Addis Ababa University

School of Commerce

Marketing Management Graduate Program

Determinants of the Effectiveness of the Distribution System: The Case of Repi-Wilmar Soap and Detergent SC.

By

Azmach Bezie

September, 2018

Addis Ababa, Ethiopia

Determinants of the Effectiveness of the Distribution System: The Case of Repi-Wilmar Soap and Detergent SC.

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirement for the Degree of Masters in Marketing Management

By

Azmach Bezie

September 2018

Addis Ababa, Ethiopia

DECLARATION

I, the under signed, declare that the thesis entitled “Determinants of The Effectiveness of the Distribution System: The case of Repi Wilmar Soap and Detergent SC.” is my original work and has not been presented in Addis Ababa University or any other University, and that all sources of material used for the project have been duly acknowledged.

Name: Azmach Bezie

Signature _____

Date _____

STATEMENT OF CERTIFICATION

This is to certify that Azmach Bezie carried out his study on the topic entitled “Determinants of The Effectiveness of the Distribution System: The case of Repi Wilmar Soap and Detergent SC”. This work is original in nature and suitable for submission for the award of the Masters Degree in Marketing Management.

Dr. Temesgen Belayneh _____ _____

(The research advisor**)** Signature Date

ADDIS ABABA UNIVERSITY

SCHOOL GRADUATE STUDIES

This is to certify that thesis prepared by Azmach Bezie Getahun, entitled: Determinants of The Effectiveness of the Distribution System: The case of Repi Wilmar Soap and Detergent SC. in partial fulfillment of the requirements for the Degree of Masters of Arts in Marketing Management complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

APPROVED BY EXAMINING BOARD

_____	_____	_____
Advisor	**Signature**	**Data**
_____	_____	_____
Internal Examiner	**Signature**	**Data**
_____	_____	_____
External Examiner	**Signature**	**Data**
_____	_____	_____
Department Chair person's Name	**Signature**	**Data**

ACKNOWLEDGEMENTS

I would like to clarify that, without the help of my family and others; it was very difficult to accomplish this thesis research paper within the given period of postgraduate program as well. First of all, I would like to thank my God for given me strength and endurance for the completion of the entire course and this study. I would also like to thank my principal advisor Temesgen Belayneh (PhD). He has given me a lot of support, time, guidance and continual sound advice, and showed great interest in my work. Also I would like to extend my special gratitude to Zelalem Tadesse, Mulugeta Tsehay and Dr. Bimrew Asmare for useful suggestion and cooperation. Many thanks also deserved for all Repi-Wilmar employees and customer respondents for their willingness to fill the questionnaires by spending their invaluable time.

Last, but no least, I would like to grateful and give my special thank to my beloved family: Except God, no one can understand about the psychological and moral support I got from my wonderful family. My wife Yeglenesh Getachew, and my children Robel Azmach & Michael Azmach for their unreserved love and moral support to complete this post graduate program successfully.

TABLE OF CONTENT

LIST OF TABLE

LIST OF FIGURE

LIST OF ABBREVIATIONS AND ACRONYMS

SPSS: Statistical Package for Social Science.

ANOVA- analysis of variance

VIF-Variance Inflation Factor

SC-Share Company

DS-Distribution strategy

LC-Logistic capability

GF- government factor

WM- wholesaler motivation

EDS-Effectiveness distribution system

DC-Distribution Center

DV-Dependent variables

IV-Independent variables

P&G Company-Procter and Gamble Company

ABSTRACT

In today's business environment, the developing of effective distribution system becomes one of the major challenges in manufacturing firms. The general objective of this study is to investigate the effect of different factors that influence the effectiveness of distribution system in the case of Repi-Wilmar Soap and Detergent SC. The study has four main objectives: (1) to examine the effect of distribution strategy on the effectiveness of the distribution system of Repi-Wilmar, (2) to assess the influence of wholesaler motivation on the effectiveness of distribution system of Repi-Wilmar, (3) to analyze the influence of logistic capability on the effectiveness of the distribution system of Repi-Wilmar, (4) to identify the effect of government factors on the effectiveness of distribution system of Repi-Wilmar. This research has taken explanatory research design. The researcher used both primary and secondary data to get more relevant information. Data was collected from 355 respondents. Quantitative data was gathered through questionnaires and qualitative data was collected through observation and interviews due to this reason, the researcher used mixed research approach. Sample has been determined based on probability sampling and stratified sampling technique. The result findings indicated the distribution strategy, the logistic capability, the government's factor and the wholesaler motivation have positive and significant relations with the effectiveness of distribution system of the company. Based on the regression analysis, 39.6% of the variation of the output was explained by the distribution strategy, 28.4% of the variation of the output was explained by logistic capability, 13.0% of the variants of the output was explained by government factors and 11.0% of the variation of the output was explained by wholesaler motivation. Thus, the result revealed that 50.3% the variant of the effectiveness of distribution system has been responsible due to the influence of distribution strategy, logistic capability, government factors and wholesaler motivation. Therefore, study recommended that the company should give more attention about distribution strategy, logistic factor, government's factor and wholesaler motivation to enhance the effectiveness of distribution system of the company.

KEYWORDS: Distribution strategy, logistic capability, government's factor, wholesaler motivation and effectiveness of distribution system

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Distribution is the shipping of company products or services from the manufacturer to the market at the right place at the right time and in the right quantity to satisfy customer demand (Chwen-Tzeng, 1999). According to Guan, (2010); Szopa and Pękała, (2012) and Yeboah & et al, (2013), in different times similarly they revealed that distribution is just making a company product or service available for use or consumption by setting a separate group of individual or organization which are taking part in process of flow of products or services form producers to buyers. .

In line with this, Phillip Kotler & Amstrong, (2001) defined distribution more as "the process of planning, implementing and controlling the physical flow of materials, final goods and related information from point of origin to point of consumption to meet customer requirements at a profit ".

In today's business era, distribution system is one of the important global aspects to distribute products to customers in different part of the world. Distribution plays a key role within the marketing mix, and the key to success is its successful integration within the mix, ensuring that customers get their products at the right place and at the right time. If the product cannot reach its chosen destination at the appropriate time, then it can erode competitive advantage and customer retention (Yeboah, 2013). For any business manufacturing firm to be successful, it must be able to produce quality products and also ensure the products get to the consumer in time, in good condition and at the minimum cost possible. For this to be achieved there is need for an efficient and effective distribution logistics structure in place (George & Iravo, 2014).

Similar to above study, Fayaz & Azizinia, (2016), emphasized that one product that has a well qualified design will not have expected utility if it cannot be available at the appropriate time and place to its buyers. Thus, marketing managers and official sales always try to find more efficient and modern methods of product distribution systems. Appropriate decision will lead to the

enhancement of transfer speed, convenience of customers, and reduction of costs. One of the main tools of marketing is the efficient distribution system.

On top of that, understanding the needs of the customer is the single most important input to the efficiency distribution system. Multi-channel across all channels is not the right approach for every organization. Strategic choices are required (Capgemini Consulting, 2011). So far, the success of order-getting activities will determine the volume and hence the scale of order-filling activities. This influences distribution planning (and control) in a significant way (Wilson and Galligan, 2005). Previously, Wilson and Galligan, (2005), argued that companies should design best distribution structure to transfer the products from the producer to end-user. In favor of that Mwanza, & Ingari, (2015), mentioned that it is possible to enable the company products or services are available in the given market through all possible channels such as intensive, selective and exclusive type of distribution channel.

A research conducted by Arnold & Quelch, (2018), stated that distribution is one of the most critical and problematic marketing issues for firms seeking to establish themselves in competitive markets where institutional voids can seriously affect the effectiveness of distribution strategies. For example, as of Khanna & et al., (2005), mentioned that issues such as the delivery costs can cause unwanted delays and the lack of modern distribution facilities can make distribution less effective. In order to be competitive in the market and profitable in a huge heterogeneous market having different interest groups, soap and detergent factories in Ethiopia should identify the main problems that affect the effectiveness of the distribution system and then develop a best distribution strategic program as well. Through effective distribution system, the company could possible to reduce cost, survive, and precede sustainable growth and profit of the business. However, based on observational study, many soap and detergent factories in Ethiopia gave too little attention to its distribution system of the products. Most likely, this may lead to adverse consequences for entire the business efficiency.

Repi-Wilmar Soap and Detergent Manufacturing Company is one of the prominent and pioneer manufacturing industries in Ethiopia. The company was established in 1974 by foreign investors of Swiss & Greek origin aiming to produce and distributed soap and detergent to East Africa. In 20 July, 2014 Repi local Company and Wilmar International Company have signed a joint

investment agreement for the upgrading of an existing manufacturing facility and building of a new integrated manufacturing complex (Dima project) in Ethiopia. Repi and Wilmar had each a 50% participation in the joint investment. Repi is a sister company of AL-SAM Private Limited Company, incorporated and existing under the laws of the Federal Democratic Republic of Ethiopia. It is engaged in the manufacturing of soap and detergent products. Headquartered in Singapore, Wilmar is Asia's leading agribusiness group. Currently Repi-Wilmar Manufacturing Share Company has been on the process of re-establishing the joint investment agreement with a new structure and revises percent of participation.

Repi-Wilmar Share Company produces home care, personal care and laundry detergents for targeting to all types of consumers including all age group in Ethiopia. The company utilizes direct and indirect distribution system to deliver those products efficiently to all customers. Repi-Wilmar SC segmented the market in to five regions. Such as Addis Ababa, North-East, North-West, South-West and South-East market. Respectively, Repi-Wilma SC utilized Addis Ababa, Mekelle, Gondar, Adama and Diredawa as the base town and distribution center of their business.

1.2. Statement of the Problem

Theoretically, effective distribution system is a strategic framework concept which used to express the overall achievement obtained in operational service. Chewn-Tzeng, (1999) noted that distribution system is just the process of making the products or services available in the market to satisfy customer needs. However, a research conducted by Yeboah, & et al (2013) argued that not only the delivery process but distribution pays a key role within marketing mix, it is an integrative activities to ensure the products available at the right place at the right time in the market. If the product cannot reach its chosen destination at the appropriate time, then it can erode competitive advantage and customer retention. Furthermore, Mwanza & Ingari, (2015) emphasized that the role of distribution incorporate all activity process before finally the product reaches to the consumer or end-user. The producer must take in account from the manufacturer up to retailer. After the product manufactured, it may be warehoused, shipped to the next echelon.

Empirically, a research conducted by Paulraj & Chen, (2007) at university of Nottingham, UK mentioned that the performance of distribution logistics impacts tremendously on the performance of an entire organization this is mainly because it links the organization to the customers and thereby has much influence on customer satisfaction which influences customer loyalty, arguably the single most important asset of an organization.

On the other hand, another study conducted by George & Iravo, (2014), revealed that customer characteristics, product related factors, technology related factors and distribution structures are among the factors that affect the performance of distribution logistics system in Bata Shoe Company Kenya limited. Thus, the finding indicated that the result can also affect the overall performance of the organization. According to these research findings, the majority of the respondents were agreeable that customers, product and distribution structure were factors that strongly affect the distribution system of the company than technological related factors. Here, logistic capability, customer motivation and government factors were not obviously defined as factors that could influence the distribution system.

Similar to the above study, Mangiaracina & et al, (2015), also revealed that distribution network design choices were influenced by various factors such as product features or demand features. Other factors like customers, company factors, market factors and so on were not described as well in this study. While, Achuora, & et al., (2012), stated that financial capacity, transport outsourcing, information system and relationship and governments and donors are the factors that affected the distribution performance of pharmaceutical products in Kenya's public sector.

Recently in Russian market a modern assessment conducted by Yatsyshina, (2016), indicated that product characteristics, cost related factors, market uncertainties & customer needs and other factors were the main factors influencing the distribution network design a particular manufacturing company. But, technological factors, the government interventions and other related factors were not incorporated in this study.

Although a variety of research has been conducted on the distribution performance of manufacturing company in the world, this research may imply differently to investigate the determinants of effectiveness of distribution system of Repi-Wilmar Soap and Detergent

manufacturing company. So this study may help to Repi-Wilmar and other related industries to review the performance of their distribution system and indentify their own position of distribution status quo.

Particularly, in the case of cases of Repi-Wilmar Manufacturing Company, based on preliminary observation and 2017 company yearly report, the researcher observed that the company faced a big challenge to deliver the right quantity of products at the right time in the right condition with reasonable price to every corner of Ethiopia market as per the demand of the customers. Yet, the company distribution system has not well organized to solve this challenge. The distribution and logistics department has placed under sales and marketing departments. It has no a well defined own budget except financing by sales and marketing departments. Depending on the monthly sales volume, the sales and marketing department has set budget 3-5% of the yearly company sales revenue. Yet the cost of logistics and distribution facility has less than 1% of from sales and marketing budget which is insignificant. Unlike other departments such as finance, production, sales and marketing, the distribution and logistics operation of the company till overlooked as a the main business function unit as well.

Having all this in mind one thing it is possible to understand, the company gave less priority for the operation of logistics and distribution however, according to European Logistics Association stated by Amos 2007, an average cost of efficient and effective logistic facility of any manufacturing company should be estimated 15%-20%.

Furthermore, as mentioned above, in 2017 the overall sales performance of the company was not satisfactory. On average 15%-20% of monthly actual sales has been recorded as undelivered products which was already sold products that has been paid by customer in advance but sold products are stocked in company warehouse due to delays of delivery. That also shown that customer couldn’t get the right quantity of product in the appropriate time at the right place. Thereby this result might appear customer dissatisfaction. In the consequence the company might lost loyal customers due to lack of trust (Repi-Wilmar 2017 sales and marketing report in Ethiopia).

However; Yeboah, & et al., (2013) argued that if any company cannot reach its product to its chosen destination at the right time, then it can erode competitive advantage and customer retention. Basically description of the fairness and accuracy time, quantity, place and cost are the important parameters to determine level of distribution system performance. For instance, if the products deliver at the right time in the right condition with minimum cost, the performance of the distribution system is good enough. So as to develop effective distribution system identifying, analyzing, interpreting and managing the internal and external factors that affect adversely the distribution performance should be very important

These and other gaps lead the researcher to study the determinants of the effectiveness of distribution system of Repi-Wilmar from the employees and wholesale perspectives. Therefore, to achieve the above scenario, the researcher was focused to identify the four crucial factors and investigate to what extent the effectiveness of the distribution system of Repi-Wilmar SC influenced by these factors such as distribution strategy, wholesaler motivation, logistic capability and government factors.

1.3. Research Questions

1. How does distribution strategy influence the effectiveness of distribution system of Repi-Wilmar Soap and Detergent Factory?
2. How does wholesale motivation affect the performance of distribution of Repi-Wilmar Soap and Detergent Factory?
3. To what extent the logistic capability influences the effectiveness of distribution system of Repi-Wilamr Soap and Detergent Factory:
4. How do government factors influence the effectiveness of distribution system of Repi-Wilmar Soap and Detergent Factory?

1.4. Research Objective

1.4.1. General Objective

The general objective of the study was to examine the effect of some most important factors that influence the effectiveness of distribution system in the case of Repi-Wilmar Soap Factory.

1.4.2. Specific Objectives

1. To examine the effect of distribution strategy on the effectiveness of the distribution system of Repi-Wilmar?

2. To assess the influence of wholesaler motivation on the effectiveness of distribution system of Repi-Wilmar?

3. To analyze the influence of logistic capability on the effectiveness of the distribution system of Repi-Wilmar?

4. To identify the effect of government factors on the effectiveness of distribution system of Repi-Wilmar?

1.5. Significant of the Study

This study is useful to the following bodies

1. Repi-Wilmar

- The findings of this study will have a significant role for Repi-Wilmar COE, shareholders and owners:
    - ✓ To review the status quo of the distribution system.
    - ✓ To identify the major gaps regarding distribution performance

2. Business Partner

- For any group of people who are interested in business like: investors, transport agencies, insurances, banks and other stakeholders to get good insight about the factors to what extent influence the performance of distribution system.

3. Academic Purpose

- For university students, marketers, researchers, scholars and business planners for further reference and future studies regarding to what extent the effectiveness of distribution system has affected by different factors

1.6. Scope of the Study

Although many soap and detergent industries in Ethiopia, the study has limited to investigate the determinants of effectiveness of Repi-Wilmar Soap and Detergent Factory. The company distributes its products to all over the country in Ethiopia using different intermediaries or marketing channels. However; this study has limited to focus on five market mainly Addis Ababa, Gonadr, Adma, Dired Dawa and Mekelle market since the company utilized these areas as the base town of the distribution center (Sources: company profile). The company has very limited number of distributors which is less likely to represent the entire population for research purpose. In case of retailer, it was very difficult to get entire list of retailers to calculate the sample size. However, in the case of wholesaler, the number of wholesalers' list data was available and possible to calculate the sample size. Therefore, the researcher was limited to focus on wholesalers as the study of population rather distributors and retailers

1.7. Limitation of the Study

This study has some limitation:

First, the study was focused mainly on the wholesaler and partially on the employees' point of views due to some constraints. The opinion of distributors and retailers was not incorporated. Hence the researcher may limit the validity of the study. So as to triangulate and control the biased opinion, it is very important to consider distributor and retailer opinion for further research.

Secondly, the research was limited to Repi-Wilmar Company not included other private and international organization in Ethiopia. Hence, the research findings may not be generalized to the entire soap and detergent industry in Ethiopia. There by it is recommended for further research to

incorporate the private and other organization to expand the scope and acceptance of the factors that affect distribution performance of different industries in soap and detergent sectors in Ethiopia as well.

Finally, different research studies conducted on factors that affect the performance of logistics and distribution systems in the case of soap and detergent industry was very limited or not available. It was very difficult to find related study on the same or other soap and detergent factory in Ethiopia. To access literature and journal on the study area might be others barrier for the study. Also the respondents were reluctant and inconvenient to give genuine information during the questionnaire interview.

