



DEPARTMENT OF MARKETING MANAGEMENT

POSTGRADUATE PROGRAM

A STUDY ON

**THE INFLUENCE OF MARKETING CHANNEL INTEGRATION ON THE SALES
PERFORMANCE OF SMALL GARMENT AND TEXTILE INDUSTRIES:**

IN CASE OF BURAYU TOWN; ETHIOPIA

**SUBMITTED TO ADDIS ABABA UNIVERSITY GRADUATE SCHOOL OF
COMMERCE IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE
MASTERS DEGREE IN MARKETING MANAGEMENT**

BY: GUGSA MERGA

ADVISOR: TEWODROS MESFIN (Dr)

JUNE, 2019

ADDIS ABABA

THE INFLUENCE OF MARKETING CHANNEL INTEGRATION ON
THE SALES PERFORMANCE OF SMALL GARMENT AND
TEXTILE INDUSTRIES: IN CASE OF BURAYU TOWN, ETHIOPIA

ADDIS ABABA UNIVERSITY GRADUATE SCHOOL OF
COMMERCE IN PARTIAL FULFILMENT OF THE REQUIREMENTS
OF THE
MASTERS DEGREE IN MARKETING MANAGEMENT

BY: GUGSA MERGA

ADVISOR: TEWODROS MESFIN (Dr)

JUNE, 2019

ADDIS ABABA

APPROVAL SHEET

SUBMITTED BY:

GugsaMerga_____

Name of Candidate

Signature

Date

APPROVED BY:

Advisor

Signature

Date

Department Head

Signature

Date

Dean, School of Graduate Studies

Signature

Date

CERTIFICATION

As thesis research advisor, I hereby certify that I have read and evaluated this thesis entitled as “The Influence of Marketing Channel Integration on the Sales Performance of Small Garment and Textile Industry: In Case Of Burayu Town, Ethiopia” prepared under my guidance by Gugsamerga. I recommend that it be submitted as fulfilling the thesis requirement.

TEWODROS MESFIN (Dr.)

Advisor

Signature

Date

DECLARATION

I declare that “**The influence of marketing channel integration on the sales performance of small garment and textile industry**”.(in case of **Burayu town; Ethiopia**)” is my original work, that all the sources I have used or quoted have been indicated and acknowledged as complete references, and that it has not been submitted for degree purposes previously.

Gugsa Merga Bayisa

.....

Signature

.....

Date

ACKNOWLEDGMENT

Above all, I wish to thank My Lord and Savior for blessing me and bringing me this far. Next I want to thank my wife, FirehiwotLikesa and Son, Gelgelo, for all of your love, kindness and support, during this study. Also I would like to express my heartfelt gratitude to my advisor Dr. TewodrosMesfin for his valuable advice, support and guidance in the course of conducting my research work. He was always providing me direction during this study.

Finally, I am extremely grateful to all participants of this research, who responded questioners at their respective industry.

TABLE OF CONTENTS

APPROVAL SHEET.....	iii
CERTIFICATION	iv
DECLARATION	v
ACKNOWLEDGMENT	vi
TABLE OF CONTENTS	vii
LIST OF TABLE.....	x
LIST OF FIGURES.....	xi
ACRONYMS	xii
ABSTRACT	xiii
CHAPTER ONE.....	1
1. INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	3
1.3. Research Questions.....	4
1.4. Objectives of the Study.....	4
1.4.1 General Objectives	4
1.4.2 Specific Objectives.....	4
1.5 Significance of the Study.....	5
1.6 Scope of the Study.....	5
1.7 Limitation of the Study	5
1.8 Organization of the Paper.....	6
CHAPTER TWO.....	7
2. REVIEW OF RELATED LITERATURE	7
2.1 Theoretical Framework	7
2.1.1 Evolution of Marketing Channels	7
2.1.2 Stages of Design Distribution Channels.....	9
2.2 Empirical Studies and Concepts	10
2.2.1 Global trends in Textile and Garment Industry.....	10
2.2.2 The nature of the Garment Market	11

2.2.3	Challenges for the textile and garment industry in Ethiopia.....	12
2.3	Marketing Channel Integration	12
2.3.1	Upstream and Downstream Integration	15
2.4	Marketing Channel Design	15
2.5	Channel Administration.....	16
2.6	Marketing Channel Management Technology	17
2.7	Channel selection	18
2.8	Sales Concepts and Performance Indicators.....	19
2.9	Customer Satisfaction	21
2.10	Customer Relationship Management	21
2.11	Employee Turnover	22
2.12	Conceptual Framework	23
2.13	Operational Definitions of the Variables.....	25
CHAPTER THREE.....		27
3	RESEARCH METHODOLOGY	27
3.1	Description of the Study Area	27
3.2	Research Design and Method	27
3.3	Target Population.....	28
3.4	Sampling Design	28
3.4.1	Sample Size.....	28
3.5	Data Types and Sources	31
3.6	Data collection Techniques and Tools.....	31
3.6.1	Data Collection Techniques	31
3.6.2.	Semi-structures Questionnaire.....	31
3.6.3.	Key informants Interview	31
3.7.	Method of Data analysis.....	31
3.8.	Validity and Reliability of the study	32
3.8.1	Validity of the study	32
3.8.2.	Reliability of the Study.....	32
3.9	Ethical procedures.....	32
CHAPTER FOUR		34
4.	RESULTS AND DISCUSSION.....	34

4.1	General Information.....	34
4.2	Demographic Characteristics	35
4.3	Response Rate	38
4.4	Reliability Test	38
4.5	Descriptive Analysis	40
4.6	Statistical Data Analysis.....	52
CHAPTER FIVE.....		53
5.	CONCLUSSION AND RECOMMENDATION.....	53
5.1	CONCLUSSION.....	53
5.2	RECOMMENDATION.....	54
5.3	SUGGESTION FOR FURTHER STUDY	55
REFERENCES		56
APPENDICES.....		61

LIST OF TABLE

Table 2-1 Description of the characteristics of each channel management approach.....	13
Table 3-1 Sample frame	30
Table 4-1 Sex of the Respondents.....	35
Table 4-2 Age of the Respondents	35
Table 4-3 Educational Level of the Respondents.....	36
Table 4-4 Current position of the Respondents.....	36
Table 4-5 Service year of the respondents in garment and textile industry	37
Table 4-6 Company Production engagement	37
Table 4-7 Company Market orientation	37
Table 4-8 Reliability Statistics	39
Table 4-9 Marketing Channel Integration Selection of the firms	40
Table 4-10 The MCI of the firm has been influencing its sales performance.....	41
Table 4-11 The extent of firms sales influenced by the MCI.....	41
Table 4-12 Statistics of Sales performance indicators	42
Table 4-13 Customer handling of the firm has been affected by	44
Table 4-14 Five years sales trend of the firms (in millions)	45
Table 4-15 Channel Design components influenced the Sales performance of the firms	47
Table 4-16 Channel Administration related factors	50
Table 4-17 Channel Management Technology	51
Table 4-18 Descriptive Statistics.....	52

LIST OF FIGURES

Figure 2:1 Hybrid distribution channels or Multi-channel distribution flow.....	15
Figure 2:2 Conceptual frameworks.	24
Figure 4:1 Five years sales trend of the sampled industries.....	45

ACRONYMS

AGOA	African growth Opportunity Act
CMT	Cut Make and Trim
CSA	Central Statistical Agency
EBA	Everything but Arms
ETIDI	Ethiopia Textile Industry Development Institute
EU	European Union
FOB	Free On Board
MoIT	Ministry of Industry and Trade
MCI	Marketing Channel Integration
SCM	Supply Chain Management
SPSS	Statistical Software Package for Social Science
TIDI	Textile Industry Development Institute

