)</b>
	%	7.03	35.68	2.70	32.43	22.16	100.00	
Customers are informed about NOC's product through the company's Sales Force.	F	18	69	1	55	42	185	<b>2.82 (1.394)</b>
	%	9.73	37.30	0.54	29.73	22.70	100.00	
Customers are informed about NOC's product through public relation.	F	3	82	18	59	23	185	<b>2.91 (1.150)</b>
	%	1.62	44.32	9.73	31.89	12.43	100.00	
Customers are informed about NOC's product by way of word of mouth.	F	24	109	37	9	6	185	<b>3.74 (0.866)</b>
	%	12.97	58.92	20.00	4.86	3.24	100.00	
<b>Cummulative</b>	F	65.00	388.00	82.00	253.00	137.00	925.00	
	%	7.0%	41.9%	8.9%	27.4%	14.8%	100.0%	

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

#### **4.2.4. Channel Management Practice in Relation to Place**

Table 4.4 shows measurement from the survey questionnaire on the performance of company's strategy that is related to place. Consequently, 60.2% of respondents believe and agree that company's strategy followed for distribution of products to its customers is the right one.

To look further in responses given to the sub-variables under this category, close to 60% of respondents believe that the product is well distributed in Addis Ababa region and almost same number of respondents agree that the company uses efficient way of transport to deliver its products to customers. Furthermore, 67% of respondents agree that shops which are responsible for sales of company's products are well positioned to the customers in need.

**Table 4.4 Channel management practice in relation to Place**

Measuring Items		strongly agree	agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree	Total	Mean (St. Deviation)
The company uses the right type of channel to sale its products.	F	49	62	14	45	15	185	3.46 (1.327)
	%	26.49	33.51	7.57	24.32	8.11	100.00	
The product covers and is represented in most of the market in Addis Ababa.	F	44	65	0	61	15	185	3.34 (1.362)
	%	23.78	35.14	0.00	32.97	8.11	100.00	
The Company uses efficient way of transporting the product to its traders.	F	45	66	7	50	17	185	3.39 (1.351)
	%	24.32	35.68	3.78	27.03	9.19	100.00	
The company's inventory system is efficient.	F	17	85	24	48	11	185	3.26 (1.123)
	%	9.19	45.95	12.97	25.95	5.95	100.00	
Company distributors' shops are located at the right place and convenient to customers.	F	29	95	19	37	5	185	3.57 (1.061)
	%	15.68	51.35	10.27	20.00	2.70	100.00	
<b>Cummulative</b>	F	184.00	373.00	64.00	241.00	63.00	925.00	
	%	19.9%	40.3%	6.9%	26.1%	6.8%	100.0%	

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

#### 4.2.5. Measurement of Channel Management

Table 4.5 shows result of survey questionnaires that are designed to measure the performance of channel distribution strategy designed by the company. Eventually, 52.3% of respondents agree that the current channel management strategy adopted is the right one for the company. 54.6% of respondents believe that this channel management Strategy brought a positive change to company's revenue. 63.2% of them agree that the increase in the company's current market share is as a result of the channel management strategy adopted. At the same time, 84.8% of respondents believe that the company has been able to adopt its Retail channel management with a change in the market saturation. However, only 28.1% of the respondents agree on brand alignment of customers and similarly it's only 33% of respondents that agree when asked if there is integration between sales force of the company and distributors. With regards to company's stock management 39.5% of respondents agree that there has been improvement in controlling stock out situation at retailers and distributors shops. As it can be referred from the cumulative figures, 49.2% of the total respondents tend to agree on the overall channel management strategy

of the company while 36.4% of respondents are neutral and 14.5% disagree on the company's channel management strategy. We can also conclude that when mean values are above 3 it can generally be implied that participants are agreeable to the statement forwarded with regards to channel management. For example a mean result of 3.97 indicates that significant number of participants agree that the company has been able to adopt its retail channel management with the change in the market situation. Similarly, mean result of 2.74 indicates that higher number of participants disagrees on the statement - company's channel partners are well aligned with NOC lubricant brand.