1.8. Organization of the study

The research was organized into five chapters:

- Chapter one covered background of the study, statement of the problem, research questions, research objectives, significance of the study, scope of the study, limitations of the study, organization of the study and definition of terms.
- Chapter two outlined related literature review such as theoretical review, empirical review and conceptual framework related with distribution strategy, wholesaler motivation, logistic capability, government factor and effective distribution system.
- Chapter three described research design, sample size, sampling technique, data sources and types, data collection procedure, data analysis and ethical consideration.
- Chapter four carried on data presentation and discussion.
- Finally, chapter five had summary of major findings, conclusion and recommendation.

1.9. Definition of Terms

The most important terms used in this study were defined as follow:

- **Distribution:** The flow of products from producer to consumer. (Mwanza, 2015)
- **Strategy:** Doing all things needed to do in best situation and achieving goals. (Ghazaleh, 2009)

- **Distribution strategy:** The system of shipping of products from manufacturer to end-user to satisfy the customer expectation. (Kabus, & et al., 2017)
- **Wholesaler motivation:** is the inner state of wholesaler having a desire to buy products by providing different incentive package by the business firm (Hoyer & Maclinnis, 2010).
- **Government factor:** refers to different variables on the government's side that influence the distribution performance. Example: policy, tax rate, tariff system, currency exchange rate and so on. (Dicken, 2003)
- **Distribution channel:** refers to the path or routes through which goods and services travel from the place of production to the final users (Yeboah, 2013). It is a method of getting a product to its consumer (Keller, 2008).
- **Intensive distribution:** available of the company products or services in all or most possible outlets in the market. (Mwanza, & Ingari, 2015).
- **Selective distribution:** available company products or service in limited outlets in the market. (Yeboah , 2013).
- **Exclusive distribution:** available company products or services in a single outlet in a particular market. (Kabus, & et al., 2017)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Review

The purpose of theoretical review associated with the research question is to understand the theoretical domain. The reason for discussing the theories is not to produce a comprehensive survey of their richness but rather to provide a framework within which to facilitate the collection of empirical evidence, conduct the analysis and, finally, achieve solutions to the research questions (Guan, 2010). Different scholars published a variety of literatures about the theoretical aspect of different factors that affect the effectiveness of distribution system of manufacturing companies.

Distribution is related to the flow of goods and services from the producer to consumer. After a product is manufactured, it may be warehoused or shipped to the next echelon in the supply chain, typically a distributor, retailer or consumer or end-user. This flow of goods or services from producer to end consumers is known as distribution (Mwanza & Ingari, 2015).

Similarly Rushton, & et al., (2010), argued that distribution is the process of making a product or service available for use or consumption to the end consumer or business. Furthermore, Kabus, & et al., (2017) affirmed that distribution is a link process of relocation of goods from a manufacturing place (producer) to final recipients (consumers). There are two types of distribution: the direct and indirect distribution. The direct distribution is the expanding or moving of products/services from one place to another without changing direction or stopping whereas indirect distribution can be defined as means that are not directly caused by or resulting from something. The product reaches to consumers through dealers from the factory.

As noted by Yeboah, & et al. (2013), distribution plays a key role within the marketing mix, and the key to success is its successful integration within the mix, ensuring that customers get their products at the right place and at the right time. If the product cannot reach its chosen destination at the appropriate time, then it can erode competitive advantage and customer retention.

2.1.1. Distribution Strategy

Distribution strategy is a system which enables the company products or services are available in the marketplace. Companies who design best distribution strategy have effective distribution system to deliver products from producer to consumer. Whereas, duet to various factor many companies fail to deliver the right quantity of products at the right time in the right place with the right condition (Mwanza & Ingari, 2015).

In line with this, Lancaster & Massingham, (2011), stated that at the time of exchanging of goods/services, distribution system has also influence growth of sales volume of the business organization. Products might deliver from the manufacturers to customers by directly or indirectly. When the level of channel increases the cost of transportation also increases. Therefore, companies should clearly define the value of distribution as per the company business expansion goal before implementing the distribution system. Designing the best distribution system will helps the business organization is very competitive in the market as well as make profitable than competitors firms.

Before a manufacturing firm formulates a distribution strategy, it should decide two things. These are determining whether the firm will sell directly to end-users or will utilize intermediaries and selecting the type of channel (Kabus, & et al., 2017). Indeed, Mwanza & Ingari, classified the distribution strategy in to three such as direct distribution strategy, intensive distribution strategy and indirect distribution strategy whereas, Yeboah & et al., (2013), categorized in to intensive, selective and exclusive type of distribution strategy.

Similar to the above study, Noonan, (1998), argued that products could be delivered to customers based on intensive, selective, exclusive type of distribution system. When many companies work with number of customers intensively at a lesser prices and lower margin, the sales volume of the company's products will vary from the normal trend. However; if companies chooses a limited number of outlets or agreed with a single distributor to disperse the products to customers, it's possible to save expenses, improve market efficiency and develop loyal customers. In Antoaneta & et al., (2008) viewed that intensive distribution is much more prevalent in to- day's market and products and services that not long ago were distributed on an exclusive or selective basis are

now being pushed to the limits of intense distribution. Hence, due to the implementation this different type of distribution strategy, the level of distribution channel, the frequency of delivery and the operational cost of the firms are quite different from the other.

Stuart, & et al., (2006), also revealed that the basic distribution strategies that many manufacturers broadly utilized are intensive, selective and exclusive. Intensive distribution is a type of distributing goods or services through all or most of the possible distributing channel to a market. Stuart, (2006), further clarified that an intensive distribution approach gives the highest probability of selling company's goods or services but only after the required investments in the demand generation made. Stem, & et al., (1988), argued that the higher the intensity of brand distribution in a given market, the lower the manufacturer's influence on channel member performance. Having too many channel partners can harm the brand image and its competitive positions. This coverage strategy is more appropriate for manufacturers of brands placed near the low end of the quality continuum to promote convenience and competitive pricing for the customers.

According to Stuart, (2006), in selective distribution, a manufacturer makes a particular brand of product or service in a selected partner whereas Exclusive distribution provides high levels of channel partner profitability that allows them to offer functionality consistent with their roles in the 'push' strategy. A research conducted by Mwanza & Ingari, (2015), stated that exclusive distribution implies that a manufacturer can have strong influence over the distributors of the brand. However, manufacturers should be careful because exclusivity may lead to conflict between the manufacturer and the distributors due to the high level of control from the manufacturer's side. Exclusive distribution creates an image of the brand that has superior ability to perform its functions. The manufacturers need well-trained sales force to convince the target channel members to carry the brand. The strategy also involves active channel partners and loyal business partnerships between manufacturers, distributors and customers.

2.1.2. Customer motivation

A motivational tool is very important technique to make intermediaries prefer the company products over the competitors to carry the wide range of distributing coverage for consumers.

Training support, financial incentives, credit terms, performance recognition, offering reward, offering bonus, discount level and other supportive packages is the main source of motivation to launch the new product, maximize the existing sales, widening the distribution channel, enhance the frequency of delivery, increases the frequency of purchase, grow and profitable the overall company business. Thus develop motivational program and support each level of middlemen by these packages might improve their performance to widen the distribution coverage. Regarding to distribution channels Cuellar, (2013), argued that in selecting a distribution channel for your product, you need to choose the approach that reaches your customers in the most effective way possible. You need to know who your potential buyers are, where they buy, when they buy, how they buy, and what they buy.

Another key factor is the level of distribution coverage needed to effectively address your customer's needs. Distribution coverage is measured in terms of the intensity with which the product is made available. The density or number of stores in a particular geographical area and the type of intermediaries used constitute the basics of distribution coverage. In the case of products that are purchased by a customer at a physical outlet, there are three main levels of distribution coverage: mass (or intensive) coverage, exclusive coverage and selective coverage. Mass coverage means that a firm tries to place its products or services in as many outlets as possible. Exclusive coverage is the exact opposite of mass coverage with only one retail outlet in a particular geographical area carrying the firm's product. In selective coverage a firm selects a few retail outlets in a specific area to carry its products.

2.1.3. Logistic Capability

Financial, human and logistics capability are the main sources and factors to maintain sustainable and effective different type of distribution system in a particular firm. Firms that can't afford to have their own sales force, for example, might use agents or brokers to reach wholesalers or other buyers. On the other hand, a firm that produces multiple products for a particular target market might be better off using a direct channel (Cuellar, 2013). Special warehousing needs such as control of temperature or humidity require substantial financial investments. Langley, (2009), claims that in this company would prefer centralized distribution networks as it will allow reducing capital investments in equipment.

Production characteristics can pose various limitations on distribution network design. For instance, production technologies determine whether the product can be possibly supplied within given response time, which refers to build-to-order supply chain, or inventories should be used as a buffer (Christopher & Towill, 2002).

2.1.4. Government factors

Geographic environment can act as a constraint for distribution network design when, for example considering infrastructure availability (Lovell, & et al., 2005). Commercial environment factors may also push companies towards selecting particular distribution network design options. Such factors might include market characteristics, tax rates in various regions or countries; tariff and non-tariff barriers, currency exchange rate (Dicken, 2003). All in all, plenty of factors can be found in the literature that potentially influences distribution network design decisions. However, there is no single factor that dominates the decision making. As Wanke and Zinn, (2004; P477) stated that, "no strategic decision should be made on the basis of the value of a single variable", it is important consider product, operational and demand data as well as other constraints.

The importance of building partnerships with the government lies in improvement of service delivery (Cadotte and Stern, 1979). When companies work harmoniously with the host government, they establish a common goal which they can guide in coordinating the use of available resources for effectively moving to achieve the goal. This specifically calls on the company to intensify their efforts to cooperate with the government in distribution of products to various groups of customers (Lambert, Boughton, and Banville, 1986).

Lambert, & et al., (1986) also explained that any business industries could have harmonious relationship between the company and the government to improved service delivery. However, poor relationship between the donor and the government creates conflicts unless proper systems are in place. Conflict resolution has consistently occupied a central role in models of the inter-organizational exchange process (Cadotte and Stern 1979; Frazier 1983), which is viewed as the primary mechanism for reducing manifest conflict in distribution channels (Stern and El-Ansary, 1988). Several broad strategic frameworks for addressing distribution channel conflicts have

been proposed in the literature (Stern and Heskett, 1969), but the emergence of the process of conflict resolution in distribution channels is unclear. But, other studies have shown that relations with government and firms have positively impacted on the distribution of humanitarian requirements by different government agencies (Brown 1979; Butaney 1989; Lambert, Boughton, and Banville, 1986).

2.1.5. Effective Distribution System

Strategy in sales and marketing is a collection of processes that firms utilize before selling their goods and/or services. The aim of a good strategy in selling is that one can meet a proper person at the proper time and location using the best technique in order to influence that person. The real meaning of strategy is doing all things needed to do in the best situation and achieving goals (Ghazaleh Moghareh Abed, Mohammad Haghighi, 2009).

In today's environment, strong distribution strategy is crucially important for the success of many manufacturing firms in the world. According to Christopher & Towill, (2001), the ability to plan and execute the movement of the right product to the right place at the right time can also make the supply chain more efficient by significantly reducing expedited freight and the production and repositioning of unneeded inventory. Moreover, George & Iravo, (2014), stated that the effective distribution strategy is paramount to be able to deliver quality products to its customers. Meeting specific customer service requirements around products and services can help grow market share by maintaining strong existing relationships and growing new ones. The efficiency and effectiveness of the logistics operation has a considerable influence not only on the business performance of manufacturers but also on the customer's perception of the quality of the products and services provided by the plant.

Many manufacturing firms have best distribution structure and logistic strategy while many others still fall to deliver the right quantity of products in time, in the right condition at the minimum cost. Therefore; to meet the customer expectation, designing the best distribution network system by controlling and properly managing various factors that affect the efficiency of delivering products from the point of production to the point of final consumption is crucially important.

2.2. Empirical Review

2.2.1. Procter & Gamble Company

Procter & Gamble Company has entered Russian market in 1991. P&G is one of the largest and global leaders in fast moving consumers Goods Company in the world. This company produced cleaning agents, homecare and personnel care products ("P&G Reorganizes into Four Industry Groups under New CEO", 2013).

A research conducted by Yatsyshina, (2016) in Russia market reviewed about the factors of distribution network in the case of Procter & Gamble (P&G) Company. Currently the company has more than 70 brands in various regions of Russia market and is a market leader in product categories ("P&G). According to company's representative, P&G operates more than 3000 SKUs in Russia. The head office of the company in Russia is located in Moscow. P&G also operates four branch offices in regions and three production facilities.

2.2.1.1. Distribution network

Procter & Gamble operates three plants in Russia: in Novomoskovsk, Dzerzhinsk and St. Petersburg which produces homecare products, hair care products, goods under the brand Gillette respectively ("Procter & Gamble", 2011).

And the company possesses two central distribution centers. One is located in Novomoskovsk, where goods produced in corresponding plant are stored. The other one is located in Moscow, where imported goods (which account to approximately 50% of turnover, according to P&G's logistics manager) and goods from St. Petersburg and Dzerzhinsk plants are accumulated. From these distribution centers the goods are either directly distributed to customers in the same region or are transferred to one of two regional warehouses. Few remote destinations such as Vladivostok or Khabarovsk are also served directly from Moscow DC. The regional warehouses, from which goods are further transported to distributors or retailers, are located in Rostov-On-Don and in Novosibirsk.

2.2.1.2. Product characteristics

Product characteristics or attributes always influence distribution network design. The company is producing a wide range of products with different volume and weight characteristics and is considering physical attributes as well as product value when designing the distribution network. For instance, the plant and distribution center in Novomoskovsk produce and store 43 homecare and childcare products. This combination of product types was selected deliberately: homecare products such as powders weight a lot, while not requiring much space, while childcare products such as diapers require a lot of space, while being light. When transported together, the products allow to fully using the transportation capacity. Another example is the production of Gillette plant, which has a high product value density. The high product value density makes it expensive for distributors to purchase full loaded trucks from the plants. Thus, P&G decided to move the central warehouse of Gillette finished goods to Moscow, where expensive and light goods can be combined with cheaper products for consolidated shipping to customers.

The purchase size also matters for the company as it strives to eliminate major inefficiencies in distribution. P&G works directly only with those distributors and retail chains that order full loaded trucks of goods. In case the requested volume of goods is not high enough, the company suggests the distributor to order from larger intermediaries. Such policy implies that P&G should provide sufficiently diversified range of goods with varying characteristics in its distribution centers.

2.2.1.3. Market uncertainties and customer needs

The most significant factor, which influences distribution network decision for Procter & Gamble and for other FMCG companies, is product availability, or service level. The target service level of the company is 98%. This means that P&G aims at satisfying 98% of consumer demand within the required response time. Currently, the service level accounts for 94%. The response time is another crucial factor for P&G. the targeted response time for consumer orders is 48 hours, which is a standard response time for developed markets such as US and EU. Such rapid response time is a result of extremely intense competition in FMCG market (Yatsyshina, P., 2016).

Customer experience is important, however, P&G provides higher service level for retailers compared to distributors. According to logistic manager, "More than 50% of the company sales come from retailers, and this share is constantly growing". Huge retailers like Magnit even have safety stocks reserves in the warehouse of P&G, which cannot be shipped to other companies. Moreover, one of the major reasons why P&G is planning to open new warehouses in more remote regions of Russia is the increasing presence of huge retailers in these regions. Hence, customer experience and bargaining power of buyers are crucial factors for distribution network decisions of P&G. On the other hand, distributors are highly dependent on the company. Most of them trade exclusively P&G's products and just recently the distributors received the rights to trade non-competing goods. Number of channels through which the product may be acquired plays a secondary role compared to the particular characteristics of the most important channel – retailers. Returnability is an important service characteristic; however, its impact on distribution network decisions is relatively low. Order visibility is important for the company and its customers, as P&G integrates its ERP system with customers' and uses collaborative forecasting in order to decrease total inventory in supply chain and improve forecasting accuracy but it also doesn't impact directly the distribution network design (Yatsyshina, P., 2016).

2.2.1.4. Cost related factors

Cost efficiency is extremely important for P&G; however, compared to target service level, cost factors play a secondary role in distribution network design. Thus, the most important cost factor is the lost sales factor. Other cost factors are analyzed in detail when particular alternatives are considered or during operational inventory and transportation routing planning, which correspond to the second and third stages of distribution network decisions according to Mangiaracina & Perego (2015).

Facilities costs and learning costs are considered when decisions about opening new facilities are made. For warehouse operating costs and capital costs P&G sets particular targets based on required service level. Transportation costs are also under strict control. The company operates with full loaded trucks. For customers it is also more efficient to follow the full-truck policy, as it allows minimizing the fixed costs per order. Thus, ordered goods typically can be divided in two

categories: those that are needed urgently and “fillers” – the goods that would be needed in near future (Yatsyshina, P., 2016).

2.2.2. Fast-Moving Consumer Goods Firm in Kenya

A research conducted by Mwanza, & Ingari, (2015) in Kenya has shown that macro-environmental factors such as technological, social cultural, political and physical variables as well as internal variables play important roles in influencing the channel structure and performance. According to economic distribution channel theory, the “ideal” distribution system is one determined by exploring what the consumers want in terms of service outputs from the distribution channel, how much they are willing to pay for a given service level, how the services can be provided to them, and what the costs of the alternative distribution channels are (Stern et al., 2006). As a result they argue that it can be determined which distribution system most efficiently meets the customers‟ wants and it can be pointed out that the distribution channel strategy adopted by a firm should take a customer perspective and analyze the output from the commercial part of the different distribution channels and relates it to the customers‟ costs and benefits from the different levels of service output offered by the available distribution channels (Cohen et al., 2000).

2.2.3. Small and Medium Enterprises (SMEs) performance in Indonesia

A research conducted by Kuswantoro, & et al., (2012) Indonesia mentioned that the effectiveness of distribution channel is crucially important on the performance of small and medium business enterprises. Therefore, effectiveness of distribution is one of the main tasks that the manufacturing factories should give strong attention to improve the overall performance of the business firm. Effectiveness can be referred to as a long term firm orientation (Morgan et al., 2004). Scholars often equate effectiveness to non-economic performance or non-financial measure. It is further emphasized by Ataollah & et al., (2010), that non-financial performance is crucial for a company’s future performance. Pertinent to distribution issue, Rhea & et al., (1987), saw distribution effectiveness closely related to customer satisfaction. For instance, if a customer expects a delivery of an order is on a two-week time; then, the delivery service is considered effective once the order arrives in less than two weeks or on the last day of the delivery time.