ABSTRACT

Marketing channel is a set of practices or activities necessary to transfer the ownership of goods, from the point of production to the point of consumption, (Kotler and Armstrong, 1990). Marketing channel integration refers to the degree to which various channels in a channel environment interact with one another (Bendoly et al., 2005). The main objective of this research is to assess the major marketing channel integration influence on the sales performance of garment and textile industries from the viewpoint of marketing channel design, marketing channel administration and marketing channel management technology. To achieve objective of the study the research questions raised were: what are the major influence of marketing channel integration on sales performance of the garment and textile industries?, how does the marketing channel participants integrate among themselves?, and what should be done on the channel system to improve sales performance of garment and textile industries?. Descriptive research with a mixed paradigm approach has been employed for the study. Questionnaire and an interview guide check-list have been used as a primary data collection tools and a format developed by the researcher also used to collect the sales performance related data from the textile and garment industries under the sampling. The researcher employed non-probability sampling to select 30 respondents out of 36 garment and textile industries which are located in Burayu town based on the availability of five years trend data and the response rate also achieved 100 percent. Descriptive analysis and statistical analysis have been conducted to analyze the collected data. SPSS version 20 has been used as a data analysis tool. The output of the study indicates that marketing channel design, marketing channel administration and channel management technology of the textile and garment industries in the study area have been identified that influencing the sales performance of the sampled industries. The Statistical analysis of the independent variables also demonstrates that a one unit improvement in marketing channel design, channel administration and channel management technology improves the sales performance of the industries and vice versa. Application of hybrid or multi-channel integration, improving the channel administration and application of automated technology in sales tracking, customer relationship management and provision of marketing channel integration related training for their channel members have been among the major recommendations given by the researcher. Suggestion for further research has also been recommended by the researcher.

KEY WORDS: *Marketing, channel integration, sales Performance, channel administration, channel management, and channel design.*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Marketing channel is a set of practices or activities necessary to transfer the ownership of goods, from the point of production to the point of consumption. Kotler and Armstrong,(1990). Manufacturers, intermediaries, consumers, and researchers view marketing channels differently. For example: Kotler and Keller (2002); Marketing channels are sets of interdependent organizations participating in the process of making a product or service available for use or consumption.

Marketing channel integration refers to the degree to which various channels in a channel environment interact with one another Bendoly et al., (2005)

Marketing Channel integration is important in bridging the gap, streamlining the physical and Information, reducing the levels of opportunism, reduces uncertainty, cost and risk, increasing degree of integration, advancing management, boosting coordination, using as competitive tools Kate Cox. (2011).

The term sales refer to transactions between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money Hutt &Speh, (2013).

Performance is the efficiency with which inputs are converted in to outputs. It is the efficiency and effectiveness of action. Andy N, Mike G.et al (2005). To begin the road of industrialization garment and textile industry is the basic tool for most developing countries. As most of the countries in the world did, Ethiopia has also gone through the cottage and modern stages of producing different clothes.

The history of modern textile in Ethiopia dates back to 1939 when Dire Dawa's Textile factory started its operation (ETIDI, 2014). Even though the cloth making in Ethiopia has been performed for more than a century, its development and modernization is still at low stage. Daniel Kitew and AmareMatebu,(2005). Although there is 3.2 million hectares of

land which is suitable for cotton production, the country uses only 6.9% of it, Ethiopian Textile Industry development Institute, (2014). There are a lot and incentives on the behalf of the government for the investors like: investment incentives; 100% duty free importation of new or used machineries, equipment, construction materials and vehicles as far as it is not producible locally, duty free importation of spare part of 100% of capital investment for the first five years of operation. Financial incentives; Development Bank of Ethiopia (DBE) extends a 70% loan against 30% equity contribution in cash by the investor for brand new establishments. Operation incentives: Tax holidays, depending on export performance. ETIDI, (2014). Beside, this opportunities and ideal climatic condition that can create considerable opportunity to have competitive edge in the market, there is still a long journey to go to stay profitable both in global and local markets. In one hand, the local market is flooded with different cloths that are imported from China. These products are better in design, variety and price as well. On the other hand, our global presence is not satisfactory. Regardless of this, in an effort to diversify a dominantly agricultural economy, the government has contributed to the growth of the textile and garment industry by prioritizing the industry as a strategic sector. As a result, the government has set ambitious targets for the industry in its Growth and Transformation Plan (2010-2015), which aimed to increase annual earnings from \$160 million in 2007 to \$1 billion by 2016 and increase direct foreign investment by \$1.6 billion. The goal is to increase export from the current 20% of total garment and textile production to 80% of the total garment and textile production by 2020, so that garment and textile exports will eventually account for a total of 22% of all exports. Africa fashion Guide, (2013). Our current performance in the international market witnesses that having resources by itself doesn't make sense unless these factors of production (land, skill, capital and information) effectively used throughout the channel integration. In recent years; the sector has undergone rapid growth, with a number of new players – often foreign-owned textile and garment manufacturers – establishing production facilities with the aim of supplying to foreign markets. Franchis, A. (2015). This expansion has both internal and external reasons. Changing conditions (such as increasing wages) in popular textile and apparel producing countries such as China have led brands and retailers as well as manufacturers to seek alternative sourcing locations with lower production costs. Ethiopia has emerged as an interesting option having a large and

cheap workforce. Ethiopia has no established official minimum wage rate and thus wages in the garment and textile industry can be as low as \$23 per month. Wall Street Journal,(2015).

1.2 Statement of the Problem

Most producers do not sell their goods directly to the final users. Between them stands a set of intermediaries that perform a variety of functions. These intermediaries constitute a marketing channel (also called a trade channel or distribution channel). **Marketing channels** are sets of interdependent organizations involved in the process of making a product or service available for use or consumption (Kotler, P., 2000). Different researchers made various studies on the textile and garment sector. But the focus of their study was mostly inward-looking. Specially, those researches that are under taken locally, gave due attention to the company's internal (operational) performance in relation to their competitiveness in the global market place. For example Performance measurement and improvement of Ethiopian garment industry by (Rahel, 2010). Approaches to supply chain logistics integration in the textile and clothing sector by Marcella et.al, (2007) and the impact of supply chain practices on the competitive position of Ethiopian textile firms by (Admaw, 2010) raises the issue of supply chain management practices; however, the former is too narrow (i.e. logistics) and the latter ignores the impact on the local customers.

Research conducted by NyuyenThi Hong Nyoc (2017) in Finland on the integration of multi-Channel distribution and its impact on profit of fast fashion companies argues that multi-channel distribution increases profit growth of fast fashion companies. The finding of the paper clearly dictated that the profitability of the fast fashion retail stores has been more through the application of e-commerce rather than through traditional distribution channel. The researcher's finding has been focused only on the influence of applying e-commerce on multi-channel distribution but has not identified the influence of total marketing channel distribution on companies performance where the e-commerce world did not emerged.

Generally; even though a number of researches have been conducted in relation with the socio-economic contributions of apparel industries as well as the marketing supply chain management in Ethiopia; researches have not been conducted on the influence of the marketing channel integration on the sales performance of garment and textile industries in the study area. The researcher in his pre-proposal survey has been identified that the sales performance of five textile industries has been declined for the last three consecutive years due to unknown reasons. These have been the points initiated the researcher to conduct the research with the title “the influence of marketing channel integration on the sales performance of small garment and textile industries” to identify the major marketing channel integration influence on the sales performance, to examine the extent of relationships between the channel participants of garment and textile industries and to indicate problems associated to sales performance of garment and textile industries in the study area.

1.3. Research Questions

1. What is the major influence of marketing channel integration on sales performance of the small garment and textile industries?
2. How do the channel participants integrate among themselves?
3. What should be done on the channel system to improve sales performance of garment and textile industry?