**Table 4.5 Channel management practice in relation to Channel Management**

Measuring Items		strongly agree	agree	(Neutral) Neither agree nor	Disagree	Strongly disagree	Total	Mean (St. Deviation)
The current channel management strategies adopted has led to increase in volume of Sales.	F	21	76	88	0	0	185	<b>3.64 (0.679)</b>
	%	11.35	41.08	47.57	0.00	0.00	100.00	
The current channel management strategies adopted has led to increase in Revenue of the company.	F	15	86	84	0	0	185	<b>3.63 (0.631)</b>
	%	8.11	46.49	45.41	0.00	0.00	100.00	
The Company has been able to adopt its Retail channel management with the change in the market situation.	F	29	128	21	7	0	185	<b>3.97 (0.650)</b>
	%	15.68	69.19	11.35	3.78	0.00	100.00	
The Company's Product distribution strategies adopted has led to increased market share.	F	25	92	66	2	0	185	<b>3.76 (0.692)</b>
	%	13.51	49.73	35.68	1.08	0.00	100.00	
Sales of Lubricant coverage in different parts of Addis Ababa have increased in the past few years.	F	17	53	108	7	0	185	<b>3.43 (0.712)</b>
	%	9.19	28.65	58.38	3.78	0.00	100.00	
Company's Channel partners are well aligned with NOC Lubricant brand.	F	7	45	47	64	22	185	<b>2.74 (1.073)</b>
	%	3.78	24.32	25.41	34.59	11.89	100.00	
In the past 3 years, integration between sales force with that of Retailers and Distributors has improved.	F	21	40	69	19	36	185	<b>2.95 (1.248)</b>
	%	11.35	21.62	37.30	10.27	19.46	100.00	
In the past 3 years, Inventory management has improved reducing stock-outs at retailers and distributors	F	14	59	55	46	11	185	<b>3.10 (1.050)</b>
	%	7.57	31.89	29.73	24.86	5.95	100.00	
<b>Cummulative</b>	F	149.00	579.00	538.00	145.00	69.00	1480.00	
	%	10.1%	39.1%	36.4%	9.8%	4.7%	100.0%	

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

### 4.3. Correlation Analysis

With the help of the response from the questionnaire, the relationship between the dependent and independent variables is formulated using correlation analysis. Correlation measures the strength of the linear association between two variables. In this paper, Pearson's correlation is used to identify the presence as well as the strength of relationship between the variables. The level of relationship between two variables, when measured by Pearson's co-efficient, falls between -1.0 and +1.0 which indicates the strength and direction of relationship between the two variables. A correlation result between 0 and 1 implies positive relationship, when it is between -1 and 0 it implies that there is a negative relationship and if the result is zero, it indicates that there is no relationship at all. With this in mind, Correlation analysis is done between each independent variable (Price, Product, Promotion and Place) and the dependent variable (Channel Management) and the following result is found.

**Table 4.6 Correlation between Dependent and Independent Variable**

		PRICE	PRODUCT	PROMOTION	PLACE	CMP
PRICE	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	185				
PRODUCT	Pearson Correlation	.193**	1			
	Sig. (2-tailed)	.008				
	N	185	185			
PROMOTION	Pearson Correlation	.085	.154*	1		
	Sig. (2-tailed)	.251	.037			
	N	185	185	185		
PLACE	Pearson Correlation	.076	.338**	.228**	1	
	Sig. (2-tailed)	.301	.000	.002		
	N	185	185	185	185	
CMP	Pearson Correlation	.123	.446**	.252**	.328**	1
	Sig. (2-tailed)	.094	.000	.001	.000	
	N	185	185	185	185	185

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

Table 4.6 above shows the correlation between the independent and dependent variables. When we look the relationship between each independent variables, even if all of them has a positive relation, *product* is the only one which has a significant correlation with the dependent variable which is 0.446\*\*. All independent variables are positively related with the dependent variables. Price (0.123) has the least correlation with Channel management. However, the result show that all the other three variables, *Product* (0.446\*\*), *Promotion* (0.252\*\*) and *place* (0.328\*\*) have a strong relationship with the dependent variable, and significant at 0.01 level.

#### 4.4. Regression Analysis

The model summary in Table 4.7 below shows that R square and Adjusted R square is 0.259 and 0.242, respectively. The ratio between R square and Adjusted R square measure the proportion of the total variability in the dependent variable (Channel management) that is explained by the independent variables, Price, Product, Promotion and Place. Adjusted R square (0.242) from the table implies that about 24.2% of the total variability in Channel management is explained by the four independent variables.