Otherwise, it is said ineffective, when the order reaches the customer later than the expected time. In fact, the longer the order reaches the customer the less effective the delivery services on the eyes of the customer will be.

2.2.4. Bata Shoe Company Limited firm in Kenya

Moreover, George & Iravo, (2014), mentioned that for any production firm to be successful, it must be able to produce quality products and also ensure the products get to the consumer in time, in good condition and at the minimum cost possible. For this to be achieved there is need for an efficient and effective distribution logistics structure in place. Despite much effort by manufacturing firms to ensure that their distribution systems are efficient, many customers still experience delays for deliveries, which show that distribution logistics performance performs short of customer expectations in most companies.

According to the research findings it is clear that the customer, the product, technology and distribution structure are all factors that affect the performance of distribution logistics. The research also determined that customers' location, ordered quantities, customer requirements and the number of customers are all customer aspects that affect the performance of distribution logistics.

On product related factors affecting DL performance, majority of the respondents were agreeable that the weight of products, product shape, unitization of product and product range are all factors that affect DL performance with most respondents strongly agreeing on all the four factors.

Majority of the respondents do not agree that information systems affect DL performance, on the other hand majority are agreeable that material handling technology is a factor affecting DL performance while a majority of the respondents are neutral on tracking of transit goods and communication as technology related factors affecting DL performance.

Meanwhile, Skjoett, (2002), described that distribution logistics is the link between a company and its customers; it comprises all activities related to the provision of finished products and merchandise to a customer. Furthermore, Zheng and Zhang, (2010), argued that distribution

logistics is the management activities to pursue customer satisfaction and order fulfillment, connecting the main body of supply and demand, overcoming space and time obstacles to achieve efficient and rapid movement of goods. It also involves conveying of information related to the distribution of physical goods thus making it slightly distinct from physical distribution.

According to Mwanza & Ingari, (2015), revealed that developing successful strategy in distribution in today's fierce competitive environment is a complex undertaking. Specifically, the study focused the role of distribution as a source of competitive advantage by fast-moving consumer goods firm in Kenya. The findings revealed that most of the respondents were of the opinion that the organization moderately learned rapidly and adjust their distribution strategy in order to achieve competitive advantage

Muthuy, (2008), conducted a study to investigate the distribution strategies adopted by various firms in their market and distribution of their products. Particular attention was paid to cosmetic companies. The objective of this study was to find out the various distribution strategies adopted in marketing of wares and the factors influencing adoption of such strategies. The findings of the study revealed that, most of the firms are yet to embrace strategic marketing and distribution ways in order to sell their products and subsequently leap marginal profits. The choice of good distribution channel is paramount in ensuring high returns and easy distribution of the products to the consumers. Besides, firms should adopt modern technology in improving their distribution of the products. This technology may involve use of phones, internet, online catalogues, and use of couriers to deliver products to consumers, if embraced will see vast returns.

A study by Matteo, (2008), revealed that existence of many firms in the target market leads to increased competition and this makes it difficult for a single company to effectively distribute its product in the competing market and increase its revenue. Lehtonen, (2009), confirmed that lack of distribution of FMCG product in various market segments by many FMCG firms in Kenya can be attributed to an increase in supply of cheap Chinese FMCG products in the market. Clow, (2007), identified that that high level of competition in the market that affects distribution of products is influenced by supply of China imported goods, existence of many suppliers, loss of market share to competitors and quality of competitor products. McCammon, (2009), established that aspects of price that affects effective distribution of the company products includes; high

transportation costs, increased inventory management cost, many middle men in the distribution channel and lack of price adjustments. Schendel, (2008), found out that that of effectiveness of the company promotion campaigns in creating awareness of the company products influences many customers to FMCG from the competing firms with more effective promotion campaigns. A study by Tang, (2007), noted that supply of china imported goods, existence of many suppliers loss of market share to competitors and quality of competitor products affects distribution of the locally manufactured fast moving consumer goods.

2.2.5. Sameer Africa Ltd located in Nairobi, Kenya

Furthermore, Adimo & et al., (2017), investigated the relationship between differentiation strategy and performance of Sameer Africa Ltd located in Nairobi, Kenya. This study focused the extent to which channel differentiation strategy adopted by Sameer Africa (K) Limited influenced the company's performance. From the findings of the study, majority of the respondents believed that Sameer Africa (K) Ltd could achieve competitive advantage through channel differentiation. This suggest that an increase in channel differentiation strategy such as use of market trends to determine most appropriate channel strategy, use of different channels with the aim of minimizing cost of distribution, selling some of the products and services through intermediary and complementary firms and applying different distribution channels so as to satisfy unique customer needs would result in an increase in performance through market share, revenue, sales and customer satisfaction.

2.2.6. Commercial Banks in Kenya

Amara, (2012), has studied the effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. The study objectives were: to establish the distribution channel strategies adopted by commercial banks in Kenya and to determine the relationship between distribution channel strategies adopted and the performance of the bank. 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. The study found that the branch network, electronic

banking and multiple distributions were used by the banks (Amara, 2012). The marketing distribution strategies results to increased sales, market share and profits.

2.2.7. China Distribution System

Sherriff, (1998), pointed out many multinational firms have recently reshuffled their market portfolio to include China as one of the top strategic markets and are anxious to work out the optimal entry strategy to capitalize the opportunities there. Market entry mode is determined by the channel structure of the target overseas market. One of the fundamental problems which must be urgently solved by multinational firms who are considering entering the China market is the type of distribution channel to use. As there are ample differences in the channel environment between China and Western countries, channel management techniques that are derived based on the experiences in the West might not be compatible with the requirements in China. The pre-requisite for selection of marketing channels for the China market is, in addition to the strategic needs of the firm, a thorough understanding of its substantive channel structures and patterns and characteristics of channel members' marketing behavior. Implementation of a series of distribution reform programs has drastically changed the entire distribution system in China and, consequently, a new pattern of multi-channel competition has taken shape (Luk, 1995) China, it raises significant questions as to the development of effective market entry strategy and selection of marketing channels capable of capitalizing opportunities in the booming China market.

In other words, by reviewing recent developments in chronological order and emerging trends in distribution reform in China, the major objectives of this paper are to identify the structural changes in the country's distribution system and to investigate the associated changes in channel operation, in the roles and status of different types of channel members, and in the nature of the relationships among channel members. On this basis it also aims to identify the marketing challenges and issues arising from such changes that are critical for channel design and effective channel management. Hopefully, this investigation will lead to some revelations on how to design a matching channel structure to optimally achieve the firm's marketing objectives.

2.3. Conceptual Framework

A **conceptual framework** is a structure which the researcher believes can best **explain** the natural progression of the phenomenon to be studied (Camp, 2001). It offers a logical structure of connected concepts that help provide a picture or visual display of how ideas in a study relate to one another (Grant & Osanloo, 2014). The study of the conceptual framework shows that the conceptual integration of different independent variables with the effectiveness of distribution system of the manufacturing firms. The outline of independent variables and dependent variables should be briefed diagrammatically as the below model

2.3.1. Conceptual model

The conceptual frame or model work has designed by input variables such as distribution strategy, logistic capability, distributors' motivation and government factors, while the output variable is the effectiveness of distribution system of Repi-Wilmar Soap and Detergent Factory. The instruments which measure the dependent variable are the speed of delivery time, the convenience of distribution system, the profitability of the custom from the system, the customer product preference and motivational package for customers. Therefore, the conceptual frame work of this study is investigating the relationship between the input variables with output variable and analyze to what extent the predictors affect the effectiveness of the distribution system of the company. Most of the time the conceptual framework or theoretical framework is explains either graphically or in narrative form.

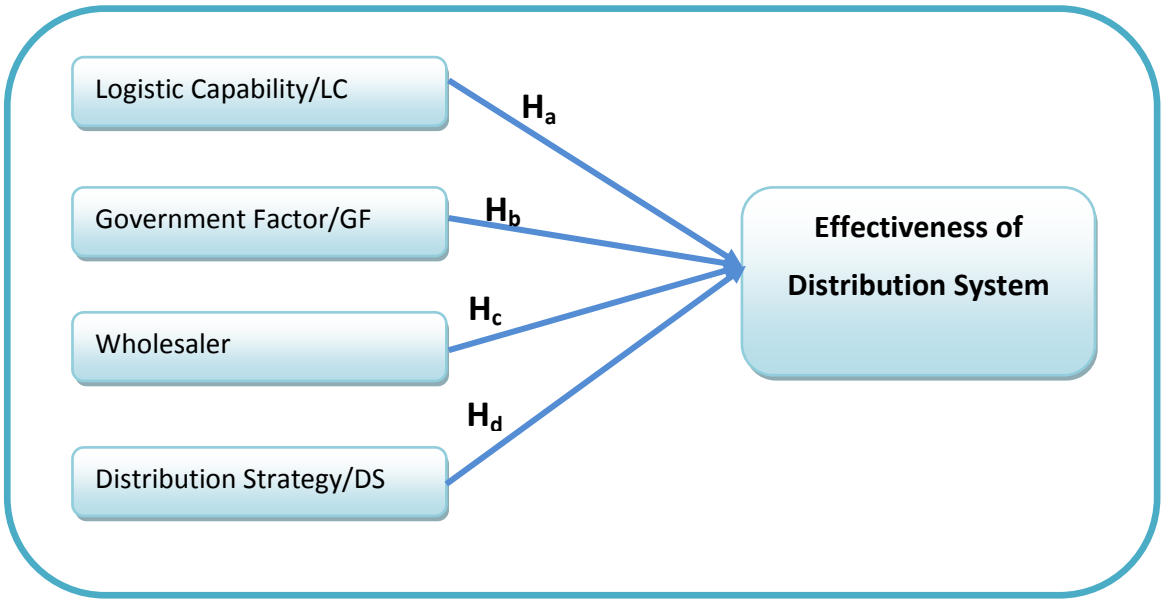


Figure 1. 1 Factor that affect the effectiveness of distribution system
Source: (Adopted by Achuora, 2012)

2.3.2 Hypothesis

The conceptual framework model shows the level of influence of four different factors on the effectiveness of distribution system in the case of Repi-Wilmar Soap and Detergent Manufacturing Company. Those factors are distribution strategy, the logistic capability, government's factor and wholesaler motivation. The level of influences between the factors and the effectiveness of distribution system will be tested by hypothesis. There are four hypotheses in order to test to what extent the independent variables (factors) that affect the effectiveness of distribution system. Such as:

Hypothesis 1a: Distribution strategy has a positive and significant effect on the effectiveness of the distribution system of Repi-Wilmar.

Hypothesis 1b: Wholesaler motivation has a positive and significant effect on the effectiveness of the distribution system of Repi-Wilmar.

Hypothesis 1c: Logistic capability has a positive and significant effect on the effectiveness of the distribution system of Repi-Wilmar.

Hypothesis 1d: Government factor has a positive and significant effect on the effectiveness of the distribution system of Repi-Wilmar.

2.3.3. Relationship between determinant factors and efficiency distribution system

According to Mwanza & et al., (2015) a conceptual framework refers to the result of when a researcher conceptualizes the relation between variables in the study and shows the relationship graphically or diagrammatically. It is therefore a linked set of variables that are backing up in the critical analysis. It is made of the dependent and independent variables. Independent variables are changes that occur in an experiment that are directly caused by the experimenter. An independent variable is that variable which is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given. A dependent variable is a variable dependent on another variable. The independent variable is what can you measured in the experiment and what is affected during the experiment. The dependent variable responds to the independent variable. It is called dependent because it "depends" on the independent variable

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Description of the Study Area

This study focused on determinants of effectiveness of the distribution system of Repi-Wilmar SC. Sales history and distribution performance of the company from 2015-2017 was reviewed. The researcher selected Addis Ababa, Mekelle, Dessie, Gondar, Adama and Dire Dawa as the target area for the study because when the company segmented Ethiopia market in to five region, these towns has already designed as a base town and main distribution center of products to the surrounding market (Source: Company profile). In addition to this, others research conducted on the area of this study have been reviewed to triangulate the researcher's findings. Mainly wholesalers were targeted as respondents while some top level managers should be interviewed by the researcher to get more information about the company.

3.2. Research Approach

Crewswell, (2009), stated that qualitative research is a type of testing a research fundamentally done based on qualitative data such as text data from interview transcript whereas quantitative research is implied through quantitative data which can be quantified in number through statistical analysis. According to Crewsell, (2009), mixed methods of research can be involved by using both types of data so that it is possible to strength the study than either qualitative or quantitative research. .

Therefore, the researcher used **mixed research approach** since this study utilized both interview and closed ended questionnaires to collect data from respondents.

3.3. Research Design

The researcher developed the conceptual framework based on independent and dependent variables to identify the effect of factors that influence the company distribution system. The independent variables was the distribution strategy (DS), the wholesaler motivation (WM),

logistic capability (LC) and government factor (GF) whereas effectiveness of distribution system (EDS) was considered as the dependent variables. Mwanza, Pius., & Ingari, (2015), stated that explanatory research (Causal research) is a continuation of descriptive research. It used to measure, control and establish cause-and-effect relationships between variables.

Therefore; **explanatory research design** was more appropriate because the study seeks to identify any casual and effect relationship between the factors or variables related to the research problems in the case of the Repi-Wilmar Soap and Detergent Manufacturing Company.

3.4. Population

The target population of this study was wholesalers of Repi-Wilmar Factory in the selected five different base towns of Ethiopia market. These customers have different interest in terms of preference, washing habit, culture and geographic location. As per the data obtained from the company profile, there are 3,195 wholesalers. Among these 1,120 wholesales has been in Addis Ababa region, 670-in North-East, 570-in North-West, 705-in South-West and the remaining 130 are in South-East region. Therefore, 3,195 wholesalers are the total population of the study.

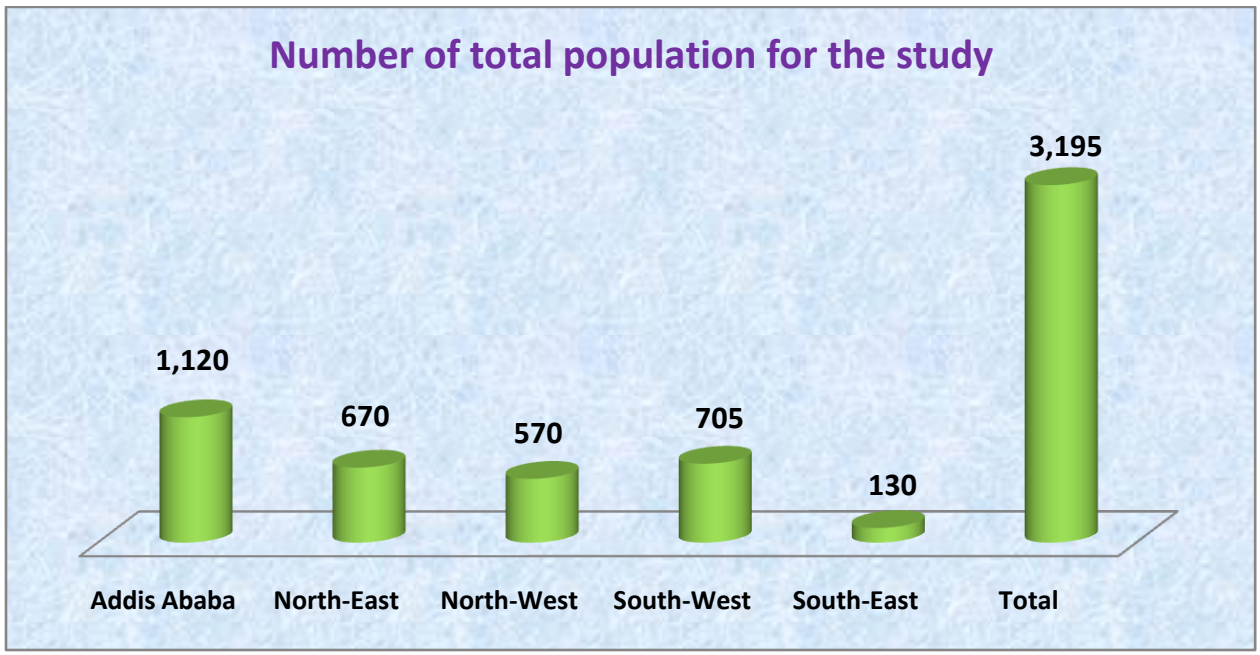


Figure 1. 2 Population size of each strata.: Own servey, 2018

3.5. Sampling Size

Data gathering from the entire population is very difficult. It is time consuming and expensive. Therefore, small unit of respondents are selected to represent the whole unit of the targeted population (Graziano and Raulin, 1997).

Pagoso, & et al. (1978) recommended that determining sample size formula is useful to take number of sample unit from the total population. According to Pagoso, the sample size is calculated by 95% level of confidence interval. The formula is mentioned as follow:

Determining the sample size

$$n = \left[\frac{N}{(1+N(e)^2)} \right]$$

Where
n=Sample size
N=Sample frame/population
e=level of precision (which is 5%)

Figure 1. 3 Sample size determining formula
Source: Pagoso, et al., 1978

Therefore, the researcher adopted the above formula and calculated the sample size of the study from the entire population. Since the area and nature of each target group was different from one another, sample size of the population has estimated separately.

Based on the formula mentioned above the total sample size of respondents from the total population are 355-wholesalers,

The sample size of wholesalers

$$n\,(no\ of\ Wholesaler) = \frac{3{,}195}{(1+3{,}195(0.05)^2)} = 355$$

Figure 1. 4 Simple size of the population

3.6. Sampling Technique

The random process of the selection of each population element is the probability sampling (Parasuraman & *et al.,* 2007). This method is significantly important to provide each population

element with a known chance of being included in the sample (Burns and Bush (2006). Therefore, through probability sampling it is possible to determine the precision of the sample estimates of the characteristics of interest (Malhotra, 2007). However, highlight that in most probability sampling methods, a sampling frame is required and information on the sampling units is necessary before starting the sampling process (Aaker & *et al.* 2007). There are different types of probability sampling methods such as random sampling, systematic sampling, stratified sampling and cluster sampling. According to Malhotra, (2010), argued that technically sample can be divided from the heterogeneous strata and grouped into in to homogeneous strata. After grouped the sample having similar character, then sample can be selected from each stratum. This process of sampling technique is stratified random sampling techniques.