1.4. Objectives of the Study

1.4.1 General Objectives

The general objective of this study is to assess the major marketing channel integration influence on the sales performance of garment and textile industry.

1.4.2 Specific Objectives

The specific objectives of this study are:

1. To identify the major marketing channel integration influence on the sales performance of garment and textile industries.

2. To examine, extent of relationships between the channel participants, along with company sales performance.
3. To indicate problems associated to sales performance of garment and textile industry.

1.5 Significance of the Study

The study has been conducted on the influence of marketing channel integration on the sales performance of small garment and textile industries in Burayu town, Ethiopia. The finding of this study helps to the textile industries to select and use suitable marketing channel integration thereby enhancing their sales performance. The managers of the existing industries can also sharpen their knowledge of major problems that are associated with channel integration and helps them to re-design their business philosophies in product distribution policies. It is also important for new entrants to this industry to make sound investment decisions. Finally, the output of this study will be useful as an input for academic purposes and for further related studies.

1.6 Scope of the Study

The research raises three basic issues; concept of marketing channel integration, its major influence on sales performance of garment and textile industry, and suggestion of possible solutions to improve performance of garment and textile industry. Its coverage is limited to the garment and textile sector of Ethiopia located specifically in Burayu town only. This research is done by considering the data which was gathered from the garment and textile companies found in the Burayu town only. Generally; the scope of this study has been centered on the sales performance of the textile and garment industries in the study area from the viewpoint of the market channel integration.

1.7 Limitation of the Study

The study employed only semi-structured questionnaire and secondary data which might not enough for the data triangulation purpose. The research has not been supported by

enough literature review due to the limited number of studies conducted on the marketing channel integration in textile and garment industries.

1.8 Organization of the Paper

This thesis is comprised of five chapters. The first chapter gives an introduction which contains background of the study, statement of the problem, basic research questions, and objectives of the study, significance of the study, scope of the study and limitation of the study. The second chapter deals with the review of related literature and conceptual framework of the study. Chapter three comprises the research methodology employed. The fourth chapter discloses the findings of the study and chapter five, constituted conclusion and recommendation of the study. The reference of the materials used also followed by the appendices.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This chapter deals with the review of relevant literatures, and accordingly entails literatures regarding marketing channel integration in general covering theoretical and conceptual issues such as definitions, perspectives, components, and conceptual framework of channel integration.

2.1 Theoretical Framework

Most producers use intermediaries to bring their products to market. They use a set of interdependent organizations in the process of making a product or service available for use or consumption by the consumer or business user. This process is what has been known as distribution channel (Philip Kotler 2001). Weiss and Gershon (2002) noted that, distribution describes all the logistics involved in delivering a company's products or services to the right place, at the right time, for the lowest cost. As of P. Kotler (2001), a well-chosen channel constitute a significant competitive advantage, while poorly conceived or chosen channel can doom even a superior convenience in the form of availability access and support.

2.1.1 Evolution of Marketing Channels

Marketing channel (also called trade channel or distribution channel) are those interdependent organizations involved in the process of making a product or services available to the end user (Doyle, 1996). According to Doyle, (1996); marketing channels always emerge out of a demand that market place needs be better served. According to Lou E. et.al.(2016. 8), from its inception to its contemporary standing, the evolution of marketing channels thought can be divided into four stages.

1. The Production Era and Distributive Practices

The origins of marketing as an area of study are inextricably tied to distributive practices. The earliest marketing courses, in fact, were essentially distribution courses. Course titles like ‘Distributive and Regulative Industries of US Distribution of Agricultural Products’ and ‘Techniques of Trade and Commerce’ abounded at Schools of Commerce during the early 1900s. These courses addressed the ways in which marketing channels spawned middlemen who, in turn, facilitated more efficient movements of goods and services from producers to users.

2. The Institutional Period and Selling Orientation

The Gross National Product of the US grew at an extraordinary rate during the 1940s and this industrial expansion contributed to the emergence of sizeable inventory stockpiles. The cost of managing these inventories grew rapidly as well. Production techniques and marketing channel processes each became more sophisticated during this period. Issues pertaining to distribution primarily revolved around cost containment, controlling inventory, and managing assets. Marketers were shifting from a *production* to a *sales* orientation. The attitude that ‘a good product will sell itself’ receded as marketers encountered the need to expand sales and advertising expenditures to convince individual consumers and organisations to buy their specific brands. The classic marketing mix or *Four Ps* typology – product, price, promotion, and place – emerged as a guiding marketing principle. Issues relating to distribution were relegated to the place domain.

3. The Marketing Concept

In 1951, Robert Keith, vice president of marketing at Pillsbury, introduced a seminal marketing principle to the business world: the marketing concept. According to the marketing concept, the customer is the nucleus of all marketing mix decisions. As such, organizations should only make what they can market instead of trying to market what they have made. The marketing concept is intuitively appealing because its focus is on the customer. In this sense, however, the marketing concept paints a very one-sided approach to reconciling a firm’s mission with the markets it serves because it positions marketers as reactive exchange partners – adapting channels of distribution to meet market needs.

4. Relationship Marketing Era

The marketing concept proved a logical precursor to the Total Quality Management (TQM) philosophy espoused by the late W. Edwards Deming. TQM suggests a highly interactive approach in which customers become active partners with producers, wholesalers, or retailers (channel members) to solve marketplace problems. The TQM philosophy initiated a mindset among managers that a firm's relationship with its customers fosters market-share gain and customer retention. This mindset developed alongside an era in marketing theory and practice known as relationship marketing. The relationship marketing era is characterized by a fundamental shift from a customer *voice* to a customer *dialogue*. Rather than just reacting to customer-initiated feedback, the channel member proactively initiates and maintains a participative exchange with its customers. The concept of participation infers a high degree of cooperation and coordination between customers and their suppliers.

Peter Drucker predicted that in the 21st- century business, the biggest change would not be in new method of production or consumption, but in distribution channels (Doyle P.,1998).

2.1.2 Stages of Design Distribution Channels

Saremi and Zadeh (2014) set the stages of designing the distribution channel are as follows:

1. Analyze of customer service needs: at this stage, the customer needs analyzed carefully, purchase amount, waiting time, the number of suppliers, diversity of products and expected support services for customer are specified at this stage.
2. Setting goals and identify the limits of distribution channels: the goals of distribution channels are determined at this point according to the characteristics of each product. Decision about whether directly or indirectly through the distribution channel at this point is taken.
3. Determine the available options (available channels distribution): after consideration of the services requested by our customers and distribution channels setting goals, at this stage the available channels in the market should be identified. Types of available

intermediaries, the number of required agents, and the conditions and responsibilities of each of the intermediaries can be identified at this stage.

4. Evaluate and select various options: each of them according to three main criteria of economic controls and compliance with the conditions evaluated and reviewed after determining the applicable distribution channels. Then according to the results of the assessment appropriate channel or distribution channels should be selected.

5. Contract and control: after determination of the distribution channel or channels required personal in the selected channel should be determined and educated, motivate them and eventually they can be assessed. Since marketing environment and the product life cycle are not fixed, we should always be ready to change provisions and perform corrective actions on the selected channel.

6. Choice of distribution channel partners: before selecting channel members we should paid to assess clients' demands of channels. And after the mixed designed channels, the next step is determine a proper distribution channel, evaluation, selection and contract signing with the best channel partners.

7. Search method: for most products and markets, an important source is references and key customer reviews that distributors work with them in the market and also the use of distributor lists in geographical location on the Internet, agencies and other resources. (M.Webster, R.Beach, I.Fouweather, 2014).