**Table 4.7 Model Summary**

**Model Summary <sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.509 <sup>a</sup>	.259	.242	.43231	1.185

a. Predictors: (Constant), PLACE, PRICE, PROMOTION, PRODUCT

b. Dependent Variable: CMP

**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

From ANOVA table 4.8 below it can be observed that overall significance of the model from a statistical perspective is met. As the significance value of F statistics shows a value of 15.714 and p- value (.000), which is less than  $p < 0.05$ , the model is significant. This indicates that the variation explained by the model is not due to chance.

**Table 4.8 ANOVA**ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.747	4	2.937	15.714	.000 <sup>b</sup>
	Residual	33.640	180	.187		
	Total	45.387	184			

a. Dependent Variable: CMP

b. Predictors: (Constant), PLACE, PRICE, PROMOTION, PRODUCT

**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

According to Table 4.9 below, the regression standardized coefficients for the four independent variables, price, product, promotion and place are 0.028, 0.360, 0.156, and 0.168 respectively. Their significance levels are 0.672, 0.000, 0.019, and 0.016 respectively. From the table, we can refer that the significant values of *Product*, *Promotion* and *Place*, are less than 0.05; which indicates that there is significant relationship between these three Independent variables and the dependent variable, channel management. These are determinant factors which are perceived to be important in explaining the channel management. Since the significance value of one of the independent variables, *price*, is greater than 0.05, it implies that it has no significant influence to determine the channel management for the case.

**Table 4.9 Regression**Coefficients<sup>a</sup>

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.144	.173		12.374	.000
	PRICE	.019	.045	.028	.425	.672
	<b>PRODUCT</b>	<b>.222</b>	<b>.043</b>	<b>.360</b>	<b>5.182</b>	<b>.000</b>
	PROMOTI ON	.088	.037	.156	2.359	.019
	PLACE	.082	.034	.168	2.425	.016

a. Dependent Variable: CM

**Source: SPSS Descriptive analysis result based on questionnaire survey, 2019**

The regression model developed with 95% confidence interval is expressed in the following way:

$$CM = 2.144 + 0.019 (\text{Prc.}) + 0.222 (\text{Prd.}) + 0.088 (\text{Prm.}) + 0.082 (\text{Plc.})$$

From the regression table, coefficient (beta) of *price* is 0.019 with a significance value of 0.672 at 95 level of confidence. As the significance value is well over 0.05, this implies that a unit change in price does not affect the channel management of the company for distribution of its lubricants in Addis Ababa market.

When we look at the coefficient (beta) of the *product* variable, it is 0.222 with significance value of 0.000 at 95% confidence interval. Accordingly, it implies that *product* has significant influence on the dependent variable. It also implies that, a unit change in factors of *product*, other independent variables kept constant; there will be a 22% of change in the channel management of the company for the lubricant market in the region of Addis Ababa.

Coefficient for the third independent variable, promotion, is 0.088 with significance value of 0.019 at a 95% confidence interval. This implies that promotion does also significantly influence the dependent variable but not as much as product. A unit change in the factor of promotion, other independent variables remaining constant; there will be 8.8% change in the dependent variable. Similarly, the coefficient (beta) in our regression model for the fourth independent variable, place is 0.082 with significance value of 0.016 implying that place does also affect the dependent variable. This means that a unit change in the factors of place other variables being constant; the dependent variable will change by 8.2%.

## **Chapter Five: Summary, Conclusion and Recommendations**

In this chapter, findings of the research would be briefly summarized. Conclusion would be made on the findings with regards to the objectives of the study that is assess marketing mix influence on channel management practices in lubricant market on the case of National Oil Ethiopia (NOC). Then, recommendation will be forwarded based on the analysis made in the previous chapter. Researcher's gaps are identified and further research directions are indicated.

### **5.1 Summary of Findings**

The main objective of this study was to assess the influence of marketing mix on channel management practices in lubricant market on the case of National Oil Ethiopia (NOC) by focusing on Addis Ababa market.

With the help of self-administered questionnaire, data was analyzed quantitatively using measurements such as percentages, frequency, mean, standard deviations, and other statistical measures.

Over 83% of the respondents agree that the company does not give price discount in any form. From the mean result of respondents on the questionnaire related to *product*, it was found that most customers prefer NOC products as a result of the nature and features of the product.

60.2% of respondents believe and agree that company's strategy followed for distribution of products to its customers is the right one. Almost 60% of respondents believe that NOC product is well distributed in Addis Ababa region and almost same number of respondents agrees that the company uses efficient way of transportation to deliver its products to customers. Furthermore, 67% of respondents agree that NOC distribution shops are well positioned to the customers in need.