In case of Repi-Wilmar SC, The targeted populations are working in different region of the country. In terms of geographic location, trade or work experience, working capital, sales volume, purchasing habit and level of distribution channel those targeted populations have different characters. Therefore, because of this nature of the targeted population, the researcher decided that a stratified sampling technique is appropriate to draw sample in the process of sampling technique for this study. Then researcher has gone to categorize this heterogeneous group of the population in to five different strata having similar interest of group. Then after, using percentage proportionate, the sample size of each stratum in the five region of the population has calculated.

The process of sample unit selection is gone as follow:

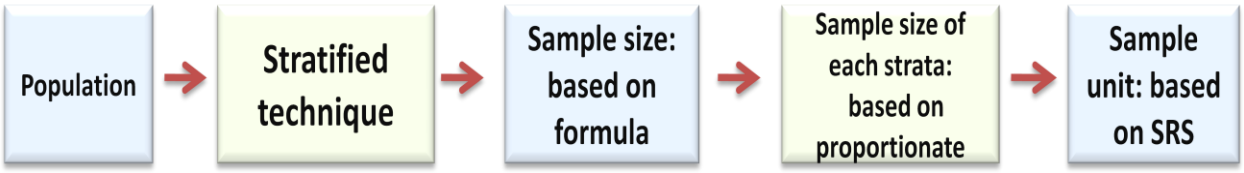


Table 3. 1 Stratefied sampling technique

Region	Number of Wholesaler	Wholesaler %	Sample size
Addis Ababa	1,120	35%	124
North-East	670	21%	74
North-West	570	18%	63
South-West	705	22%	78
South-East	130	4%	14
Total	**3,195**	**100%**	**355**

Source: Research survey, 2018

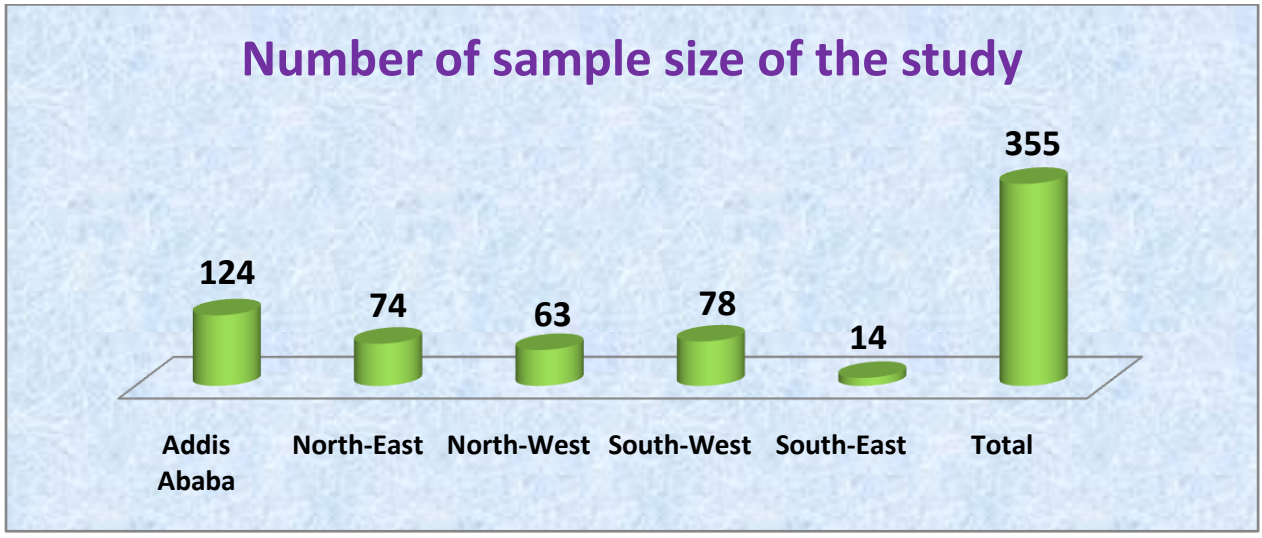


Figure 1. 5 Sample size of each strata
Source: Own servey, 2018

Furthermore, sample unit is drawn from the sample size so as to reliable each sample unit can represent the sample size as well as the population of the study. Sample unit can be drawn using lottery method, interval sampling technique and etc. The researcher was preferred systematic sampling technique based on interval sampling approach since this technique was more convenient, faster and economical. The respondents (wholesalers) list was available as a document (company profile). Then first the value of k^{th} is calculated as dividing the population size by the desired and rounding to the nearest integer. Then elect the random place at the top of

the population list. Finally, starting at that point, take every K^{th} name on the list until desired sample size is reached (Malhotra, 2010).

$$Skip\ interval\left(\mathbf{K^{th}}\right) = \frac{\textbf{Population size (N)}}{\textbf{Sample size (n)}}$$

Figure 1. 6 Skip interval determining formula
Sources: Malhotra, 2010

Table 3.2 Systematic random sampling through skip interval technique

Subgroups	Population	Sample	Skip interval (K^{th})
Addis Ababa	1,120	124	9
Mekelle	670	74	9
Gondar	570	63	9
Adama	705	78	9
Diredawa	90	14	6

Source: Research survey, 2018

3.7. Instrument Design for Data Collection

Using Cronbach's alpha coefficients the internal consistency of the individual respondent's opinion was tested. Since 2010, the questionnaire items has adopted by reviewing different related literature such as: distribution strategies type of items were from Mwanza & Ingari (2015), customer motivation from Cuellar, (2013), logistic capability from Onstein, & et al., (2018), government factors from Achuora, & et al., (2012) and effectiveness of distribution system type of items were from Kuswantoro, & et al., (2012).

3.8. Data sources and Collection Procedure

3.8.1. Primary Data

The primary data is the first-hand-data information that has not been published. The research of the data was obtained by preliminary observation and company employees through interview communication and from wholesaler respondents using Likert scale type of questionnaires.

3.8.2. Secondary Data

Secondary data is the information that has been collected earlier by somebody and some other purposes. This type of data includes both raw data (with a little or no processing) and complied data (processed and/or summarized information). The researcher gathered secondary data literature, articles, company sales marketing report, and website with statistical information, etc. Finally the collected data has been described and interpreted by the researcher using statistical soft ware analysis.

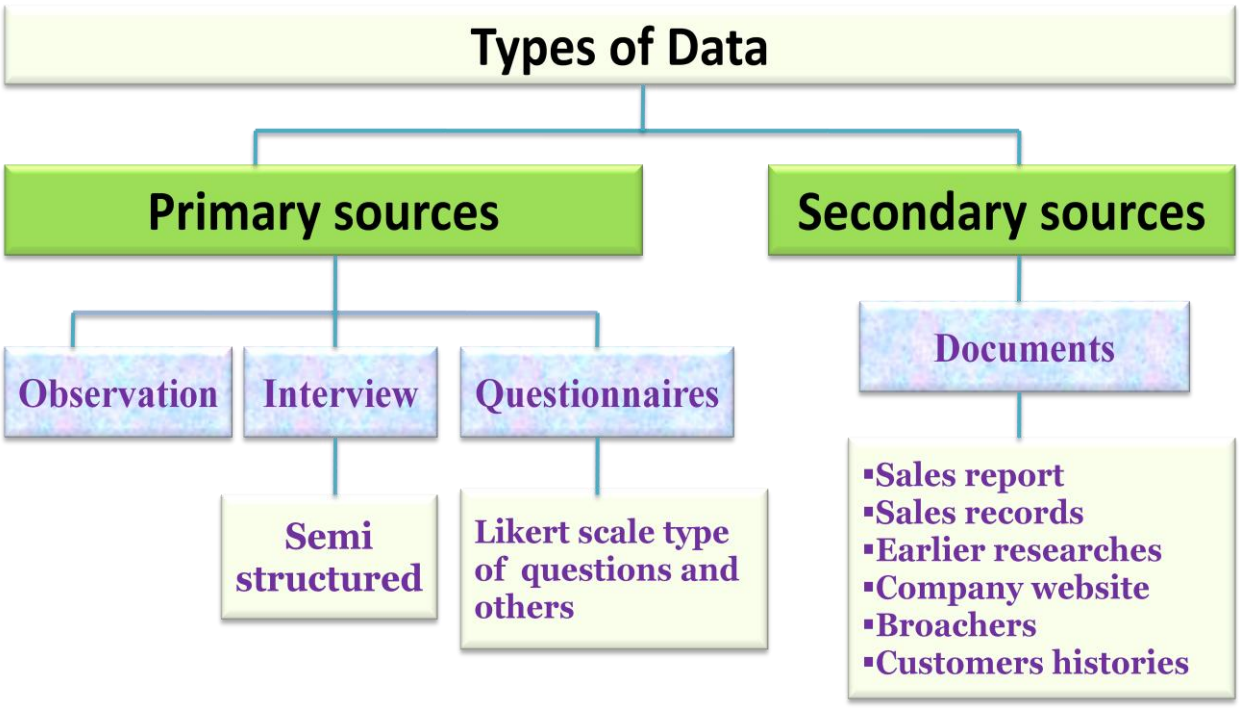


Figure 1. 7 Data collection methods

3.9. Unit of Analysis

The researcher considered the effectiveness of distribution system of Repi-Wilmar Soap and Detergent Manufacturing Company as the unit of the analysis. Wholesalers and employees were the target population who responds their own opinion through questionnaire about the determinants of effectiveness of distribution system of the company.

3.10. Data Analysis

Data was collected through questionnaire and interviews from respondents. The collected data has been analyzed using Statistical Package for Social Scientists (SPSS Window) version 20. The researcher utilized descriptive and inferential to summarize the basic feature of data and inferential statistics (correlation and multiple linear regression analysis) to assess the relationship between dependent and independent variables using correlation and cause or effect relationship between predictor and predicted variables.

According to Harrell, (2001), the effect dependent variables could be predicted by independent variables using multiple linear regression model or formula. The model is:

$$Y=a + b_1x_1 + b_2x_2 + \ldots. + b_kx_k$$

$$Y=a + b_1x_1 + b_2x_2 + e$$

Where:

- $x_1, x_2 + \ldots. + e$ = the independent variables and then:
- a =intercept, what the regression line crosses the y-axis
- b_1= the partial slop for x_1 on Y
- b_1 indicates the change in y for one unit change in x1 controlling for x_2
- b_2= partial slop for x_2 on Y.
- b_2 indicates the change in y for one unit change in x1 controlling for x_1
- **e=** the error term

Therefore, the researcher adopted the above model as:

- $EDS=a + b_1LC + b_2GF + b_3WM + b_4DS + e$

Where Y=EDS, x_1= LC, x_2 = GF x_3 = WM, x_4= DS

Assume: EDS =Effectiveness of Distribution System, GF= Government Factor, LC= Logistic Capability, WM= Wholesaler Motivation and DS= Distribution Strategy.

3.11. Test of Reliability and Validity

3.11.1. Reliability

Reliability is refers to the consistency of the measurements of variables (Hair, & et al., 2010). Moreover, Rovai, & et. al., (2014) recommended that Cronbach's alpha is very important tool for measuring internal consistency and assess reliability of the variables. Hence, George & Mallery, (2003), mentioned that Conbach's alpha coefficients have ranges from 0.5 to 0.90.

A test is considered reliable if the same results are gotten repeatedly. The closer the Cronbach‟s alpha is to 1, the higher the internal consistency reliability of the research instrument. Furthermore, Hinton & et al. (2004) have suggested four cut-off points for reliability as follow:

Table 3. 3 Cronabch's alpha value ranges

Cronbach's Alpha statistic value	Results
Above 0.9	Excellent reliability
0.70-0.90	High reliability
0.50-0.70	Moderate reliability
Below 0.50	Low reliability

Sources: Adopted by George & Mallery, 2003

Therefore, as per the discussion above the researcher used the Cronbach's alpha to evaluate the internal consistency of variables designed to collect the respondents' views with regard to research topics.

3.11.2. Validity

Validity is another significant instrument tools in the research process. It is the extent to which any measuring instrument measures what it is intended to measure (Thatcher, 2010). Although reliability is important for study to test the reliable of instruments, it is not sufficient unless combined with validity. In addition to reliable, valid test of questionnaire is necessary to create the measurement instrument item (Wilson, 2010). According to Taherdoost, (2016), the validity test of questionnaire has classified into four namely: face validity, content validity, construct validity and criterion validity.

The instrument measurement was designed based on standardized questionnaires except with few adjustment and addition, so it is already valid and tested. However, in order to check the appearance of the adjusted and added questionnaire in terms of readability, consistency of style and formatting, and the clarity of the language used; the researcher used face validity. In similar opinion, Oluwatayo, (2012), emphasized that face validity is the subjective assessments of measuring instrument items of the instrument appearance to be relevant, reasonable, unambiguous and clear.

3.12. Ethical Consideration

The purpose of this study was for only academic purpose. The researcher developed questionnaires to collect relevant data only from volunteer respondents. The customer permission should be respected during the process of collecting data. The general objective and the purpose of the study were brief to respondents during the introductory part of the questionnaire. The information collected from respondents was also strictly confidential. The original English version of questionnaire has been translated in to Amharic and then the Amharic version has been translated in to English by independent translator to maintain its originality.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND RESULT DISCUSSION

4.1. Introduction

This chapter describes about data presentation, interpretation and result discussion of the analyzed data. 355 questionnaires were distributed to selected wholesalers. All questionnaires were properly filled by wholesalers and 100% collected. Then data has analyzed by using correlation and multiple linear regression statistical tools by adopting the Statistical Package for Social Science (SPSS) version 20

4.2. Descriptive Analysis: Respondent's Demographic Profile

Table 3. 4 Gender profile of respondents

Valid	Frequency	%	Valid Percent	Cumulative Percent
Male	283	79.7	79.7	79.7
Female	72	20.3	20.3	100.0
Total	355	100.0	100.0	

Source: Own survey, 2018

The above table 3.1 shows that 283 or 79.7% of the respondents are male and 72 or 20.3 % of respondents are female. This implies that majority of respondents are male category. The results are shown in the pie-chart. Compare to male respondent, almost one-fifth of respondents are female while the remaining four-fifth of the respondents are male. Hence, male involvement to the wholesale business is better than female.

Table 3. 5 Age profile of respondents

Valid	Frequency	%	Valid Percent	Cumulative. Percent
<30	72	20.3	20.3	20.3
30-40	142	40.0	40.0	60.3
41-50	85	23.9	23.9	84.2
>50	56	15.8	15.8	100.0
Total	355	100.0	100.0	

Source: Own survey, 2018

Table 3.2 depicts that, 72 or 20.3 % of the respondents were below the age of 30 years. While 142 or 40.0% of the respondents were 30-40 years old and 85 or 23.9% of the respondents were the age of 41-50 years. The rest 56 or 15.8% of the respondent were above 50 years old. This implies that as shown the Bar chart Figure 1.6, the majority of the respondents' age was from 30-40 years old.

Table 3. 6 Work experience of respondents

Valid	Frequency	%	Valid Percent	Cumulative Percent
2-5 year	29	8.2	8.2	8.2
6-10 year	85	23.9	23.9	32.1
>10 year	241	67.9	67.9	100.0
Total	355	100.0	100.0	

Source: Own survey, 2018

The above table 3.3 and Figure 1.4 shows that number of work experience of respondents. Thereby as of the table, 29 or 8.2 % of the respondents have 2-5 years work experience and 85 or 23.9 % of the respondents have 6-10 years. The rest 241 or 67.9 % are respondents having more than 10 years' work experience. This implies that among 355 respondents, the majority of

respondents have more than 10 years working experiences at wholesale level of business trade. The results are also clearly shown in percentage by Bar chart Figure 1.7

Table 3. 7 Respondents investment capaital profile

Investment Capital

Valid	Frequency	%	Valid percent	Cumulative percent
<10,000 ETB	14	3.9	3.9	3.9
10,000-24,999 ETB	85	23.9	23.9	27.9
25,000-49,999 ETB	199	56.1	56.1	83.9
>50,000 ETB	57	16.1	16.1	100.0
Total	355	100.0	100.0	

Source: Own survey, 2018

The output from table 3.4 indicts that 199 or 56.1 % of the respondents had investment capital from 24,999 - 25,000 ETB, while 57 or 16.1 % of the respondents had investment capital greater than 50,0000 ETB the remaining 85 (23.9 %) and 14 (3.9 %) of respondents had investment capital from 10,000-24,999 ETB and below 10,000 ETB respectively. This implies the majority of the respondents had investment capital from 25,000-49,999 ETB. The bar char Figure 1.8 shown that among the total of 355 respondents, more than half of that have greater than 25,000 Birr of investment capital.

Regarding to the monthly income, the respondents have also different profile. So as to understand the profile of monthly income of each respondent, data has been presented by table and figure.

Table 3. 8 Respondents monthly profile

Valid in ETB	Frequency	%	Valid percent	Cumulative percent
<5,000	28	7.9	7.9	7.9
5,000-14,999	58	16.3	16.3	24.2
15,000-24,999	85	23.9	23.9	48.2
>25,000	184	51.8	51.8	100.0
Total	355	100.0	100.0	

Source: Own survey, 2018

Table 3.5 shows the monthly income of the respondents. 28 (7.9%) respondents have monthly income less than 5,000 ETB. While 58 (16.3%) and 85 (23.9%) of the respondents had 5,000-14,999 ETB and 15,000-24,999 ETB monthly income. The rest 184 or 51.8 % of respondents' monthly income was greater than 25,000 ETB. Therefore, 269 or 75.8 % of the respondents' monthly income was more than 15,000 ETB. This implies ¾ of the population are respondents having monthly income more than 15,000 birr. This result also shown by Figure 1.9

4.3.Assumption Test

4.3.1. Reliability Test

Reliability is the internal consistency of measuring variables or questions (Hair, 2010). The reliability of different questions measured by Cronbach's alpha. The acceptable range of Cronbach's alpha is from 0.05-0.09. The purpose of Crobach's alpha is to prove that multiple measures of the same thing (George & Mallery, 2003).