2.2 Empirical Studies and Concepts

2.2.1 Global trends in Textile and Garment Industry

Textile and garment is one of the world's biggest consumer goods categories with a global market estimated to be worth well over one trillion Euros, EURATEX, (2006). Nowadays global competitions in textile and garment products become very intensive. The first industrialized garment industry was also introduced in 1960s with the establishment of Addis garments. Akaki garment was founded in 1963 followed by the Adey Ababa yarn co, Gulele garment and Nazreth garment factory. These garment factories have dominated Ethiopia's garment sub-sector for along. A number of private garment industries have been established since then. The introduction of new economic systems that advocate privatization and adjustment of incentives, increases inflow of foreign and domestic

investors into the textile sub-sector (MoIT, 2009). Accordingly, private investment in the textile sector has shown improvements. During this period, the numbers of both public and private owned medium and large scale operational textile enterprises has increased from 31 establishments in 1991/92 to 64 in 2007/8 CSA, (2009).

2.2.2 The nature of the Garment Market

Due to globalization, and its effects in business environment and due to the specific market nature of the garment industry including short product life cycle, high volatility, low predictability, and a high level of impulse purchase, quick response of market industries are facing the greatest challenges. Hence Ethiopian garment industries find themselves in difficult position to be competitive. Due to the availability of imported Chinese readymade garments that have good quality, varieties of design and low price, made the competition very stiff. Moreover due to labor wage increment in developed countries, the apparel manufacturing has been migrating from the high wage developed world to developing countries. Following these, different trading menses such as CMT, FOB and out sourcing of the production activity, have been formed by developed countries. Hence, low wage labor is one of the competitiveness advantages of the industry Mohammed Z, (2007).

Furthermore due to the US and EU customers requirement, the Chinese apparel manufacturers are under limited restriction of exporting to these countries which provides more opportunity for other garment manufacturers. One of the developing countries' leading exporters of apparel Bangladesh success is proper utilization of the phase out of the export quota system and the low wage labor existing Mohammed Z, (2007).

In addition, different preferential market accesses have been available to the industry, by US and EU such as EBA and AGOA .AGOA is a market opportunity provided by the US government to Sub-Saharan African countries to export their products free from tariff and quota. AGOA came to effect on October 1, 2000 G.C after President Clinton signed the historic law called "AGOA 2000" on May 18, 2000 to developing countries including Ethiopia which allow free of quota export to these countries. AN Info Dev., (2008).

2.2.3 Challenges for the textile and garment industry in Ethiopia

In today's competitive world; industries are continuously encountering challenges in the business market. In a regulated environment, organizations can work with inefficiency for some time but in a competitive environment, inefficient organizations encounter challenges and consequently leading to bankruptcy. Thus, to achieve sustainable business success in the competitive market, a company must continually monitor and improve its organizational performance. Ruth A., Jaideep G., et al (1995). Despite government incentives, companies have been slow to respond. According to, Esther deH. & Martje T, (2015), the initial enthusiasm that brands had for Ethiopia has yet to result in the large increase in production that the Ethiopian government was aiming to achieve. Moreover, several buyers who were initially interested have not started production in Ethiopia, while several brands that are currently producing in Ethiopia are producing at lower volumes than initially expected. Challenges remain within the Ethiopian textile and garment sector. For one, the lack of worker experience and education attributes to both the low quality of products as well as low worker productivity. Deutsche, W. (2015). In a report by the CBI, H&M reportedly mentioned that production costs in Ethiopia are, on average, 20% higher than in Bangladesh. Limited efficiency and capacity utilization, as well as the limited skills of workers and quality of raw materials, may help explain the discrepancy in production costs.

2.3 Marketing Channel Integration

According to Bendoly et al. (2005), channel integration refers to the degree to which various channels in a channel environment interact with one another. This integration allows a seamless customer experience, a unique brand image, data sharing, and overall management. This integration may encompass multiple channel management, cross channel management and Omni-channel management Neslin et al. (2006).

Multichannel management primarily indicates that a company offers multiple channels. It refers to 'the set of activities involved in selling merchandise or services to consumers through more than one channel' Zhang et al. (2010). According to Neslin et al. (2006), the

set of multichannel management activities includes ‘the design, deployment, coordination, and evaluation of channels to enhance customer value through effective customer acquisition, retention, and development’. Beck and Rygl (2015) described **Cross-channel Management** strategy as a partial integration of several channels. It indicates the possibility for a consumer to switch between certain, but not between all, available channels. As of Beck & Rygl (2015); the cross-channel approach is not limited to channels; but represents any point of contact between the consumer and the company. Some authors are using the term **Omni-channel management** to capture the new capabilities and features of this advanced channel management concept or suggest the extension of other terms Tobias M. et al. (2016). As the conceptualization of Tobias M. et al. (2015); multichannel management may no longer be sufficient to fully encompass the complexity of a converging multichannel environment and that channel settings exist that are not covered by the currently prevailing multichannel concept.

Characteristic	Multichannel	Cross-channel	Omni-channel
Path of product Information Delivery	Channels	Channels and touch-points	Channels and touch-points
Integration	No switching between channels is possible	Switching between certain channels and touch-points possible	Seamless switching among all channels and touch-points possible
Management	Separated by channel	By channel or connected channels and touch-points	Across all channels and touch-points
Goals	By channel	By channel or connected channels and touch-points	Across all channels and touch-points
Interaction	Two-way	Any type	Any type
Data share	not shared across channels	Partially shared across channels	Shared across all channels
Capital requirement	Low	Medium	Large
Company recommendation	Small	Medium	Large

Source: Tobias M. et al. (2015), with modification

Considering Omni channel management as a distinct concept is promising to data integration, organizational change, pricing across various channels or the aligned management of a broad range of channels. But as of Kotler P. (2005), hybrid channels or multichannel are of utmost importance at the moment, since they represent the possibilities of various innovations, especially for small, fast-growing companies.

Coelho, Easingwood, and Coelho (2003) claim that a well-integrated multi-channel distribution format helps to reduce business risks on the grounds that it increases diversification of a company's resource allocation. Distribution channel integration also leads to a reduction of distribution system halt risk. For instance, if a company uses single-channel distribution strategy, its distribution system will be completely out of order when there is a problem occurring in the single channel. Nonetheless, if the company makes use of multi-channel distribution strategy, it can distribute products through other channels when a channel is not functioning.

Multi-channel distribution helps companies to attract more customers, enhances brand awareness Increase market coverage, lower channel cost, more customized selling, as well as insures uninterrupted sales compared to a single channel distribution (Nguyen T.H.N., 2016).