Significant number of respondents (71.9%) believes that customers hear about the product rather through word of mouth, implying that the company needs to work on improving the conventional way of advertising its products.

The correlation analysis of the study shows that all the independent variables (*price, product, promotion and place*) have a positive relationship with the dependent variable, *channel management*. Moreover, it was identified that all independent variables which are commonly known as marketing mixes are found to have an influence on the dependent variable, *channel management*. Among these four variables, *product* is found to be the most influential one in affecting the channel management of the company.

According to the study, it was found that 24.2% of the total variability in Channel management is explained by the four independent variables implying that the rest 75.8% of channel management of the company is determined by other factors.

## **5.2 Conclusion**

The objective of the study was to assess the relationships between marketing mixes (4Ps) that are believed to determine channel management of National Oil Ethiopia lubricant market within the Addis Ababa market.

From the finding based on the questionnaire, the company is known for not giving a discount on price or any sort of incentive to its customers. Company's consistency on product price and avoiding incentive in recent years has brought increase in its annual revenue. The mean result from the respondents of the questionnaire on questions related to *product* indicates that customers prefer NOC product as a result of the service they get from the company and also as a result of its products availability in the market.

From the respondents of the questionnaire, more than 50% of respondents believe that there is not enough sales promotion conducted by the company but over 60.2% of respondents believe and agree that the company's current distribution strategy of products to its customers is the right one.

From the finding, the relationship between the dependent variable and that of the independent variables is found to be positive. This implies that when there is an increase in the components of all independent variables, there will be a positive improvement in the management of the channel management in general. All independent variables are found to influence the dependent

variable. Among the independent variables, *product* is the most influential in characterizing the channel management.

Since the dependent variables affect the total variability of channel management by only 24.2%, it's suggested that other researchers focus on other independent variables to determine the variability of channel management.

### **5.3 Recommendations**

Based on the findings and conclusions made, the researcher came up with the following recommendations in an intention of strengthening channel management of the company that will bring about increased sales volume of its products to the wide range of customers.

- Since all of the marketing mixes have a positive relationship with the channel management of the company, it is recommended to strengthen the components of each marketing mixes for much more positive result of the company's channel management.
- Company's channel management is most affected by the different features of its product, thus it is advised to maintain the different features and characteristics such as quality, variety, and packages of the product. Also, keep going in availing the product at every corner of the market in the city to increase product visibility and brand awareness by end users.
- It is also recommended to focus on product mix dimensions that permits the company to expand its business through the addition of new product for distribution and availing varied product type for the market. Also, consistency on each product line needs to be maintained as part of product mix the company offers.
- With regards to promotional activity, the company needs to work more on the conventional methods of advertising its products in every opportunity available. TV and Radio advertisements, high engagement on sales promotion, and engagement of customers with public relation strategy of the company helps introduce company's product to wide range of customers and achieve the end result of increasing company market share.
- Strengthen the current strong hold of distribution channel with increased number of resellers who are responsible in availing company product at every corner of the city.

- The company needs to work more on alignment of channel partners with the company to maintain their relationship for longer period of time. This can be achieved through continuous engagement of partners.
- Moreover, the integration between company's sales force with that of channel partners need to be strengthened more than the current status to build customers' confidence over the company.

## **5.4 Limitations**

As the study focus only in the area of Addis Ababa region, there is limitation with regard to sample size. This is basically because of time limitation that the study focuses in the capital city while the company has a very large customer base in all over the country.

## **5.5 Directions for Further Studies**

From the research finding, the regression analysis showed that the model could explain variability of the dependent variable, *channel management* by only 24.2%. This implies that there is more room for further research by introducing more variables that could affect the dependent variable considered in this study. Observing competition activity as well as year of service or product availability in the market could be possible variables to look in to during further studies.

Expanding the current study to a larger sample size or geographical area may also turn the study to reflect better result. Gathering the data by using qualitative methods such as in-depth interview, or focus group discussion might have helped to uncover other variables that might have an impact on channel management.

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## Annex I: Questionnaire

Addis Ababa University  
School of Business and Economics  
Executive MBA Program

This is a questionnaire designed to collect data to **Assess Marketing Mixes (Price, Product, Promotion and Place) influence on Channel Management Practices in Retail Lubricant Market- the case of NOC** that will be used as an input for a thesis in partial fulfillment of Executive MBA. Your genuine response is highly required as it is solely used for academic purpose and will be strictly confidential. Therefore, your kind cooperation is appreciated in advance.