According to George & Maller, if the Cronbach's alpha value is between 0.70 & 0.90, the internal consistence of measuring variables are highly reliability. While it is greater than 0.90, there is excellent reliability of variables. And then if the value is between 0.50 & 0.70, the variables are moderately reliable. However, if the Cronbach's alpha value is less than 0.50, the

consistency of variables has low reliability. Therefore, the measuring variables in this case will be unacceptable.

Table 3. 9 Reliablity test value of each measuring variables

Variable	Item	Cronbach's Alpha	Comments
Logistic Capability	5	0.826	Accepted
Government Factor	5	0.845	Accepted
Wholesaler Motivation	5	0.821	Accepted
Distribution strategy	5	0.807	Accepted
Effective Dis. System	6	0.767	Accepted
Overall Reliability	**31**	**0.843**	Accepted

Source: own survey, 2018

Hence the above table 3.6 shows that the internal consistency of measuring variables was highly reliable.

4.3.2. Normality test

Normality test is one of the assumption tests to check whether the data is normally distributed. The normality test can be checked in terms of normality plot graph or Skewness and Kurtosis value. When data is normally distributed, the Skewness and Kurtosis z-value should be between -1.96 and +1.96 (Field, A., 2013).

Table 3. 10 Normality test of statistic

		L. capability	Govt. factor	W. motivation	D. strategy	ED. System
N	Valid	355	355	355	355	355
	Missing	0	0	0	0	0
Skewness		-.705	-.044	-.703	-.264	-.197
Std. Error of Skewness		.129	.129	.129	.129	.129
Kurtosis		.327	.519	.738	.663	.169
Std. Error of Kurtosis		.258	.258	.258	.258	.258

Source: own survey, 2018

The above table 3.7 shows that each z-value of Skewness and Kurtosis are between the ranges. Therefore, this implies that data is normally distributing. Moreover, let's see the normality assumption plot test:

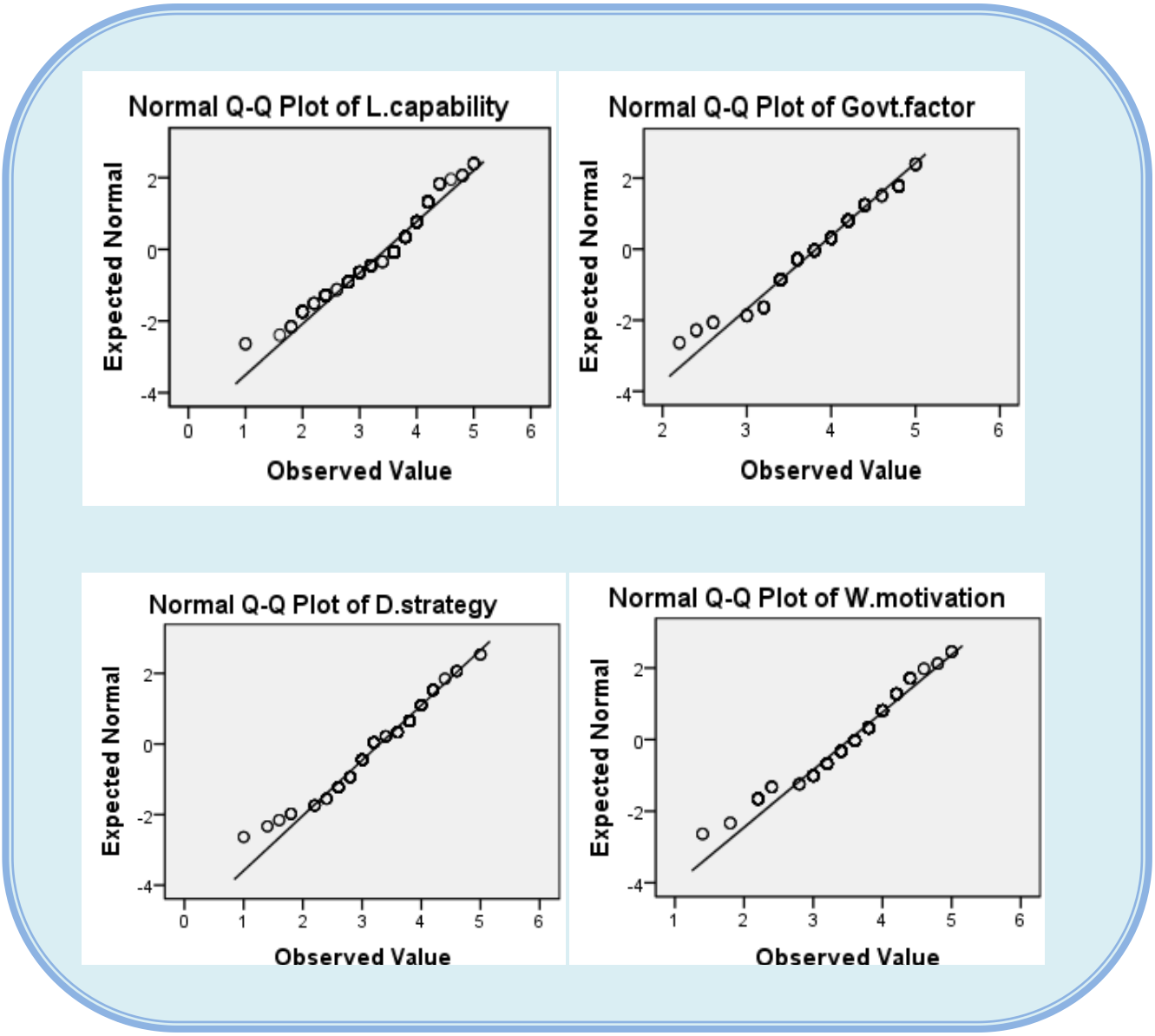


Figure 1. 8 Normality plot test. Source: Own survey, 2018

4.3.3. Multicollinearity Test:

Multicollinearity diagnosis test is an important assumption to analyze the relationship between predictors. It is a non-linear regression analysis,which is used to analyze relationships that do not

have a straight-line pattern.. In multiple linear regression, multicollinearity test provides information that whether there is strong relationship (correlation) of a number of predictors with other predictor.

Therefore, if the variance inflation factor value is greater than 10, there will be a serious multicollinearity problem whereas when tolerance values below 0.2 indicates serious multicollinearity problem:

As a rule of thumb:

- The coefficient of the tolerance value is greater than 0.2 (Menard, 1995)
- Variance inflation factor (VIF) value is less than 10 (Myers, 1990).

Table 3. 11 Collinearity test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	L. capability	.510	1.961
	Govt. factor	.963	1.039
	W. motivation	.783	1.277
	D. strategy	.504	1.984

a. Dependent Variable: ED. System

Source: Own survey, 2018

According to the above table 3.8 shows that each predictor has tolerance value greater than 0.2 and the variance inflation factor value less than 10. Therefore, this implies that there is no serious multicollinearity problem between the independent variables.

4.4.Inferential Statistics

4.4.1. Correlation Test

Pearson correlation is the first parametric test to measure the presence or absence of linear relationship between two variables. In addition to this, Pearson correlation also shows the strength of that relationship and its direction. That is the variables may have positively or

negatively related. According to Zaid, 2015 revealed that the correlation coefficient has a value ranging from -1 to 1. If the value of Pearson correlation is "1", it is perfect positive correlation, "0", there is no correlation and if its P. correlation is"-1", it is perfect negative correlation.

Table 3. 12 Correlation test

Correlation test				
Independent variables	**Dependent variable (EDS)**			
	Pearson correlation	**Sig. (2 tailed)**	**N**	**Result**
L. capability	0.610	0.000	355	Has positive & significant relation
Govt. factor	0.226	0.000	355	Has positive & significant relation
W. motivation	0.414	0.000	355	Has positive & significant relation
D. strategy	0.656	0.000	355	Has positive & significant relation
Hypotheses versus the correlation test				
Hypotheses			Result	Reasons
H1a :LC has a positive & significant effect on the EDS			Yes	All p-value=0.001, which is <0.005 & all of Pearson correlation is b/n "+1 & 0"
H1b: GF has a positive & significant effect on the EDS			Yes	
H1b: WM has a positive & significant effect on the EDS			Yes	
H1b: DS has a positive & significant effect on the EDS			Yes	

Source: Own survey, 2018

As of table 3.9 shows each variable of the Pearson correlation has between "0" and "1" as well as P-value less than 0.05. Therefore, all variables have a positive and significant relation with the effectiveness of the company distribution system.

4.4.2. Multiple Regression analysis:

Multiple linear regression analysis is the non functional model. It is one of the statistical analyses used to test the relationship between output variable and the set of input variables. Multiple regression analysis is also an important statistical tool to estimate the level of predictor cause and effect on the predicted variable. Sometimes it is said to be a predictive techniques (Bluman,

2009). There are four tables under regression analysis in SPSS statistical software. Each table shows that it's all about the relationship and effect of dependent and independent variables. The detail interpretation of the outcomes is as follow:

Table 3. 13 Variable entered model

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	D. strategy, Govt. factor, L. capability, W. motivation[b]	.	Enter

a. Dependent Variable: ED. System

b. All requested variables entered.

Source: Own survey, 2018

Table 3.10 indicates that the dependent and independent variable entered to be analyze. There for as shown the above table model, the dependent variable is the effectiveness of distribution system (ED. System) and the independent variables are the distribution strategy (D. strategy), the government factor (Govt. factor), the logistic capability (L. capability) and the wholesaler motivation (W. motivation).

Table 3. 14 Model of summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713[a]	.508	.503	.343

a. Predictors: (Constant), D. strategy, Govt. factor, W. motivation, L. capability

Source: research survey, 2018

Table 3.11 shows that R=0713 (71.3%), R^2=0.508 (50.8%) and the Adjusted R^2=0.503 (50.3%). This above model shows that the relationship between the dependent and independent variables. Thus, the effectiveness of the distribution system has a correlation coefficient of 0.713. R^2 is important to explained the variants of the dependent variable; it is just the square of R $(0.713)^2$. As the name implies the correction of R-squared said to be adjusted R^2, this is important to reduce the over estimation of R^2. Normally the value of adjusted R^2 is smaller than R^2 thus,

usually the key value of the adjusted R^2 model is very important to capture the variants of the output variables (Field, 2005).

Therefore, the above table 3.11 indicates that, 50.3% the variation of the dependent variable (effectiveness of distribution system) explained by the independent variables and 49.7% of the variation of the effectiveness of distribution system of Repi-Wilmar factory may be accounted by other unexplored variables.

Table 3. 15 ANOVA test

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.514	4	10.628	90.477	.000[b]
	Residual	41.115	350	.117		
	Total	83.629	354			

a. Dependent Variable: ED. System

b. Predictors: (Constant), D. strategy, Govt. factor, W. motivation, L. capability

Source: own survey, 2018

Analysis of variation (ANOVA) is the third table of model in regression analysis to decide whether the regression model is strictly significant or not. If the p-value is below 0.05 or 5%, the ANOVA equation is estimated as statistically significant. The F-ratio is calculated by dividing mean regression by mean residual. If the F-ratio is greater than one, the model is valid (Harrell, 2001).

As of the above ANOVA table 3.12 indicates that the p-value of the overall model is 0.001 (not described as p=0.000) and F-ratio is 90.477.

Therefore, this implies that the model is valid since the F-ratio is greater than one (90.477) at 4 and 350 degree of freedom and it statistically significant to the data at 95% confidence interval because the P-value is less than 0.005.

Table 3. 16 Coefficient model

Coefficients[a]

Model		Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.013	.171		5.932	.000
	L. capability	.157	.029	.284	5.417	.000
	Govt. factor	.130	.038	.130	3.403	.001
	W. motivation	.102	.039	.110	2.600	.010
	D. strategy	.258	.034	.396	7.505	.000

a. Dependent Variable: ED. System
Source: own survey, 2018

The last important table of regression is coefficient table which indicates whether the predictor has significant contribution on the output variable or not. The T-test has associated with the P-value to check the significant contribution of the model. The smaller value of Sig ($P<0.05$) and the larger the T-value, indicates there is high significant of contribution of predictors on dependent variables. As per the above table 3.13, the prediction level of independent variables indicates as the model of (t (df) = t-value, at P-value < 0.005). For example, the logistic capability (t (354) = 5.417, $P<0.05$); government factor (t (354) =3.403, $P<0.05$); wholesaler motivation (t (354) = 2.600, $P <0.05$) and distribution strategy (t (354) = 7.505, $P< 0.05$) are all indicates that they are positive significant contribution on the effective distribution system of the company. From this model, it is possible to conclude distribution strategy has high significant effect on the output variable and wholesaler motivation has relatively low impact on the distribution system whereas the remaining variables had medium impact on the dependent variables compare to other input variables.

On the other hand, the information of the real effect of relationship between dependent and independent variables are shown by the value of standard coefficient table of regression model (Beta value). Here there is constant and beta coefficient in order to get good prediction of the dependent variables by independent variables. The constant value is used as the initial value when the beta value becomes zero. However, according to the above table 3.13 depicts that there are four beta values align with each independent variable.

The table 3.13 indicates that the p-value of each predictor is 0.001 (p=0.001) and the beta coefficient values are all positive. These results have more interpretation. Such as:

- All predictors are strictly significant or valid
- All independent variables are directly associated with dependent variable since the beta value of all predictors are positive
- Hence the constant value is 1.013, Beta value of LC is 0.284, GF is 0.13, WM is 0.11 and DS is 0.396t; therefore, using this value, the theoretical estimated model of the coefficient table is:

  $Y=a + b_1x_1 + b_2x_2 + \ldots + e$ ***(here is the regression model)***

  $EDS= a + b_1LC + b_2GF+ b_3WM + b_4DS + e$ (this is adopted from the above model)

  $EDS= 1.013 + 0.284LC + 0.13GF+ 0.11WM + 0.396DS + e$

The above model implies that:

- Based on the four independent variables, it is possible to predict the dependent variables. If a unit change of each independent variable leads a significant variation of dependent variable by some value.

For instance, based on the above estimated model, the predictors can explain the predicted for:

- ✓ Every 1% change of DS, EDS changes by 39.6% by remaining other predictors
- ✓ Every 1% change of LC, EDS changes by 28.4% by remaining other predictors
- ✓ Every 1% change of WM, EDS changes by 11.0% by remaining other predictors
- ✓ Every 1% change of GF, EDS changes by 13.0% by remaining other predictors

4.5. Test of Hypotheses

The multiple linear regression analysis of the coefficient table is very important statistical model or table to reject or accept the hypothesis test of the research. Let's see and evaluate each hypothesis:

Hypothesis-a: Logistic capability (LC) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- Ha-0: LC will not have a positive and significant effect on the EDS.
- Ha-1: LC will not have a positive and significant effect on the EDS.

The above table 3.13 shows that the beta coefficient value of the logistic capability is 0.284 and the p-value is 0.001 which is less than 0.05 ($p < 5\%$). This indicates that the logistic capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Ha-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Ha-1) is failing to reject since it was supported by data set as well.

Hypothesis-b: Government factor (GF) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- Hb-0: GF will not have a positive and significant effect on the EDS.
- Hb-1: GF will not have a positive and significant effect on the EDS

The above table 3.13 shows that the beta coefficient value of the government factor is 0.13 and the p-value is 0.001 which is less than 0.05 ($p < 5\%$). This indicates that the logistic capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Hb-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Hb-1) is failing to reject since it was supported by data set as well.

Hypothesis-c: Wholesaler motivation (WM) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- Hc-0: WM will not have a positive and significant effect on the EDS.
- Hc-1: WM will not have a positive and significant effect on the EDS

The above table 3.13 shows that the beta coefficient value of the logistic wholesaler motivation is 0.11 and the p-value is 0.001 which is less than 0.05 ($p < 5\%$). This indicates that the logistic

capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Hc-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Hc-1) is failing to reject since it was supported by data set as well.

Hypothesis-d: Distribution strategy (DS) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- Hd-0: DS will not have a positive and significant effect on the EDS.
- Hd-1: DS will not have a positive and significant effect on the EDS.

The above table 3.13 shows that the beta coefficient value of the distribution strategy is 0.396 and the p-value is 0.001 which is less than 0.05 ($p < 5\%$). This indicates that the logistic capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Hd-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Hd-1) is failing to reject since it was supported by data set as well.

Table: Summary table to check whether the hypotheses are rejected or accepted

Table 3. 17 Summary table to check wether the hypothesis is rejected or accepted

Hypotheses	Result	Reasons
H1a :LC has a positive & significant effect on the EDS	H0a-rejected	Beta=0.284 & P=0.001
H1b: GF has a positive & significant effect on the EDS	H0b-rejected	Beta=0.130 & P=0.001
H1b: WM has a positive & significant effect on the EDS	H0c-rejected	Beta=0.110 & P=0.001
H1b: DS has a positive & significant effect on the EDS	H0d-rejected	Beta=0.396 & P=0.001

Source: Own survey, 2018

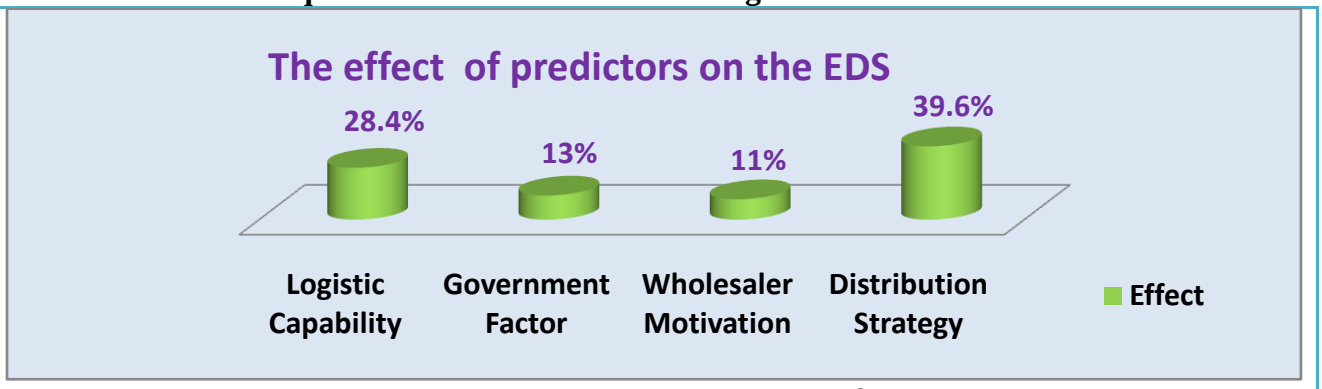
4.6. Result and Discussion

The aim of this study was to investigate the major factors that affect the effectiveness of distribution systems of Repi-wilmar Soap and Detergent SC. According to the research findings, the independent variables such as distribution strategy, the logistic capability, government factors and wholesaler motivation have a positive relationship with the dependent variables

(effectiveness of the distribution system of the company). Even though there are other extra variables having a significant effect on the company distribution system, different scholars showed that distribution strategy, logistic capability, government factors and wholesaler motivation are an important variables that influence the effectiveness of the company distribution system. Hence the previous research found that there is a positive relation between the impute variables (DS, LC, GF & WM) and output variables (EDS).