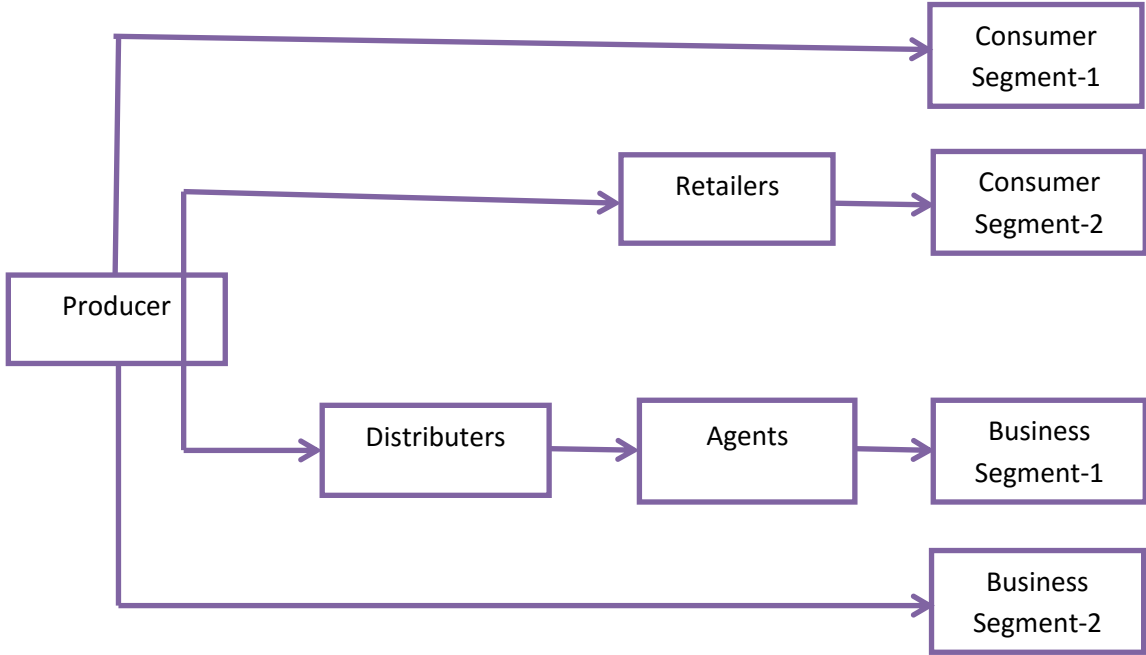


Figure 2:1 Hybrid distribution channels or Multi-channel distribution flow.

Source: Kotler, P. Principles of Marketing, Pearson Education Limiter, Prentice-Hall, 2005.

2.3.1 Upstream and Downstream Integration

When a marketing channel has been developed, a series of flows emerges. The term flow is descriptive of movement and it provides the links that tie channel members and other agencies together in the distribution of goods and services, Bert Rosenbloom, (1983). Upstream (from cotton to garment) and downstream integration extends the scope of integration outside the company to embrace suppliers and customers. More specifically, this stage of integration represents more than a change of focus from product-oriented to customer-oriented in relation to mutual support and cooperation.

A review of external supply chain integration literature reveals two major areas of emphasis. They are: (i) Customer integration and (ii) Supply integration. For supply integration, integration back down to the suppliers represents a change in attitude away from conflict to cooperation starting from product development, the supply of high quality products, process and specification change information, technology exchange and design support. Baharanchi, (2009). Some researchers have investigated supply-side integration in different dimensions. Power (2005), defines supply integration as obtaining frequent deliveries in small lots, using single or dual sources of supply, evaluating alternative sources on the basis of quality and delivery instead of price, and establishing long-term contracts with suppliers.

2.4 Marketing Channel Design

A firm can design any number of channels they require. Designing a marketing channel calls for analyzing customer needs, establishing channel objectives, and identifying and evaluating the major channel alternatives Kotler, Keller & Burton, (2009). According to Kotler (2000); Intermediaries normally achieve superior efficiency in making goods widely available and accessible to target markets. Through their contacts, experience, specialization, and scale of operation, these specialists usually offer the firm more than it can achieve on its own.

The producer and the final customer are part of every channel. There are five common intermediary market channel levels designate the length. These are a **zero-level channel**(also called a direct-marketing channel) consists of a manufacturer selling directly to the final customer, a **one-level channel** contains one selling intermediary, such as a retailer; a **two-level channel**contains two intermediaries; a **three-level channel**contains three intermediaries and a **backward channels**, which recycle trash and old or obsolete products no longer used by customers **Kotler, P., (2000) p.239.**Marketing Channel has its own components. Lou E. et.al, (2019) stated that; there are four key elements for a successful marketing channel. Specifically, (1) **Pooled Resources;** a marketing channel operates as a team, sharing resources and risks to move products and resources from their point of origin to their point of final consumption. (2)**Collective Goals;** a sense of shared purpose helps unite organizations within marketing channels, particularly when the organizations sense a chance to win a critical competition for market share. While at times these connections are short in duration, they some- times last for decades. (3)**Connected System; organizations** cannot exist without markets. All business competition emerges within marketing channels, and the success or failure of all individual enterprise is ultimately decided there. Channel members regulate the flows of goods and services in the marketplace. The degree to which channel members regulate these flows has never been more significant than it is today. (4)**Flexibility;** Marketing channels must be flexible systems in order to be successful. It is clear that marketing channels are administered by the channel members.

After the channel objectives have been determined, the company should identify its major channel alternatives in terms of; (1) types of intermediaries, (2) the number of intermediaries needed, and (3) the terms and responsibilities of each channel member Kansal, (2011). As of Kansal, (2011); there are four basic types of marketing intermediaries, which include: agent, wholesalers, distributors and retailers.

2.5 Channel Administration

Marketing channels put partner representatives in the best possible position to sell Cournoyer (2014). Like other areas of business, marketing channels require careful administration as superior channel management policies and strategies help a firm attain a

differential advantage but concomitantly are difficult to duplicate Shusterman, (2013). Marketing channel management refers to the process of analyzing, planning, organizing, and controlling a firm's marketing channels Coughlan et al., (2005). Hutt &Speh (2013) emphasize that the primary roles of channel administration are; selection of channel members and motivating channel members. Managers strive to manage the channel differences by using different criteria. Mehta et al (2000), stated that marketing channel management comprises seven decision areas: formulating channel strategy, designing marketing channels, selecting channel members, motivating channel members, coordinating channel strategy with channel members, assessing channel member performance, and managing channel conflict. The process of selecting channel members / intermediaries is an ongoing process due to the fact that they tend to leave the channel from time to time, basing on different circumstances: market's changes, problem within their businesses, etc. Hutt &Speh, (2013).

2.6 Marketing Channel Management Technology

Neslin A., *et.al.* (2006) defined multichannel customer management as the design, deployment, coordination, and evaluation of channels to enhance customer value through effective customer acquisition, retention, and development.

Technological innovations facilitate the integration of structures, physical flows, and information within the same distribution channel (Tummala et al., 2006). Technology is also changing the nature of distribution. The rampant pace of communication technology is facilitating more direct communication with customers through electronic data interchange and electronic mail, satellite communication, video telecommunication, and digital cellular technology are increasing the ability of distributors to communicate with distant customers (Hayes, et.al. 1996).

Marketing automation is the use of software to automate marketing processes such as customer segmentation, customer data integration, and campaign management. The use of marketing automation makes processes that would have otherwise been performed manually much more efficient, and makes new processes possible (Todor, 2016). A marketing automation system is a software platform that allows marketing teams and

organizations to more easily and effectively: Execute marketing campaigns, across online channels like email, social media and websites,(StitchDX, 2017).

The key to efficient automated processes is also the usage of business intelligence. Business intelligence and automation solutions transcend the customer lifecycle by working behind the scenes to improve customer experience. While marketing automation and CRM (Customer Relationship Management) software are very powerful for penetration and retention of existing customers, business intelligence software receives current sales information (Hubspot 2015). Hence, automation enhances customer relationship management. The Customer Relationship Management is basically an application that is designed for the businesses to organize all the data that they have on their customers. The primary purpose of CRM is to organize, track, and manage all of the customer information, activities and conversations. This helps the sales, marketing, and customer service teams better understand their customers. In short, CRM means that “you will not be trying to sell a single product to as many customers as possible. Instead, you’ll be trying to sell a single customer as many products as possible over a long period of time, and across different product lines (Peppers 1996).

According to Todor, (2016); the marketing automation tools can provide benefits to the Organization: increased marketing efficiency, enhanced ability to generate more and better qualified leads, a multichannel view of prospect behavior, better alignment of sales and marketing goals, and improved lead conversion and better customer sales tracking.

2.7 Channel selection

The growth and the increasing importance of distribution in recent years and having efficient distribution channels can be considered a competitive advantage for manufacturers. Diverse needs of our customers and specialized companies in the production due to the lack of distinction in the product and product diversification in a company has led producers leave distribute component of their goods to distributors. In this context, the challenges of marketing managers are the selection of the appropriate channel (Saremi and Zadeh, 2014).