### Part I: Personal Detail

1. Gender: Male (1) [ ]  
Female (2) [ ]
  
2. Age: 21 – 30 [ ] 31 – 40 [ ] 41 – 50 [ ] > 50 [ ]  
(1) (2) (3) (4)
  
3. Marital Status: Married (1) [ ]  
Not Married (2) [ ]
  
4. Work Experience:  
(1) < 1 yr [ ] (3) 6 - 10yrs [ ]  
(2) 2- 5yrs [ ] (4) Above 10 years [ ]
  
5. Education level:(1) Diploma/Certificate [ ] (2) Bachelor [ ] (3) Masters and above [ ]
  
6. Job Category:  
(1) Sales Person [ ]  
(2) Customer Service [ ]  
(3) Retailer [ ]  
(4) Distributor [ ]  
(5) Others [ ]

**Part II.** Please put a tick mark (√) to show the extent to which you agree or disagree to the statements given below. This is to assess the scale from strongly disagree to strongly agree for the different questions presented in relation to each independent and dependent variables.

**‘Strongly disagree’** is given the least weight of **1**, while **‘strongly agree’** is given the highest weight of **5**.

A. Factors affecting NOC Lubricant brands and Channel Management in relation to **price**:

No.	Item	Strongly agree	Agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree
		5	4	3	2	1
1.	The company offers least price to Lubricant Traders.					
2.	The company gives longer Credit Period to its Lubricant Traders.					
3.	Company gives High Credit Limit to its Lubricant Traders.					
4.	The Company gives Sales discount to its Lubricant traders.					
5.	The Company gives Sales incentive to its Lubricant traders.					

B. Customers prefer NOC products because of the following characteristics of the *product* as compared to similar products from other companies.

No.	Item	Strongly agree	Agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree
		5	4	3	2	1
1.	Customers buy Co.'s Lubricant because of its Quality.					
2.	Customers buy Co.'s Lubricants because it has product Variety.					
3.	Customers buy Co.'s Lubricants due to the Brand Name of the Product.					
4.	Customers buy Co.'s Lubricants due to variety of packaging per product type.					
5.	Customers buy Co.'s lubricants as a result of the service the company provides.					
6.	Customers buy Co.'s Lubricants as the product is most available in the market.					

C. In your opinion, from a scale of 5 to 1, how do you think most customers come to be *informed* and come to demand for NOC's products?

No.	Item	Strongly agree	Agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree
		5	4	3	2	1
1.	Customers are informed about NOC's product through sales promotion.					
2.	Customers are informed about NOC's product through Advertisement (TV/Radio).					
3.	Customers are informed about NOC's product through the company's Sales Force.					
4.	Customers are informed about NOC's product through public relation.					
5.	Customers are informed about NOC's product by way of word of mouth.					

D. With regards to *distribution strategy* of NOC products, from a scale of 5 to 1, please put (√) to show the level of your agreement to the statements below.

No.	Item	Strongly agree	Agree	(Neutral) Neither agree nor disagree	Disagree	Strongly disagree
		5	4	3	2	1
1.	The company uses the right type of channel to sale its products.					
2.	The product covers and is represented in most of the market in Addis Ababa.					
3.	The Company uses efficient way of transporting the product to its traders.					
4.	The company's inventory system is efficient.					
5.	Company distributors' shops are located at the right place and convenient to customers.					

E. In your personal opinion, from a scale of 5 to 1 please indicate the extent to which you agree or disagree with each statement by ticking on the appropriate column,.... to help measure the performance of *Channel Management Strategy* implemented by NOC, Retail sector of business.