Based on the result finding, the summary of major findings along with the research question has revealed that as below:

Table 3. 18 Research questions versus the result findings



Research Questions versus the result findings

Research questions	Result	Effect
RQ#1: To what extent the LC influences on the EDS of Repi-Wilmar SC.?	Yes	28.4%
RQ#2: How do the GFs influence on the EDS of Repi-Wilmar SC.?	Yes	13.0%
RQ#3: How does the WM influences on the EDS of Repi-Wilmar SC.?	Yes	11.0%
RQ#4: How does the DS influences on the EDS of Repi-Wilmar SC.?	Yes	39.6%

Source: Own survey, 2018

Compare to the previous research findings, this study has the following results:

- In the first place, the change of 1% up or down of the distribution strategy can vary the effectiveness of distribution system of the company by 39.6% similarly up or down with remaining other variables constant (LC, GF & WM). This implies that distribution strategy is an important variable that affects the distribution system of Repi-Wilmar Soap Factory.

Similar findings has ensured in fast-moving consumer goods in Kenya by Mwanza p. and Ingari B. (2015). According to Mwanza & Ingari, distribution strategies such as direct, intensive and indirect distribution strategies are the crucial factors to achieve the competitive advantage in the market since it is highly influence the flow of products from producer to end-consumer.

- Secondly, 28.4% of the variation of effectiveness of the distribution system has influenced by the logistic capability of the company with remaining other variables constant (DS, GF & WM). This implies next to distribution strategy, logistic capability can affect the distribution performance of Repi-Wilmar SC. This finding has strongly linked with previous research conducted by Yatsyshina P. (2016) on a particular distribution network design in the Russian market. This research found out the logistic capabilities (warehousing facilities & transshipment facilities) are strongly influence the distribution network design. In similar way, the previous research conducted by Kuswantoro F. et al (2012) and by Prajogo D. & Olhager J. (2009) found that the transportation (logistic) coordination or operation integration (logistic performance) has strongly affect the flow of products between two parties.
- Then the effectiveness of the distribution system has also vary by 13.0% due to the change 1% of the government factors with remaining other variables constant (DS, LC & WM). Hence there is positive relationship between the government factor and the distribution system of the Repi-Wilmar SC in Ethiopia. Strong evidence was found by Nyalita A. (2009) about how government factor is an issue to distribute the products to customer. According to Nyalita, legal issues and government regulation are the major challenges that affect the distribution performance. An alternative views was found by Ronald, (2010). According to him, infrastructure is another serious government factor that affects the distribution system of the factory.
- Finally, compare to other variables in this study, wholesaler motivation is less likely affect the effectiveness of the company distribution system. However, the effectiveness of the distribution system was explained by 11.0% due to the variation of 1% of the wholesaler motivation by remaining other variables constant (DS, LC & GF). This implies there is a positive relationship between wholesaler motivation and the effectiveness of company

distribution system. According to Healey S. (2013) found out customer factors (way of customer approach) one of the factor that affect the performance of the distribution channels.

Furthermore, to review and analyze how the input variables affect the effectiveness of the distribution system of Repi-wilmar soap and Detergent Factory, 7-interview question was developed and conducted with the company top managers from sales and marketing departments; supply chain and procurement department as well as finance department. After interview has made, the following results was organized and pointed out.

1. **Can you explain about the existing organizational structure of Repi-Wilmar Manufacturing Company in relation to distribution, sales and marketing?**

- *Yes. Currently, Repi-Wilmar SC. managed through Managing Directors followed by General Manager (GM). All department managers are responsible to the General Manager. Regarding to sales and marketing, the department manager leads the activity of sales plan, distribution, marketing and logistics for outbound, whereas, the inbound logistics has managed through supply chain with responsibility of stock management and procurement.*

2. **How do you evaluate the effectiveness distribution system of Repi-Wilmar SC.?**

- *Frankly speaking the performance of our company in terms of the product distribution system is not as such considered as satisfactory. So far my understanding, I notice our company gradually becomes challenged to sale the existing products. Sometimes our warehouses become overstocked. On the other hand, still there are many untapped areas in Ethiopia. This means there are areas which can't be covered by the company products. Furthermore, the large number of population of Ethiopia is another source of demand but we can't utilize this demand opportunity as well. This indicates that our company could not fully utilize all markets across the country. This implies that there are some gaps in our company distribution system. Therefore, considering this, now our company will have a plan to review the existing distribution system and develop the best distribution system to cover more market and satisfy the need of customers.*

3. **How Repi-Wilmar is distributing its product to outlets?**

Our company followed different distribution mechanisms. Mainly Repi-Wilmar distributes its product to customers through different channels. Such as:

- ✓ ***Regional outlets:*** *This channel passes through 3-level or intermediaries. That is: Company → Distributor → wholesaler → retailer → consumer respectively. This channel was implemented on upcountry market which is out of Addis Ababa market.*
- ✓ ***Wholesale outlets:*** *This is another 2-level of channel served only Mercato, Addis Ababa market. The products are distributing directly from the company to wholesaler then retailers, finally reach to end-consumers.*
- ✓ ***Institution Outlets:*** *Through this channel, the company distributes its products to different institution such as university, hospital, military or armed force, upcoming bids and NGOs, etc.*
- ✓ ***Key Account Outlets:*** *This is also another zero-level channel served directly by the company such as supermarkets, Airlines, Embassies and etc.*
- ✓ ***Retailer Outlets:*** *This is a zero-level channel only served in Addis Ababa market. The company served these outlets by means of door-to door mechanism directly by company truck.*

Therefore, Repi-Wilmar SC utilized the above mentioned 5-channels to distribute its products to their own customers or outlets.

4. **Is it any government issues that affect the operation of the company distribution system?**

- *Yes, especially the regional market is highly affected by the government factors. Van sales (direct distribution by company truck) and regional distributors to sell out of their region should be expected to have a separate license or approval from regional trade minister office.*

In addition to this, the government weak infrastructure, traffic congestion, insufficient mode of transportation also other major factors that affect the day to day distribution system of our company. These all hassling are very challenging to distribute the company products as well. Furthermore, currency issues and political instability of our country was a serious problem to distribute our products specially the last two years back.

5. **Does Repi-Wilmar motivate customers to facilitate the efficiency of distribution system?**

- *Yes but not satisfactory. Depending to the situation, our company tried to motivate our customers through volume related discount, free deliver support and credit facility. Specially discount and free deliver support is a seasonal occasion. During slack seasons the company provides the discount, free delivery support and credit facility only to enhance the sales volume. This motivational package and program is inconsistent. But to develop effective distribution system and being competitive in the market sustainably, our company should have a plan to do more regarding to customer motivational program than ever.*

6. **Does Repi-Wilmar's logistic department capable to facilitate the effectiveness of the company distribution system?**

- *Currently, the demand of the product across the country becomes large. Also the competition of rivals with similar industry in the market is getting tough. Previously, the logistic department was not challenging to facilitate the distribution of the company products since the production capacity of Repi-Wilmar was minimum than the current capacity. Besides the competition in the market was no difficult. But now the production capacity of the company and the competition of the market become totally different from before. Currently, the logistic department is not as such capable to facilitate the operation of the distribution system of the company. Without a significant differences of logistic activities, the production capacity and the market competition becomes stronger than the previous one. Therefore, unless the logistic department supported by budgeting, resources*

(vehicles & human), forecasting & planning; the effectiveness of the distribution system is getting challenged more.

7. **Do you have any additional comments?** *No more. Thank you*

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Introduction

This chapter comprised the conclusion and recommendation part of the study. The study was entitled on determinants of effectiveness of distribution system in the case of Repi-Wilmar Soap and detergent SC. The aim was to identify the variables that affect the company distribution system; investigate the relationship between those variables and the effectiveness of the company distribution system then it reviews to what extent the variables could influence the output variables. This study was organized into five chapters. Each chapter was clearly defined to capture the research objective. In relation to summary of major findings, conclusion and recommendation part of the study has been described in this chapter.

5.2. Summary of Major Findings

The result of the findings showed that the majority of participants were 30-40 years old male respondents having more than 10 years work experiences. The investment capital of the majority of respondents was from 25,000-49,999 Birr and their monthly income was greater than 25,000 Birr.

In addition to this, the parametric test of association was analyzed by correlation analysis while based on regression analysis; to what extent the independent variables are predicted the output variable is determined. The following major findings can be carried out:

The result findings had been supported by regression analysis. The major findings revealed that there is a significant positive relationship between the input variables (DS, LC, GF and WM) and the output variable (EDS). Let's see its impact on the effectiveness of the distribution system.

- In the case of logistic capability, the result is supported by regression analysis which indicates that there is positive and statically significant relationship between the logistic capability and effectiveness of the distribution system (at $b= 0.284$, $p < 0.05$). This implies

that 28.4% of the effectiveness of distribution system (EDS) was predicted by the variation of 1% of the logistic capability. If Repi-Wilmar increases the logistic facility such as warehouse management, number of delivery trucks, manpower and so on, the effectiveness of the distribution system will be enhanced at some level as per the regression estimated model mentioned above.

- From the government factor perspective, the result has supported by regression analysis (at b= 0.130, $p < 0.05$) which indicates that there is positive and statically significant relationship between the government factor and effectiveness of the distribution system. This implies that 13.0% of the effectiveness of distribution system (EDS) was accounted by the change of 1% of the government factor. Now a day, there are many challenges from the government side that affect the distribution system of the Repi-Wilmar SC. If the government factors revised and improve to some extent, linearly the effectiveness of the distribution system will also certainly improved. For example, if the trade policy, the traffic congestion, currency issue, infrastructure, mode of transportation, political instability and other related issues will be improve at some level, similarly the effectiveness of the distribution system also progress based on the regression estimated model mentioned above.
- The wholesaler motivation also another parameter this study to measure the output variable. The result of findings in relation to wholesaler motivation is supported by regression analysis (at b= 0.110, $p < 0.05$) which indicates that there is positive and statically significant relationship between the wholesaler motivation and effectiveness of the distribution system. This implies that 11.0% of the effectiveness of distribution system (EDS) was explained by the change of 1% of the wholesaler motivation. If Repi-Wilmar develop more motivational package such as trade offer, bonus, free delivery, prizes and long term credit facility, the effectiveness of the distribution system will be advanced at some level as per the regression estimated model mentioned above.
- The final major finding obtained from this study is the impact of distribution strategy. The result of findings in relation to distribution strategy also supported by regression analysis (at b= 0.396, $p < 0.05$) which indicates that there is strong positive and statically significant relationship between the distribution strategy and effectiveness of the distribution system. This implies that 39.6% of the effectiveness of distribution system (EDS) was influenced by

the increase of 1% of the distribution strategy. Except Addis Ababa retailer, around 90% of the sales revenue Repi-Wilmar comes from other outlets using indirect distribution strategy. If Repi-Wilmar revise the existing distribution strategy and focus on direct distribution strategy intensively to some level up, similarly the effectiveness of the distribution system will be grow up at some level as per the regression estimated model mentioned above.

- Final data from interview also indicates the effectiveness of distribution system of Repi-Wilmar is not as such satisfactory yet due to some barriers from the government side, unsatisfactory customer motivational package, weakness of operation on outbound logistic department and limitation of distribution strategy. As of the discussion obtained from sales and marketing employees, the undelivered report & the limitation of warehouse availability are one of the predictions of weak performance of distribution and operation logistic activity. The distribution strategy was not yet revised. This is also another impact for unsatisfactory performance of the distribution system. The company also not provide remarkable package to customers at wholesale level to motivate them more. Therefore, to this extent more information from interview has revealed about how the logistic capability, distribution strategy, wholesaler motivation and government issues has been influenced the company distribution performance.

5.3. Conclusion

Based on the research findings, this study concluded that all independent variables (distribution strategy, logistic capability, government's factor and wholesaler motivation) have positive and significant contribution and relationship with the effectiveness of the distribution system of Repi-Wilmar Soap and detergent Company. Especially distribution strategy and logistic capability have relatively more contribution to effectiveness of the distribution system than the government factor and the wholesaler motivation.

Usually developing best distribution strategy has dramatic impact on the company distribution system. As per the study findings, a unit change of the independent variables will be accounted to positive and significant variation of the effective distribution system of the company as per the estimated regression model.

On top of that, based on statistical test, the study concluded that the null hypothesis of each input variables (Ho of logistic capability, Ho of government factor, Ho of wholesaler motivation and Ho of distribution strategy) are all rejected. This means the alternative hypothesis of all input variables on the dependent variables are failing to reject. Different literature review and research findings are supported this conclusion.

5.4. Recommendation

In today's global environment, the main reason for failing to deliver the company products to the right customers at the right time and place is due to poor distribution system designed. The consequence of poor distribution also leads to adverse effect on the entire company performance. According to Rolnicki K. (1998), every distribution channel is influenced by consumer buying behavior; economic, political & legal factors; technological changes, international macro influences and channel member preferences. Due to the dynamics nature of these factors, companies must frequently evaluate and monitor the performance of their distribution channels. The evaluation and monitoring has to be done regularly for better results. When performance goals are not met, other possible channel alternatives must be evaluated and changes implemented.

Similar to the above study, this research attempts to investigate the major factors that affect the company distribution system of Repi-Wilamr and examine the relationship between those factors and the output variable. Based on the study findings and conclusion, the following recommendation and suggestion has been carried out regarding to the company distribution strategy, the company logistic capability, the government's factor, the wholesaler motivation, for future research and other suggestion.

Regarding to distribution strategy:

- The company should revise the indirect distribution strategy and build a different distribution center to create strong and close network business relationship with all business partners.

- The company direct distribution strategy is only limited to Addis Ababa retailer outlets. However, to be competitive, to get more market share, to satisfy the need of customers and to maximize the effectiveness of the distribution system; Repi-Wilmar should expand the direct distribution strategy intensively to outlets like regional and wholesaler outlets.

Regarding to wholesaler motivation:

- The business relationship between the company and customers should always be win-win principle of business approach
- Different incentive package should be provided to motivate the potential customers. In order to capture the potential customers and build long term profitable business relationship, a variety of seasonal and occasional incentive package is very important to build effective distribution system. For example, prizes, bonus, trade offer, free deliver and long term credit facility are the main motivational packages which motivate the customers more.

Regarding to logistic capability:

- The company provide different distribution center (depots or mega warehouse) at different region to be near to customers and recruit professional manpower to advance the logistics and distribution performance of the company.
- The company designed mega distribution system. Appoint mega distributors by segmented the market as per the market size or potential. Then the company provides sales team to give technical and professional support to distributors. The inactive and week active company's distributors should be cancelled
- The company should consider the logistic department is the main strategic unit like other department. The logistic department should be well equipped by technology, manpower, finance (budget) and transport (Van, truck) in order to maximize the distribution performance.
- The manual operation of the company logistic department should be substituted by automation or SAP system to facilitate the distribution system.

Regarding to government factor:

- Compare to other factors this variable is much challenged. Because the issue is an external factor, it is expected to have further discussion and agreement between the company and the government to make the distribution system is more comfortable to the company and customers.
- The company should review the value and utility of distributing the company products by a separate license as per the regulation of trade minister office. Then after confirmed what gains and what losses, the company should adjust and design the best strategy to create effective distribution system without conflict with the government trade policy.
- Regarding to the traffic congestion especially in Addis Ababa at day time, the company should provide own truck and set the delivery scheduled. If the company plan to load the products for regional outlets at the time of high traffic congestion, and discharge the truck at the early in the morning and evening having the time of less traffic congestion, to some extent it is possible to reduce the challenges of overcrowded traffic jam in Addis Ababa.

Regarding to future research:

As per the study findings through regression of Model summary table 50.3% variance of the effectiveness of the distribution system was explained by predictors (DS, LC, GF & WM). Hence the model can be considered as a good predictor. However, the remaining 49.7% of the variations of effectiveness of distribution system of Repi-Wilmar SC were not explained by this study. Therefore, this implies that it is possible to expect other variables that influence the effectiveness of the distribution system of the company for next further study. These variables will be utilize as a bench mark for future research

Regarding to other suggestion

Finally, besides the above suggestion and recommendation so as to improve the best distribution system it is highly recommended that the company should do the following major points:

- The company established highly professional, skilled, experienced and committed manpower.
- The company develop different capacity building and work out a variety of management development program (MDP)
- The company should work on effective teamwork sprit
- The company should established well working environment

BIBLIOGRAPHY:

Achuora, O. Arasa, M. Nzioki, W. Ochiri, G and Muangangi, P. (2012), Factors Affecting distribution performance for pharmaceutical Products in Kenya Sector. Vol.VII, No.02

Adimo, A. et al. (2017), The impact of distribution channel differentiation on organizational performance: The case of Sameer Africa Limited in Nairobi, Kenya, Vol.5, No.2, pp.1-11, March 2017

Amara, S. (2012), The Effect of Marketing Distribution Channel Strategies on a Firm's Performance among Commercial Banks in Kenya, School of Business, University of Nairobi.