Finding and selecting the right channel intermediaries is crucial to the success of the marketing strategies. Thus, companies need to select their channels members carefully

(Kotler, 2003). Identifying the relevant marketing activities and measuring the costs associated with the selected marketing channel activities and its profitability is the crucial point in selecting relevant and profitable marketing channel selection (Shermain D. and Penny Leff, 2009).

Asiamahet. *al* (2013) stated that; product characteristics and how they affect methods of distribution, customers and their requirements, location of the customers, how, when and where customers want to buy the products, cost of distribution and the legal and regulatory constraints of the distribution are the points that they must be considered by the manufacturers to select a proper marketing channel. Channel members election also due consideration in the proper channel selection. According to Marko L., et.al, (2015); CRM strategies, organizational structures and cultures, employees and top management, communication channels as well as information technology can affect success of customer relationship management of the firms. As of Kotler (2003), the channel member selection process consists of three basic steps: (1) finding prospective channel members, (2) applying selection criteria to determine whether these members are suitable, and (3) securing prospective members for the channel.

2.8 Sales Concepts and Performance Indicators

The term sales refer to transactions between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money Hutt &Speh, (2013). According to Dean (2015) stated that every manufacturer or supplier must improve sales performance, reduce the cost of selling, and ensure their survival. In similar manner; mangers can make changes to optimize sales in going forward by analyzing sales performance Farris et al., (2010). Sales performance is a combination of sales effectiveness and sales efficiency, Dean, (2015). Farris et al (2010) posits that sales effectiveness is not just a sales function issue; it's a company issue, as it requires deep collaboration between sales and marketing to understand what's working and not working, and continuous improvement of the knowledge, messages, skills, and strategies that sales people apply as they work sales opportunities. On the side of sales efficiency, companies need to examine

their sales process for weaknesses, so as to maintain favorable speeds at which each task in the sales process is performed Treace, (2012).

Cournoyer, (2014) suggests tips to consider to optimizing sales performance; 1) Provide resources that communicate your message, create a common sales tool kit for partners so that you're doing everything possible to enable them to communicate your value proposition and accelerate sales growth; 2) Modularize your packaging for each stage of the buying process. Packaging stock into smaller, more manageable 'chunks' or 'bits' makes moving of stock more practical for channel partners at the time and place they choose; 3) Keep the lines of communication frequent and open. Alexander (2013) advises that the producer should call each of channel partners on a regular basis so as to offer any assistance that may be needed; 4) get on board with social media. According to Offenberger (2011) it is important to network with channel partners through social networks like Facebook, LinkedIn, Twitter and others. Social networks enable more authentic, personal and regular interactions, leading to positive partner interactions and more partner sales (Offenberger, 2011); and 5) Measure the relationship early.

James (2011) explains that there are two reasons to measure relationships. First, the key to the channel relationship is trust, which means that you need to be flexible in making adjustments that improve performance. That's only possible if you know what's happening. Second, when a channel partner is not performing (i.e. consuming more resources than the revenue they create); you need to know quickly so that you can either fix the problem or cut the partner from your programs.

Key performance indicators are financial and non-financial indicators that organizations use in order to estimate and fortify how successful they are, aiming previously established long lasting goals. At a strategic level it encompasses return of investment, profit margin, risk versus opportunity, return of assets, turnover, market share, employee satisfaction, client satisfaction; at a managerial level; availability of resources, planning versus effort, cost and income versus budget and at an operational level may include information on individual performance such as regarding processes, activities, products, specifications, procedures, efficiency, quality of all services provided to customers, new clients, active clients and etc. **Anca-Mihaela, (2015).**

2.9 Customer Satisfaction

Since the concept of customer satisfaction was introduced by Cardozo, 1965 cited in Bei and Chiao, (2001) into marketing field, there has been divergent definition concerning customer satisfaction Bei and Chiao, (2001). For instance, Oliver (1981) proposed that customer satisfaction is “a total psychological state when there is an existed discrepancy between the emerging emotion and expectation, and such an expectation is a consumer’s feeling anticipated and accumulated from his or her previous purchases”. Kotler and Armstrong (1996) defined customer satisfaction as “a feeling which results from a process of evaluating what has been received against what was expected, including the purchase decision itself and the needs and wants associated with the purchase”. Generally, today business sustainability mainly focuses towards satisfying the customers. Without satisfied customer, the whole exercise of applying the supply chain strategy could be costly and futile Gunasekaran A., Patel C., and Tirtiroglu E. (2001). SCM contributes to reduction of inventory and purchasing cost, shortening the business process, lead-time and sales promotion planning time, and enhancing delivery time, increasing sales revenue and decreasing defective rates. Customer satisfaction is the customer’s reaction to the value received from the purchase or utilization of the offering. Customer satisfaction represents the customer’s reaction to his or her perception of the value received as a result of using a particular product or service. Thus customer satisfaction will be influenced by the desired value (ideal standard) as well as by the perceived value of competitive offerings (industry norms, expectations based on use of competitor products). Thus customer satisfaction is influenced by the perception of the value delivered as well as by the perception of the value offered by competitor.

2.10 Customer Relationship Management

According to Marko L., et.al, (2015); CRM strategies, organizational structures and cultures, employees and top management, communication channels as well as information technology can affect success of customer relationship management of the firms.

Richards and Jones (2008) states that CRM concept builds strong benefits for the firms: such as improves ability to choose profitable customers; integrates offer to customers through channels; improves efficiency and effectiveness of sales; personalizes marketing messages; customizes products and services for customers; improves pricing policy and opens new opportunities to attract customers through cross-selling of products and services.

2.11 Employee Turnover

Employee turnover refers to an employee's leaving an organization. Employee turnover has potentially harmful consequences, such as poor customer service and poor company-wide performance. Employee turnover can be originates from internal factor or external factors. Internally, poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment, Abassi et al. (2000), can be considered. Additionally, the experience of job related stress, the range factors that lead to job related stress, lack of commitment in the organization; and job dissatisfaction make employees to quit Firth et al. (2004).

Woods (1995) stated that employ turnover as "Frequently, managers refer to turnover as the entire process associated with filling a vacancy: Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. Pay-related factors have a modest effect on turnover in that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain within the organizations, Griffeth and Hom, (2000). Many researchers argue that high employee turnover rates might have negative effects on the profitability of organizations if not managed properly (Barrows, 1990; Wasmuth and Davis, 1993). The frequent employee turnover might result in to poor sales performance in small garment and textile industries.

2.12 Conceptual Framework

According to Hutt and Speh, (2013); Sales performance refers to transactions between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money. It is in relation with the companies' sales performance viewpoints that this conceptual framework has been developed by the researcher.

Silva (2008) stated that, channel objectives should be stated in terms of targeted service output levels. Channel objectives vary with product characteristics. The company's channel objectives are influenced by; nature of the product, company characteristics, characteristics of intermediaries, competitors' channel and environmental factors Kotler, Keller & Burton, (2009). Nevertheless, it should be remembered that the process of choosing the intermediaries is not a one-way street at all, thus the company should bother about its reputation if it wants to have the opportunity to choose the best intermediaries Kumar & Venkatesan, (2005). The sales performance of the company can be influenced by a numbers of internal and external factors. These factors can be identified by employing different measurement tools. Anca-Mihaela, (2015) stated that; a company's sales performance can be identified at strategic, managerial and operation levels of the business company by using different key indicators delegated for the internal organizational levels. The researcher has been decided to identify the influence of marketing channel integration on the textile and small garment industries in the study area by employing key sales indicators listed in the following conceptual framework fig. 2.1. Generally, a relationship between industry sales performance and marketing channel integration has been assessed from the viewpoints of channel design, channel administration and channel management technology.