No.	Item	Strongly agree	Agree	(Neutral) Neither agree nor Disagree	Disagree	Strongly disagree
		5	4	3	2	1
1.	The current channel management strategies adopted has led to increase in volume of Sales.					
2.	The current channel management strategies adopted has led to increase in Revenue of the company.					
3.	The Company has been able to adopt its Retail channel management with the change in the market situation.					
4.	The Company's Product distribution strategies adopted has led to increased market share.					
5.	Sales of Lubricant coverage in different parts of Addis Ababa have increased in the past few years.					
6.	Company's Channel partners are well aligned with NOC Lubricant brand.					
7.	In the past few years, integration between sales force with that of Retailers and Distributors has improved.					
8.	In the past few years, Inventory management has improved reducing stock-outs at retailers and distributors					

**Source:** Adopted from Amara (2012) and Nyalita (2009) and edited by the writer.



ክፍል II. ከዚህ በታች ለተቀመጡት ጥያቄዎች የ ራይት(✓) ምልክት በማድረግ ለጥያቄዎቹ መስማማትዎን ወይም አለመስማማትዎን በማሳየት ይመልሱ። የመመዘኛ ነጥቡ ከ 1 እስከ 5 ነጥብ የሚይዝ ሲሆን፣ በጣም አልስማማም 1 (አንድ) ነጥብ የያዘ ሲሆን በጣም እስማማለሁ ደግሞ 5 (አምስት) ነጥብ ይኖረዋል።

ዋጋ የኖክ ዘይት ምርትን ወደ ገበያ ለማድረስ የሚኖረው ድርሻ በተመለከተ፣

ተ.ቁ	መጠይቅ	በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	በጣም አልስማማም
		5	4	3	2	1
1.	ድርጅቱ ለደንበኞቹ የሚያቀርበው የዘይት ምርት በአነስተኛ ዋጋ ነው።					
2.	ድርጅቱ ለዱቤ ደንበኞቹ የተራዘመ የመክፈያ ቀን ይሰጣል።					
3.	ድርጅቱ ለዱቤደንበኞቹ ከፍተኛ የሆነ የብድር መጠን ይሰጣል።					
4.	ድርጅቱ ለደንበኞቹ የማሻሻጫ ቅናሽ ይሰጣል።					
5.	ድርጅቱ ለደንበኞቹ የሽያጭ ማበረታቻ ይሰጣል።					

ኖክ ለገበያ የሚያቀርበው የምርት ዓይነት ወደ ገበያ ለመድረስ የሚኖረው ድርሻ፣

ተ. ቁ.	መጠይቅ	በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	በጣም አልስማማም
		5	4	3	2	1
1.	ደንበኞች የኖክን የዘይት ምርት የሚገዙት በምርቱ ጥራት ምክንያት ነው።					
2.	ደንበኞች የኖክን የዘይት ምርት የሚገዙት በሚያቀርበው የተለያዩ የዘይት ዓይነቶች ምክንያት ነው።					
3.	ደንበኞች የኖክን የዘይት ምርት የሚገዙት ምርቱ ባለው ስም እና ዝና ነው።					
4.	ደንበኞች የኖክን የዘይት ምርት የሚገዙት ድርጅቱ በሚያቀርበው ልዩልዩ የእሽግ አማራጮች ምክንያት ነው።					
5.	ደንበኞች የኖክን የዘይት ምርት የሚገዙት ድርጅቱ ከሚያቀርበው መልካም የደንበኞች አገልግሎት ምክንያት ነው።					
6.	ደንበኞች የኖክን የዘይት ምርት የሚገዙት ምርቱ ገበያ ላይ ተትረፍርፎ ስለሚገኝ ነው።					

በእርስዎ አስተያየት፣ ደንበኞች ስለ ኖክ ምርት የበለጠ የሚሰሙበት መንገድ የትኛው ነው?

ተ. ቁ.	መጠይቅ	በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	በጣም አልስማማም
		5	4	3	2	1
1.	ደንበኞች ስለኖክ ምርት የሚሰሙት ድርጅቱ በሚያዘጋጀው የሽያጭ ማስታወቂያ ነው።					
2.	ደንበኞች ስለኖክ ምርት የሚሰሙት በቲቪ ወይም ራዲዮ በሚተላለፍ ማስታወቂያ ምክንያት ነው።					
3.	ደንበኞች ስለኖክ ምርት የሚሰሙት በኖክ ሽያጭ ሰራተኞች ምክንያት ነው።					
4.	ደንበኞች ስለ ኖክ ምርት የሚሰሙት በድርጅቱ ህዝብ ግንኙነት አማካይነት ነው።					
5.	ደንበኞች ስለኖክ ምርት የሚሰሙት ከሰው ሰው በሚተላለፍ መረጃ ነው።					