Ambrosino, D., & Scutella, M. G. (2005), Distribution network design: new problems and related models. *European journal of operational research*: Vol. *165*(3), pp. 610-624.

Amos, P. (2007), Responding to global logistics trends with a National Logistics Strategy, World Bank, Bangkok.

Antoaneta, N. et al. (2008), Successful Market Coverage Strategy-the path to Retailers: a study of the Bulgarian office products retailer.

Arnold R. and Quelch, T. (2008), Balancing marketing and supply chain activities. Journal of Marketing - Theory and Practice: Vol. (6), pp. 41- 50.

Ataollah Mohammadi Malgharni, W.F.W.Y.A.V.C.A. (2011), The Method for Measuring and Disclosure of Non- Financial Performance. *Australian Journal of Basic and Applied Sciences: Vol. 5*(12), pp.1133-1145.

Bluman, Allan G., (2009), Elementary Statistics: A step by step aprroach. McGraw-Hill companies, 7th edition.

Brown, James R., (1979), "Methods of Conflict Resolution: Some Empirical Results," in Educators' Conference Proceedings, Series 44, Neil Beckwith et al., eds. Chicago: American Marketing Association, pp.495-9.

Burnes, A. and Bush, R. (2003), Marketing Research: *Online Research Application*. 4th edition, Prentice Hall: New Jersey, p120

Butaney, Gul, "Managing Conflict in Franchised Distributive Systems," in Franchising Challenges and Opportunities in the 1990's and Beyond, James R. Brown, ed. Lincoln, NE: International Center for Franchise Studies, University of Nebraska, Paper 15, 1989.

Cadotte, E. & Stern, L. "A Process Model of Interorganizational Relations in Marketing Channels," Research in Marketing, 2, pg.27, 1979

Camp, W.G. (2001). Formulating and Evaluating Theoretical Frameworks for Career and Technical Education Research. *Journal of Vocational Educational Research*, 26(1), 27-39.

Capgemini Consulting, (2011), "Channel strategy: Framework for success", p.3-14

Christopher M. & Towill D (2002), Developing Market Specific Supply Chain Strategies: International Journal of Logistics Management, Vol. 13, No. 1, pp. 1-14

Chwen-Tzeng, Su.(1999), "Dynamic vehicles control and scheduling of multi-depot physical distribution system", *Integrated Manufacturing System*, Vol. 10/1, p. 56-65

Clow, K. (2007), Integrated Advertising, Promotion, and Marketing Communications, Prentice

Cohen, W.M., Nelson, R.R. and Walsh, J.P. (2000), Protecting their intellectual assets: appropriability conditions and why US manufacturing firms patent or not, working paper 7552, National Bureau of Economic Research, Cambridge, MA,

Crewswell John W., (2009), Research design: Qualitative, Quantitative and Mixed methods Approach, 3rd edition, sage publication.

Cuellar, S., (2013), Key Factors in Choosing a Distribution Channel, Dyson School of Applied Economics and Management: Cornell University

Dicken, P. (2003). Global shift: Reshaping the global economic map in the 21st century. Sage, 123-125

Doane, D.P., & Seward, L.E (2011), Measuring Skewness. Journal of statistics education, Vol. 19(2), pp. 1-18

Dwyer, F. Robert & John F.Tanner, Jr., 2002, Business marketing connecting strategy, relationship, and learning, (2nd edition), New York: McGrew-Hill, pp.268-299.

Fayaz, R. & Azizinia, M. (2016), Current Challenges in Distribution Channels of Cultural Goods & Services: Industrial Management Institute. Islamic Azad University: Iran. Vol.3 PP 75-85

Federal Democratic of Ethiopia, Negarit Gazeta, 2016, Commercial Registration and Business Licensing Proclamation No.980/2016 p.9194. Ethiopia

Field, A., (2005), Discovering Statistics USING SPSS (Introducing Statistical Methods Second Edition). Sag Publication.

Field, A., (2013), Discovering Statistics USING SPSS (Introducing Statistical Methods: Fourth Edition), Sag Publication.

Frazier Gary L and Raymond C Rody (1991), the use of Influence Strategies in Interfirm Relationships in Industrial Product Channels, Journal of Marketing, 55, January, 52-69

George, D., & Mallery, P. (2003), *SPSS for Windows step by step: A simple guide and reference.11.0 update (4th edn.)*. Boston: Allyn & Bacon.

George, K. & Iravo, M. (2014), Factors Affecting the Performance of Distribution Logistics among. Production Firms in Kenya: A Case Study of Bata Shoe Company (K) Limited: *International Journal of Research in Business and Social Science*. Vol.4, No.10

Ghazaleh Moghareh Abed, Mohammad Haghighi, (2009), "The effect of selling strategies on sales performance", Business Strategy Series, Vol. 10 Issue: 5, pp.266-282,

Grant, C. & Osanloo, A. (2014). Understanding, Selecting, and Integrating a Theoretical Framework in Dissertation Research: Creating the Blueprint for your 'House'. *Administrative Issues Journal*, Vol. 4, Issue 2.

Guan, W., (2010), Development in distribution channels: A case study of a timber product distribution channel. Linköping University, Thesis No. 1458

Hair, J.F., Black, W.C.,Babin, B.J., and Anderson, R.E, (2010), Multivariate Data Analysis: Global *Perspective.* 7th Edn., Pearson Education Inc. Hall, New Delhi.

Harrell, F. E. (2001), "Regression Modeling Strategies: eith application to linear model, logistic regression, and survival analysis," Springer-verlag, New York.

Hinton, P. R., Brownlow, C., Mcmurray, I. & Cozens, B. (2004), *SPSS explained,* East Sussex, England, Routledge Inc.

Hoyer & Maclinnis, (2010), Consumer behavior: 5th edn, South-Western.USA

Kabus, J., et al., (2017), Managing the Company's Distribution System, Poland: World Scientific News, Vol. 78, pp. 277-283

Keller, K. (2008), Strategic Brand Management, Pearson Publication, New Delhi,.

Khanna, R., Jackson, D. M. & d'Amico, M. F. (2005), Managing Development in Interaction. Routledge, London.

Kotler, P. and Armstrong, G. (2001), *Principles of Marketing*, 9th edn, New Jersey: Prentice – Hall Inc.

Kotler, P., & Armstrong, G. (2010), Principles of marketing (13th edn.): *Global Edition*, NJ: Pearson Publication.

Kotler, P., and Armstrong G. (2012), *Principles of Marketing*, 14th edn., Prentice Hall, p. 341-344

Kotler, P., and et al., (2002), Principle of marketing, 4th edition., England: Pearson Education Limited, Prentice, p. 605-924

Kuswantoro, F., et al., (2012), Impact of Distribution Channel Innovation on the Performance of Small and Medium Enterprises. **International Business and Management .**Vol. 5, No. 1, pp. 52-61

La-Londe, Martha, Cooper, & Noordewier. (1998), A management perspective: Customer service. pp. 51-56.

Lambert, Boughton, and Guy R. Banville, (1986), "Conflict Resolution in Organizational Buying Centers," Journal of the Academy of Marketing Science, pp. 57-62

Lancaster, Geoff & Massingham, Lester, (2011), Essential of Marketing Management, British: Rouledge group, 1st edition, pp.273-353

Langley C.Jr., Coyle J.J., Gibson B.J., Novack R.A., Bardi E.J.(2009) Managing supply chains. A logistics approach. South - Western, 409 - 425.

Lehtonen, J (2009), "Production and supply management strategies in Nordic paper. Age International Publishers mills",Scandinavian Journal of Management, Vol. 17 pp.379 -96

Lovell, A., Saw, R., & Stimson, J. (2005). Product value-density: managing diversity through supply chain segmentation. The International Journal of Logistics Management, 16(1), 142-158

Mangiaracina, R., Song, G., & Perego, A. (2015), Distribution network design: a literature review and a research agenda: *International Journal of Physical Distribution & Logistics Management*. Vol. *45*(5), pp. 506-531.

Manjunatha N. and Dr. Ashwini Kumar B. J., (March, 2016), A Bibliographic Research on Export Marketing-A Strategic Model for Export Performance, *The International Journal Of Business & Management (ISSN 2321–8916)* , Vol.4, Issue 3

Matteo K. (2008), "Forecasting demand from heterogeneous customers", International Journal of Operations & Production Management, Vol. 26, pp.619 –638

McCammon, B. (2009), "The emergence and growth of contractually integrated channels in the American economy", in Bennett, P.D. (Eds), Marketing and Economic Development, American Marketing Association, Chicago, IL,

Morgado, A. (2008), Ceeman Case Study Logoplaste, Innovation in the Global Market from Packaging to Solution. *Management Decision*, *46*(9).

Muthuy,A J. (2008), Distribution Strategies Ado pted By Cosmetic Companies In Kenya. A Management Research

Mwanza, Pius., & Ingari, B., (2015), Strategic Role of Distribution as a Source of Competitive Advantage in Fast-Moving Consumer Goods in Kenya, *International Journal of Scientific and Research Publications*, Volume 5, Issue 10

Noonan Chris, (1998), Sales management, British: Elsevier plc group, pp.5-10

Nyalita A. (2009), Factors influencing the distribution channel performance of Kenya Wine agencies limited (KWAL) products within the supermarket in Kenya.

Oluwatayo, J., (2012), Validity and reliability issues in educational research. *Journal of Educational and Social Research* 2**,** 391-400.

Onstein, T. C., et al., (2018), Factors determining distribution structure decisions in logistics: a literature review and research agenda, Transport Reviews, UK limited

P & G in Russia.(n.d). Retried May 10, 2016, from ttp://www.pg.com/en-US/company/pg-russia/index.shtml

P&G Reorganizes Into Four Industry Groups Under New CEO. (2013, June 17). Retrieved from http://www.bloomberg.com/news/articles/2013-06-05/p-greorganizes-into-four-industry-groups

Paguso, Cristobal, G. Garcia, and C.R. Guerrero De Leon. (1978), *Fundamental Statistics for CollegeStudents*.Sinag-tala Publishers, Inc., Manila, Phils.

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1994), "Reassessment of expectations as acomparison standard in measuring service quality: implications for further research",Journal of Marketing, Vol. 58.

Patel, V., (2007), Theories and techniques of marketing management (1st ed.).Delhi, pp.5

Patil, D. P., Shrotri, A. P., & Dandekar, A. R. (2013), Management of uncertainty in supply chain.International Journal of Emerging Technology and Advanced Engineering, 2 (5), 303-308

Paulraj, & Chen. (2007), Strategic Buyer-Supplier Relationships: Journal of Supply chain Management, 2-14.

Porter, Michael E., (1985), Competitive advantage, *The Free Press*, New Work Szopa Piotr, and Pękała Wladyslaw, (2012), "Distribution channels and their roles in the enterprise", *Polish Journal of Management Studies*, vol.6, p.143-150

Proctor (2001), Strategic Marketing, Routledge London

Repi-Wilmar Soap and Detergent Share Company, (2017), Company Profile. Addis Ababa, p. 10

Rhea, M.J., & Schrock, D.L. (1987), Physical Distribution Implementation Effectiveness: The Customer Perspective: *Transportation Journal. Vol. 27*(1), pp.36-42.

Rhea, M.J., & Shrock, D.L. (1987), Measuring the Effecitveness of Physical Distribution Custom: *Journal of Business Logistics, 8*(1), p.31.

Robinson, J., (2009), Triandis theory of interpersonal behavior in understanding software private behavior in the South African context: Master degree, University of the Witwatersrand.

Rolnocki, K. (1998), Managing Channels Distribution (1st Ed). AMACOM, a division of American Management Association

Ronald Ramirez N.M., & Edward Lawlar (2010), Information technology, infrastructure, organizational process Redesign, & Business Value: An Empirical Analysis Decission

Rovai, A., Baker, J. and Ponton, M. (2014), *Social science research design and statistics: A practioner's guide to research methods and IBM SPSS analysis*. (1st ed.) Chesapeake, VA. Watertree Press LLC.

Rushton, A., at al., (2010), The hand book of logistics & distribution management, (4th edition)., Britian: Kogan page limited, pp.50-61

Saunders, M., Lewis, P. and Thornhill, A., (2009), *Research Methods for Business Students*(4th ed.). London: Pearson Education Limited. Selviaridis and Spring, pp.204-234

Schendel, D. (2008), Strategy Formulation: Analytical Concepts, West Publishing, St Paul, MN,

Sherriff T.K. Luk, (1998), "Structural changes in China's distribution system", International Journal of Physical Distribution & Logistics Management, Vol. 28 Issue: 1, pp.44-67.

Skjoett-Larsen, T., (2002), Third party logisticsfrom an inter-organizational point of view. International Journal of Physical Distribution & Logistics Management, 30(2), 112-127.

Stem L.and El-Ansary A. (1988), Marketing Channels. 3rd ed. Englewood Cliffs, NJ: Prentice Hall.

Stem W.L, El- Ansary A, Andersso E & Coughlan A. (2006), Marketing Channels , Upper Saddle Creek, N.J,: Prentice-hall, Inc.

Stern L.and El-Ansary A., (1992), Marketing channels, 4th ed., Prentice Hall, New Jersey.

Stern, L. and Heskett, L.J. (1969) "Conflict Management in Interorganization Relations: A Conceptual Frame-work," in Distribution Channels: Behavioral Dimensions, Louis W. Ster, ed. Boston: Houghton-Mifflin Company, pp. 228-305

Stern, L.W. and Sturdivant, F.D. (2006), "Customer-driven distribution systems", Harvard Business Review, Vol. 65 No.4, pp.34-41

Stern, L.W., and Sturdivant, F.D. (1987), Customer-driven distribution systems, Harvard Business Review, Vol. 65 No.4, pp.34-41

Stuart B. (2006a), Coverage Models, Channel Corp, Retrived September 17, 2007 from www.cchannelcorp.com/images/pdf/coverage Models

Stuart B. (2006b), Push, Pull and Channels, Channel Corp, Retrived September 17, 2007 from http://www.cchanel corp.com/ci vendor 3-3.htm

Stuart, I., McCutcheon, D., Handfield, R., McLachlin, R., & Samson, D. (2002), Effective case research in operations management: a process perspective. Journal of Operations Management, 20(5), 419-433

Tang, C.S. (2007), "Modelling the costs and benefits of delayed product differentiation",Management Science, Vol. 43 No.1, pp.40-54.University Of Nairobi

Thatcher, R. (2010), Validity and reliability of quantitative electroencephalography (qEEG): *Journal of Neurotherapy*, Vol. 14, pp. 122-152.

Wanke, P. F., & Zinn, W. (2004), Strategic logistics decision making: International Journal of Physical Distribution & Logistics Mana gemen, 34 (6), pp.466-478

Waters, D., (2003), Global logistics and disatribution planning strategirs for management, (4th edition), London: Kogan page limited, pp.241

Whitley, B. E. (2002), Principals of Research and Behavioural Science, Boston, McGraw-Hill.

Wilson Richard M.C. and Galligan Coli, (2005), Strategic Marketing Management, Third edition, British, pp.328-336

Wilson, J., (2010), Essentials of business research: a guide to doing your research project, SAGE Publication.

Yamane, Taro. (1967). *Statistics, An Introductory Analysis*, 2nd Ed., New York: Harper and Row

Yatsyshina, P., (2016), Factors of distribution network design: evidence from Russia market. St. Petersburg University.

Yeboah, A. Owusu, A. Boakye, S. and O. Mensah, S. (2013), Effective Distribution Management, a Pre-requisite for Retail Operations: A Case of Poku Trading, *European Journal of Business and Innovation Research*, UK, Vol. 1, No. 3, pp.28-44

Zaid Mohammed, A., (2015), The statistical, Economic & Social Research & Training Center for Islamic Countries, No-9

Zheng L. & Zhang J., (2010), Research on Green Logistics System Based on Circular Economy: Beijin,xinum-press

Addis Ababa University School of Commerce

Marketing Management Graduate Program

Appendixes

Appendix-I: Data Collection Questionnaires

Dear Respondents

This Questionnaire is designed for the student of post graduated program at Addis Ababa University School of Commerce. The purpose of this survey is to collect relevant information for the research to be carried on the "Determinants of The Effectiveness of Distribution System: The Case of Repi-Wilmar Soap and Detergent Manufacturing Share Company". The information gathered from you will be needed for only academic research purpose for a partial fulfillment of requirements of the MA in Marketing Management. Please make sure that the information you provided can is not be used for any other purposes except as mentioned before. Any information obtained from you will be kept strictly confidential. The soundness and validity of the finding is highly depends on your kind and genuine responses. Therefore, I kindly request you to fill the questionnaire carefully and accurately as well.

Thank you in advance for your agreement to take part on the study.

September, 2018

Addis Ababa, Ethipia

WHOLESALER PERSPECTIVE QUESTIONNAIRES

PART ONE: DEMOGRAPHIC INFORMATION

Instructions:

- Please carefully tick (✓) in the given box.
- No need of writing your name.
- There is no right or wrong answers; it's just to get your honest opinion and perception

1. Gender

   ☐ Male ☐ Female

2. Age group

   ☐ <30 ☐ 30-40 ☐ 41-50 ☐ >50

3. Investment Capital in ETB

   ☐ < 10,000 ☐ 10,000-24,999 ☐ 25,000-49,999 ☐ >50,000

4. Work Experience

   ☐ < 1 year ☐ 2-5 years ☐ 6-10 years ☐ >10 years

5. Monthly income in ETB

   ☐ < 5,000 ☐ 5,000-14,999 ☐ 15,000-24,999 ☐ > 25,000

PART TWO: DETERMINANT FACTORS DIMENSTION

Instruction: The objective of the below rating scale is to review the wholesalers opinion regarding to the level of factors to what extent the effectiveness of the company distribution system affect. The weight of rating scale represents as 1= Strongly Disagree (SD); 2= Disagree (D); 3= Neutral (N); 4= agree (A) and 5= strongly agreed (SA) respectively. Therefore, kindly request you to rate your opinion by circling the number in the following box.