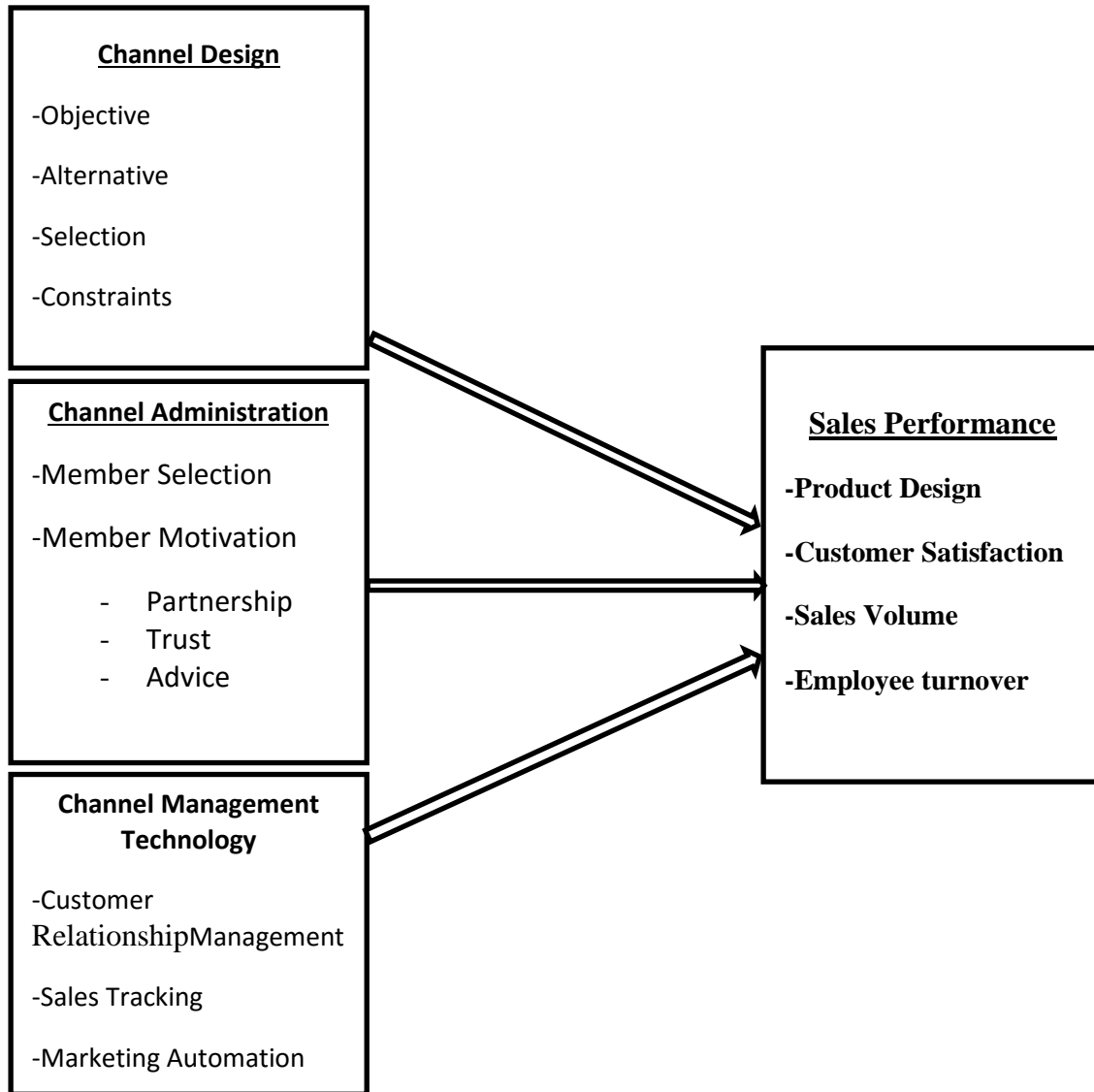


Figure 2:2 Conceptual frameworks.

Source: Variables adopted with modification from Iyer and Villas-Boas, 2003.

2.13 Operational Definitions of the Variables

Dependent Variable:

Sales Performance: Sales performance refers to the ability of a company's sales professionals to "win" at each stage of the customer's buying process, and the speed at which each task in the sales process is performed (Ntale T., 2016). It is a dependent variable that has been assessed from the viewpoint of product design, customer satisfaction, sales volume and employee turnover.

Independent variable

Marketing Channel Alternative: Channel alternatives refers to a choice of marketing channel in terms of the types of intermediaries, the number of intermediaries, and the responsibilities of each channel member (Kotler, Keller and Burton, 2009).

Constraints: -Stern and El-Ansary (1982) and Pelton et al, (2001) affirm channel constraint as the shortage of the availability of good middlemen, traditional channel patterns, product characteristics, company finances, competitive strategies, and customer dispersion question during proper channel selection.

Customer Relationship Management: Customer Relationship Management is a complex process which is based on a good knowledge of habits and needs of customers. It assumes constant collection of information of customer's behavior, as firm's goal is to give offer to customers based on his needs (Marko L., et.al, 2015). For the purpose of this study; customer management refers to the planning, organizing, coordination and mentoring of the customers.

Sales Tracking: Sales tracking means keeping records and detailing all aspects of your sales process from the inception of sales to the end user by using sales monitoring agents and technologies,(Rogers, W.; 2014).

Marketing Automation: Marketing automation is the use of software to automate marketing processes such as customer segmentation, customer data integration, and campaign management (Todor, 2016).

CHAPTER THREE

3 RESEARCH METHODOLOGY

This section comprises information about study area, research design, sampling design, target population and sampling techniques, method of data collection and analysis.

3.1 Description of the Study Area

Burayu town is located in Oromia regional State adjacent to Addis Ababa; the capital city of Ethiopia in the North West direction. According to the 2010 E.C annual report of Burayu town administration; currently the town comprises more than 1000 private manufacturing industries. The selected 30 small garment and textile industries are among these industries.

3.2 Research Design and Method

A research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data Kothari, (2004). According to Creswell (2009) research design are plans and the procedures for research than span the decision from broad assumptions to detailed methods of data collection and analysis. The selection of research design is based on the nature of the research problem or issues being addressed, the researcher's personal experience and the audiences of the study.

The researcher employed a descriptive type method in the form of mixed paradigm approach that has been described qualitatively and quantitatively in assessing the influence of marketing channel integration on sales performance of small garment and textile industries in the study area. The major purpose of descriptive research is describing the state of affairs as it exists at present; the main characteristic of this method is ,the researcher has no control over the variables; he/she can only report what has happened Kothari(2007). Similarly, Creswell (2009) defines a descriptive study as a technique of gathering information about the existing condition.

The sampling units also decided in order to identify the representative samples from the population. The data types and sources have been also disclosed under this sub-content. Data collection procedures and tool also decided here under. Descriptive statistics such as frequency, percentage, tabulation, charts, tables, mean and standard deviation have been employed for data presentation and analysis. Generally; since this study has been descriptive in nature descriptive data analysis methods has been used.

3.3 Target Population

A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study. The unit of analysis may be a person, group, organization, country, object, or any other entity that you wish to draw scientific inferences about (Bhattacharjee, 2012). The population of this research comprises 120 management bodies of the 30 garment and textile factories which are currently working in Burayu town.

3.4 Sampling Design

A sample design is a plan for obtaining a sample from a given population and the procedure that the researcher followed to achieve the sample. In order to select the study site and respondents: non-probability sampling technique has been employed. Among 36 total population, 6 of them have been rejected due to their operational year is below five years and 30 of them have been purposively sampled due to their establishment year was five years and above for the valid data availability. Generally; 65 representatives of the 30 small garment and textile industries have been sampled.