ድርጅቱ ለደንበኞች የሚያከፋፍለው የዘይት ምርት ለደንበኞች የሚደርስበትን መንገድ በተመለከተ፤

ተ. ቁ.	መጠይቅ	በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	በጣም አልስማማም
		5	4	3	2	1
1.	ድርጅቱ የዘይት ምርቱን ለማክፋፈል ትክክለኛ ዘዴ እየተጠቀመ ነው።					
2.	ድርጅቱ የሚያከፋፍለው የዘይት ምርት በአዲስ አበባ ዙሪያ ተዳርሷል።					
3.	ድርጅቱ ምርቱን ለማዳረስ የሚጠቀምበት የማንጓዣ መንገድ በጣም ጥሩ ነው።					
4.	ድርጅቱ የሚከተለው የምርት አያያዝ ስርዓት ውጤታማ ነው።					
5.	የድርጅቱን ምርት የሚያከፋፍሉ ደንበኞች የሚገኙበት ቦታ ለተጠቃሚዎች ተስማሚ በሆነ አካባቢ ነው።					

የድርጅቱ አጠቃላይ ምርት የማከፋፈል አስተዳደራዊ ንድፈ ሃሳብ/ስትራቴጂ ያመጣውን ስኬትን በተመለከተ፣

ተ. ቁ.	መጠይቅ	በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	በጣም አልስማማም
		5	4	3	2	1
1.	ድርጅቱ ዘይትን ለማከፋፈል የሚጠቀምበት የማከፋፈል ዘዴ ሽያጩን ለማሳደግ እጅጉን ረድቶታል።					
2.	ድርጅቱ ዘይትን ለማከፋፈል የሚጠቀምበት የማከፋፈል ዘዴ የድርጅቱን ገቢ ለማሳደግ አጅጉን ረድቶታል።					
3.	ድርጅቱ የሚጠቀመውን ምርት የማከፋፈል ዘዴ ከወቅቱ የገበያ ሁኔታ ባዛመደ መልኩ ነው።					
4.	ድርጅቱ ዘይትን ለማከፋፈል የሚጠቀምበት የማከፋፈል ዘዴ የድርጅቱን የገበያ ድርሻ ለማሳደግ አጅጉን ረድቶታል።					
5.	ባለፉት ጥቂት ዓመታት በአዲስ አበባ ከተማ ውስጥ የድርጅቱ የዘይት ሽያጭ ሽፋን ጨምሯል።					

6.	<p>ከድርጅቱ ጋር ምርቱን በማከፋፈል በጋራ የሚሰሩ አጋሮች ከድርጅቱ ጋር በጥሩ ሁኔታ የተዛመዱ/የተጣመሩ ናቸው።</p>					
7.	<p>ባለፉት ጥቂት ዓመታት ጊዜ ውስጥ በድርጅቱ ሽያጭ ሰራተኞችና በዘይት አከፋፋዮች መካከል የነበረው ጥምረት ተሸሽሏል።</p>					
8.	<p>ባለፉት ጥቂት ዓመታት ጊዜ ውስጥ ድርጅቱ እየተከተለ ያለው የክምችት አያያዝና አስተዳደር በየማከፋፈያ ሱቆች ውስጥ በቂ የሆነ ክምችት እንዲኖር በማድረግ ረገድ ጥሩ የሚባል ነው።</p>					

Source: Adopted from Amara (2012) and Nyalita (2009) and edited by the writer.

### Annex III. Two way ANOVE and t-test

#### TWO WAY ANOVA

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
PRICE	Between Groups	19.473	20	.974	2.068	.007
	Within Groups	77.216	164	.471		
	Total	96.689	184			
PRODUCT	Between Groups	30.129	20	1.506	2.755	.000
	Within Groups	89.662	164	.547		
	Total	119.790	184			
PROMOTION	Between Groups	24.910	20	1.245	1.750	.030
	Within Groups	116.713	164	.712		
	Total	141.622	184			
PLACE	Between Groups	32.654	20	1.633	1.665	.044
	Within Groups	160.783	164	.980		
	Total	193.437	184			

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019

#### T-test

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
PRICE	36.269	184	.000	1.93297	1.8278	2.0381
PRODUCT	51.574	184	.000	3.05946	2.9424	3.1765
PROMOTION	46.360	184	.000	2.99027	2.8630	3.1175
PLACE	45.160	184	.000	3.40432	3.2556	3.5531
CMP	93.149	184	.000	3.40135	3.3293	3.4734

Source: SPSS Descriptive analysis result based on questionnaire survey, 2019