S.N	DETERMINANT FACTORS	1 SD	2 D	3 N	4 A	5 SA
Logistic Capability (LC)						
LC1	Repi-Wilmar utilizes their own branded truck to distribute its products to wholesaler	1	2	3	4	5
LC2	Repi-Wlmar has good financial standing to distribute products to wholesaler	1	2	3	4	5
LC3	Rei-Wilmar utilizes computerized technology to facilitate distribution and logistics.	1	2	3	4	5
LC4	Repi-Wilmar has enough man power to facilitate the distribution of the product	1	2	3	4	5
LC5	Company's depots are available at different areas so as to near to the wholesalers	1	2	3	4	5
Market Factor (NM)						
MF1	The unit value of the product is not expensive for distribution	1	2	3	4	5
MF2	Repi-Wilmar provides product distribution net work for wholesalers based on demarked territory	1	2	3	4	5
MF3	Repi-Wilmar distribution system helps for those wholesalers to be competitive in the market	1	2	3	4	5
MF4	The weight of each product is convenient for middlemen to deliver on truck.	1	2	3	4	5
MF5	Repi-Wilmar distributes its product based on the customer buying habit.	1	2	3	4	5
Government Factor (GF)						

GF1	Road infrastructure of the country is inconvenient to distribute products to all customers in every demarked market.	1	2	3	4	5
GF2	Product delivery time schedule for customers are delayed by traffic congestion.	1	2	3	4	5
GF3	Lack of different mode of transportation in the country is inconvenient to distribute the products.	1	2	3	4	5
GF4	As per traffic regulation, heavy truck is not permitted to move the whole day in Addis Ababa so that my deliver time is extended unnecessarily.	1	2	3	4	5
GF5	Pro. No. 980/2016 article 22/3 Commercial Registration & Licensing would not allowed manufacturer to sell other region without license. So tthis leads to influence the company distribution performance.	1	2	3	4	5
Wholesaler Motivation (WM)						
WM1	Repi-Wilma motivated me by incentive package when I maintained high delivery performance.	1	2	3	4	5
WM2	Repi-Wilmar recruits sales person to me when I expand my distribution coverage than the target.	1	2	3	4	5
WM3	I can get credit facility from the company to increase my distribution frequency and sales volume	1	2	3	4	5
WM4	Repi covers cost of my warehouse when I achieve high delivery performance	1	2	3	4	5
WM5	Repi-Wilmar branded my truck when I utilize only re-distributing the company product.	1	2	3	4	5
Distribution Strategy (DS)						
DS1	Company direct distribution system enables the wholesalers motivate for repeat purchase.	1	2	3	4	5
DS2	Indirect distribution system of the company enables the wholesalers maximize the frequency of delivery	1	2	3	4	5
DS3	In addition to wholesalers, the company enables many outlets are available through intensive distribution.	1	2	3	4	5
DS4	Repi-Wilmar ensures high number of purchase through multi-channel	1	2	3	4	5

	distribution strategy.					
DS5	Repi-Wilmar utilizes company's truck delivery for wholesalers to be competitive in the market	1	2	3	4	5

PART THREE: EFFECTIVE DISTRIBUTION SYSTEM DIMENSION

S.N	**EFFECTIVE DISTRIBUTION SYSTEM (ED)**	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
ED1	Repi-Wilmar's distribution system is convenient to wholesalers	1	2	3	4	5
ED2	Repi-Wilmar distribution system makes the wholesaler be more profitable	1	2	3	4	5
ED3	I can get quick delivery service from Repi-Wilmar SC.	1	2	3	4	5
ED4	Government policies affect my distribution efficiency when I distribute the company products freely in every other region.	1	2	3	4	5
ED5	Repi-Wilmar keeps my interest of product preferences when I purchase and deliver from the plant	1	2	3	4	5
ED6	Repi-Wilma's motivational packages helps me to increases the frequency of delivery company products	1	2	3	4	5

Thank you for your cooperation!!

PART FOUR: INTERVIEW CHEK LIST

The objective of this interview is to get deep insight and more data from top level managers about the current scenario of the company distribution system of Repi-Wilmar SC.

1. Can you explain about the existing organizational structure of Repi-Wilmar Manufacturing Company in relation to distribution, sales and marketing department?

   _____

   _____

2. How do you evaluate the effectiveness of distribution system of Repi-Wilmar SC.?

   _____

   _____

3. How Repi-Wilmar is distributing its product to outlets?

   _____

   _____

4. Is it any government issues that affect the operation of the company distribution system?

   _____

   _____

5. Does Repi-Wilmar Motivate customers to facilitate the efficiency of distribution system?

   Yes: _____

   _____

   No: _____

   _____

6. Does Repi-Wilmar's logistic department capable to facilitate the effectiveness of the company distribution system?

   _____

   _____

7. Do you have any additional comments?

   _____

   _____

Thank you for your cooperation!!

አዲስ አበባ ዩንቨርስቲ

የንግድ ስራ ኮሌጅ የማርኬቲንግ ማኔጅመንት ዲፓርትመንት

አባሪ-1 የመረጃ መሰብሰቢያ መጠይቅ

ውድ መላሾች

ይህ መጠይቅ የተዘጋጀዉ በአዲስ አበባ ዩንቨርስቲ የንግድ ስራ ኮሌጅ ለድህረ ምረቃ ፕሮግራም ተማሪ ነው፡፡ የዚህ ጥናት አላማ "Determinants of the Effectiveness of the Distribution System: Case of Repi Wilmar Soap and Detergent SC" ማለትም "**በረፒ-ዊልማር ሳሙና እና የንጽህና መጠበቂያ ማምረቻ አክሲዮን ኩባንያ ላይ የምርት ስርጭት ስርዐት የሚነኩ ተጨባጭ ሁኔታዎች**" ላይ ለሚተገበረዉ ምርምር ጠቃሚ መረጃን ለመሰብሰብ ነው፡፡ ከርስዎ የተሰበሰበዉ ይህ መረጃ ለገበያ ማናጅመንት የድህረ ምረቃ ፕሮግራም (ኤም.ኤ) የሚስፈልጉ መስፈርቶችን በከፊል በማሟላት ለትምህርት ምርምር ዓላማ ብቻ አስፍላጊ ስለሆነ ነዉ፡፡ እርስዎ ያቀረቡት መረጃ ከዚህ በፊት ከተጠቀሰዉ በስተቀር ለሌላ ለማንም ጥቅም ላይ እነደማይዉል እናረጋግጣለን፡፡ ከርስዎ የተገኘዉ ማንኛዉም መረጃ በጥብቅ ሚስጥራዊነት ይያዛል፡፡ የግኙቱ ጥራትና አስተማማኝነት በከፍተኛ ፍላጎትዎ እና በእዉነተኛ ምላሽችዎ ላይ የተመሰረተ ነዉ፡፡ ሥለሆነም መጠየቁን በጥንቃቄ እና በትክክለኛነት እንድትሞሉ በትህትና እጠይቃለሁ፡፡

በጥናቱ ላይ ለመሳተፍ ላደረጉት ስምምነት በቅድሚያ አመሰግናለሁ፡፡

መስከረም 2010

አዲስ አበባ፣ ኢትጲያ

ለጅምላ አከፋፋዮች የተዘጋጀ መጠይቅ

ክፍል አንድ፡ አጠቃላይ መረጃ

ትዕዛዛት፡-

- **በተሰጠው ሳጥን ውስጥ በጥንቃቄ የዚህን ምልክት (✓) ያድርጉ**
- **ስም መጻፍ አያስፈልግም**
- **ትክክለኛ ወይም የሀሰት መልስ የለም ፤ የእናንተን ቅን አስተያየት እና እይታ ለማየት ብቻ ነው፡፡**

1. **ጾታ፡** ☐ **ወንድ** ☐ **ሴት**
2. **የእድሜ ክልል፡** ☐ <30 ☐ 30 – 40 ☐ 41 – 50 ☐ 50
3. **የኢንቨስትመንት ካፒታል**

   ☐ < 10,000 ☐ 10,000-24,999 ☐ 15,000-49,999 ☐ > 50,000

4. **የስራ ልምድ፡** ☐ < 1 **ዓመት** ☐ 2-5 **ዓመት** ☐ **6-10 ዓመት** ☐ >10 **ዓመት**
5. **ወርሃዊ ገቢ በኢት ብር፡**

   ☐ 10,000 ☐ 10,000-14,999 ☐ 15,000-24,999 ☐ > 25,000

ክፍል ሁለት፡ ተፅእኖ የሚያደርጉ ምክንያቶች መለኪያ

ትዕዛዝ፡ ከታች ያለው የመጠን ልኬት አላማ የኩባንያው የስርጭር ዘዴ ብቃት ምን ያህል በምክንያቶች ደረጃ ተጽዕኖ እንደተደረገበት ለማጣራት ነው፡፡ የልኬት መጠኑ ክብደት የሚወከለው 1= በጣም አልስማማም (በአ)፣ 2= አልስማማም(አ)፣ 3= ገለልተኛ (ገ)፣ 4= እስማማለሁ (እ) እና 5= በጣም እስማማለሁ (በእ) በቅደም ተከተል ይሆናል፡፡ ስለዚህ የእናንተን አስተያየት በሚከተለው ሳጥን ውስጥ ያለውን ቁጥር በማክበብ ልኬት እንድትሰጡ በትህትና እጠይቃለሁ፡፡

ተ.ቁ	ተፅእኖ የሚያደርጉ ምክንያቶች	1 በአ	2 አ	3 ገ	4 እ	5 በእ
	የሎጀስቲክ አቅም (ሎአ)					
ሎአ 1	ረጲ-ዊልማር ምርቶቹን ለማሰራጨት የኩባንያዉን የጭነት መኪና ይጠቀማል	1	2	3	4	5
ሎአ 2	ረጲ-ዊልማር ምርቶቹን ለደንበኞች ለማከፋፈል ጥሩ የፋይናንስ አቋም አለው፡፡	1	2	3	4	5
ሎአ 3	ረጲ-ዊልማር ስርጭቱንና ሎጀስቲኩን ለማቀላጠፍ የኮምፒውተርን ቴክኖሎጂ ይጠቀማል፡፡	1	2	3	4	5
ሎአ 4	ረጲ-ዊልማር የምርት ስርጭቱን ለማሳለጥ በቂ የሰዉ ኃይል አለዉ					
ሎአ 5	ኩባንያዉ ለደምበኞች ቅርብ ለመሆን በተለያዩ ቦታዎች መጋዘኖችን አመቻችቷል፡፡	1	2	3	4	5
	የገበያ ሁኔታ (ጉሁ)					
ገሁ 1	የምርቱ አጠቃላይ ዋጋ ብዙም ዉድ ሰስላልሆነ በቀላሉ ለማሰራጨት ምቹ ነዉ	1	2	3	4	5
ገሁ 2	ረጲ-ዊለማረ በተወሰነ ክልል ላይ በመመርኮዝ ለደንበኞች የሚሰጠዉን ምርት የማሰራጫ መረብ ይፈጥራል	1	2	3	4	5
ገሁ 3	የረጲ-ዊልማር የስርጭት ስርዐት ደንበኞቻቸዉ በገበያ ተወዳዳሪ እንዲሆኑ ይረዳቸዋል	1	2	3	4	5
ገሁ 4	የእያንዳንዱ ምርት ክብደት ለገዥዎች በጭነት መኪና ለማድረስ ምቹ	1	2	3	4	5

	ነዉ					
ገሁ 5	ረጲ-ዊልማር የደንበኞችን የመግዛት ልማድ መሰረት በማድረግ ምርቱን ያሰራጫል	1	2	3	4	5
	የመንግስት ምክንያት (መም)					
መም 1	በመላ ሀገሪቱ ዉስጥ ለሚገኙ ደንበኞች ሁሉ ምርትን ለማሰራጨት የሀገሪቱ የመንገድ መሰረተ ልማቶች ሁኔታ በጣም አስቸጋሪ ነዉ	1	2	3	4	5
መም 2	ወኪሎች የምርት ማጓጓዣ የግዜ መርሃ ግብር በትራፊክ መጨናነቅ ምክንያት ይዘገያል፡፡	1	2	3	4	5
መም 3	በሀገሪቱ የተለያዩ የምርት ማጓጓዣ ዘዴ አምራጭ ማነስ ምርቱን በመላ ሀገሪቷ ለማሰራጨ አስቸጋሪ ነዉ፡	1	2	3	4	5
መም 4	በአንዳንድ ደንበች መሰረት፣ ከባድ የጭነት መኪና በአዲስ አበባ ውስጥ ሙሉ ቀን እንዲንቀሳቀስ አይፈቀድላቸዉም፡፡ ይህም ምርትን ለደንበኞች በሰዓቱ እዳይደርስ ያደርጋል	1	2	3	4	5
መም 5	የአዋጅ ቁጥር 980/2016 አንቀጽ 22/3 የንግድ ምዝገባ እና ፍቃድ መሰረት አምራቾች ያለ ፍቃድ ወደ ሌሎች ክልሎች እንዲያከፋፍሉ አይፈቅድም፡፡ በዚህ ምክንያት የኩባንያዉ የምርት ስርጭት ሂደት እንዲቀንስ ምክንያት ይሆናል	1	2	3	4	5
	ጅምላ አከፋፋይ ተነሳሽነት (አተ)					
አተ 1	አከፋፋዩ ምርቶችን በማጓጓዝ ጥሩ የስራ አፈጻጸም ሲያደርግ የማበረታቻ ጥቅሞችን ከኩባንያዉ ያገኛል፡፡	1	2	3	4	5
አተ 2	አከፋፋዮች የስርጭት ሽፋናቸዉን ከእቅድ በላይ ከሆነ የምርት ስርጭቱን ለማገዝ ረጲ-ዊልማር የሽያጭ ሠራተኛ ይቀጥርላቸዋል፡፡	1	2	3	4	5
አተ 3	ረጲ-ዊልማር ከፍተኛ የሽያጭ መጠን ላለው አከፋፋይ የብድር አቅርቦት ይሰጣል፡፡	1	2	3	4	5
አተ 4	ደንበኞች የጭነት ኮታቸዉን ሲያሳኩ ረጲ-ዊልማር የአከፋፋዮችን የመጋዘን ኪራይ ወጪ ይሸፍናል፡፡	1	2	3	4	5
አተ 5	አከፋፋዮች የራሳቸዉን የጭነት መኪና በብቸኝነት ለኩባንያዉ ምርቶች	1	2	3	4	5

	ማከፋፍያ ሲጠቀሙበት ኩባንያዉ የራሱን መለያ ምልክት በመኪናቸዉ ላይ ይለጥፋል፡፡					
	ሥርጭት ስልት (ስል)					
ስል 1	የኩባንያዉ የቀጥታ ስርጭት ስርዐት የጅምላ አከፋፋዮችን ለተደጋጋሚ ግዥ እንዲነሳሱ ያስችላቸዋል	1	2	3	4	5
ስል 2	የኩባንያዉ የቀጥታ ያልሆነ የስርጭት ስርዐት የጅምላ አከፋፋዮችን ለተደጋጋሚ ጭነት እንዲነሳሱ ያስችላቸዋል	1	2	3	4	5
ስል 3	ከጅምላ ሻጮች በተጨማሪ ኩባንያዉ በስፋት የስርጭት ስልት ሱቆች ምርት በበቂ ሁኔታ እንዲኖራቸዉ ያስችላል	1	2	3	4	5
ስል 4	ረጲ-ዊልማር በብዙ ቀጥተኛ ባልሆነ መንገድ በማሰራጨት ከፍተኛ የሽያጭ መጠንን በማድረግ ያረጋግጣል	1	2	3	4	5
ስል 5	ጅምላ ሻጮች በገበያ ተወዳዳሪ እንዲሆኑ ረጲ-ዊልማር ምርትን በኩባንያዉ መኪና ያደርስላቸወል	1	2	3	4	5

ክፍል ሦስት፡ የኩባንያዉ የምርት ሥርጭት ዘዴ ብቃት መለኪያ

ትዕዛዝ፡ ከታች ያለው የመጠን ልኬት አላማ የኩባንያው የምርት ስርጭት ዘዴ ብቃትን ለማጣራት ነው፡፡ የልኬት መጠኑ ክብደት የሚወከለው 1= በጣም አልስማማም (በአ)፣ 2= አልስማማም(አ)፣ 3= ገለልተኛ (ገ)፣ 4= እስማማለሁ (እ) እና 5= በጣም እስማማለሁ (በእ) በቅደም ተከተል ይሆናል፡፡ ስለዚህ የእናንተን አስተያየት በሚከተለው ሳጥን ውስጥ ያለውን ቁጥር በማክበብ ልኬት እንድትሰጡ በትህትና እጠይቃለሁ፡፡

ተ.ቁ	የስርጭት ስልት ብቃት	1 በአ	2 አ	3 ገ	4 እ	5 በእ
ስብ 1	የኩባንያዉ የምርት ስርጭት ዘዴ ለጅምላ ሻጮች ምቹ ነዉ	1	2	3	4	5
ስብ 2	የኩባንያዉ የምርት ስርጭት ስልት ጅምላ ሻጮችን ትርፋማ አድርጎታል	1	2	3	4	5

ስብ 3	እኔ ከኩባንያዉ ፈጣን የማንንጣ አገልግሎት ማግኘት እችላለሁ	1	2	3	4	5
ስብ 4	የመንግስት ፖሊሲዎች እኔን በነፃነት በሁሉም ክልሎች ማንንዝ ብቃት ላይ ተዕእኖ ኣሰድሯል	1	2	3	4	5
ስብ 5	የኩባንያዉን ምርቶች በምገዛበትና በምጭንበት ግዜ የኔን የምርት ምርጫ ኩባንያዉ ያከብራል	1	2	3	4	5
ስብ 6	የረጺ-ዊለማር ማበረታቻ ፓኬጅ የኔን የምርት ግዥና ጭነት ድግግሞሽ እንድጨምር አድርጎኛል	1	2	3	4	5

ላደረጋችሁልኝ ትብብር በጣም አመሰግናለሁ!!