3.4.1 Sample Size

According to Kothari (2005) a sample is a small section of the population .Sampling means choosing several units from a population as a representative. Based on the sampling design formula of Kothari, (2004); the sample size of this study comprised 65 respondents.

$$n = \frac{p \cdot q \cdot N \cdot Z^2}{(N-1) e^2 + Z^2 \cdot pq}$$

Where, n= sample size=65 respondents.

N= population (Target population) =120

Z= 95% confidence level (interval) under the normal curve (1.96)

e= Acceptable error term (0.05), P (90%) and q (10%) are estimates of proportions for the non-response and response rates respectively. According to the formula, the number of respondents has been 65 representatives of the sampled garment industries. Simple random sampling has been used to collect data from the administrative staffs of the respondents from sampled firms.

Table 3-1 Sample frame

S.N	Company Name	Target population (Management Members)	Sample Size	Key Informants
1	FelekeEndashaw Garment	5	3	
2	Delil Garment	3	2	1
3	Mutefiq Garment	4	2	
4	MimberMusema Garment	3	2	
5	DK Manufacturing	5	3	1
6	Yuli Socks Factory	4	2	
7	BM Socks Factory	5	3	1
8	Nigat textile	5	3	
9	Gashu Textile	5	3	1
10	Yended Textile	4	2	
11	Ismail Ahmad Textile	4	2	
12	Abdul Jelil Textile	5	3	1
13	EW Wona Garment	5	3	
14	TimonierTextle	3	2	1
15	Falem Garment	3	2	
16	Masayas Garment	4	2	1
17	Bekam Garment	3	2	
18	LianZhong Garment	5	3	1
19	Mujedin Garment	4	2	
20	Fikat Garment	5	3	1
21	ZekariasTadesse Textile	3	2	
22	DegefeKora Textile	3	2	1
23	Ashraf Textile	4	2	
24	Fireselam Garment	4	2	1
25	Maleda Textile	5	3	
26	Adot Textile	3	2	
27	Habesha Garment	3	2	1
28	Temesgen Garment	4	2	
29	BellalemAliyi Fabrics	4	2	
30	Bashial Textile	3	2	
Total		120	65	12

3.5 Data Types and Sources

To address the stated objectives; semi-structured questionnaire has been employed to collect qualitative primary data. All necessary secondary data also collected from written document, reports, different books and journals. Additionally, the different published and unpublished useful data collected by browsing the internet websites.

3.6 Data collection Techniques and Tools

3.6.1 Data Collection Techniques

The data for study has been collected from the sample respondents by employing semi-structured questionnaire and key informants interview.

3.6.2. Semi-structures Questionnaire

A likert scale based semi-structured questionnaire has been designed and used to collect primary data from the respondents.

3.6.3. Key informants Interview

An interview check-list guide has been designed and employed to collect primary data from 12 key officials of the textile and garment industries under sampling.

3.7. Method of Data analysis

Descriptive data analysis has been conducted. Likert scale; like “strongly agree, agree, neutral, disagree and strongly disagree” has been used to analyze the data descriptively. Descriptive statistics (Mean and standard deviation) procedures including cross tabulation and frequency distributions were used. SPSS version v. 20 has been used as a data analysis tool. Cronbach’s alpha has been also calculated for testing data reliability.

3.8. Validity and Reliability of the study

3.8.1 Validity of the study

Since the statements has been generated from an extensive review of academic and practitioner`s literatures, it is assumed that the construct validity will hold.

3.8.2. Reliability of the Study

Reliability is the extent to which an experiment, test or any measuring procedure yields the same results on repeated trials Carmines and Zeller (1979), p 11. It is clear that whenever we measure anything there is always a chance for errors. In fact, the goal of error-free measurement is never attained in any area of scientific investigation. Two sets of measurements may not duplicate each other exactly even if we repeated the same study with the same sample. Reliability is defined as the ratio of variance of the true score to the variance of the actual measured score. In general we can say that reliability of a study is a pre-requirement for the results to be interpretable and generalizable. The method used to estimate reliability should be in line with the ways in which the scores are to be used Gorge,D., and Mallery,P.(2003). Reliability of the scales along with the items has been tested by using Cronbach Alpha test.

3.9 Ethical procedures

In conducting this research, respondents were informed in advance that the data collection process will carried out whenever they are willing to cooperate. In addition to this, any information that is collected will never use for any other purpose other than its academic intent i.e. the data will be kept confidential. They have offered copy of research findings. Generally, In this study, some of the expected tenets of ethical behavior that are widely accepted within the scientific community were followed. Those included:

- 1) Voluntary participation and harmlessness: the voluntary participation of respondents will be done to obtain data and also data collected will not harm the personal relationship of the customer with the industry.

2).Anonymity and confidentiality

Anonymity implies that the research or reader of the final research report or paper cannot identify a given response with specific respondents Bhattacharjee, (2012). To follow anonymity and confidentiality ethics of the research, the researcher Cleary informed respondents in written form no need to write their names.

3) Disclosure: information's like who is conducting and for what purpose was clearly disclosed for the respondents both on the cover page of the questionnaire and orally before filling the questionnaire.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1 General Information

This chapter presents the findings of the study. Regarding with the general demographic characteristics of respondents; 30 (12 female and 18 male) respondents of the questionnaire and 12 key informants have been participated. In relation with the age category of the respondents 60% of the respondents have been in the age category of 30-60 years (table-4.2). Regarding the educational background of the respondents; 97 percent of them have been first degree and above holders (table-4.3). Pertained with the response rate; the researcher has been distributed a total of 30 questioners to the respondents and 30 respondents returned the filled questionnaire. Hence, the response rate has been 100 percent.

Reliability test also tested and has a value of greater than 0.70. The statistical data analysis (Mean and standard deviation) also has been conducted to test influence of the marketing channel design, channel administration and marketing channel management technology on the sales performance of the sampled textile and garment industries in the study area. Generally; tables, percentages, frequencies and charts were used to present the descriptively and statistically analyzed data. The statistical software; SSPS v.20 has been utilized for data analysis descriptively and statistically.

4.2 Demographic Characteristics

Pertained with the sex characteristics of the respondents; 54 percent and 46 percent were male and female respectively (table-4.1).

		Frequency	Percent
Valid	Male	35	54.0
	Female	30	46.0
	Total	65	100.0

Source: Survey data

Regarding the age categories of the respondents; 28%, 37%, 18% and 17% of them have been laid in the age intervals of 18 – 29, 30-39, 40-60 and Above 60 years respectively (table-4.2).

		Frequency	Percent
Valid	18-29	18	28
	30-39	24	37
	40-60	12	18
	Above 60	11	17
	Total	65	100

Source: Survey data

In relation to an educational background of the respondents; 5%, 55%, 28% and 12% of them have been holders of diploma, first degree, second degree and above 2nd degree respectively (table-4.3). Qualified respondents might understand and respond to the questionnaires more compared to unqualified respondents.

		Frequency	Percent
Valid	Diploma	3	5
	First Degree	36	55
	Second Degree	18	28
	Above 2nd Degree	8	12
	Total	65	100

Source: Survey data

Pertained to the current position of the respondents; 6%, 17%, 31% and 46% of them have been in an investor, general manager, marketing manager and sales person positions in their respective firms respectively (table-4.4). This helps to collect reliable data from the firms due to they have close relationships with company aggregated operations than employees in operational line positions.

		Frequency	Percent
Valid	Investor	4	6.0
	General Manager	11	17.0
	Marketing Manager	20	31.0
	Sales team leader	30	46.0
	Total	65	100.0

Source: Survey data

Pertained with the service year of the respondents; 28%, 46%, 15% and 11% of them have below 3years, 5-10 Years, 11-20 years and above 20 years of work experience in their respective textile and garment industries respectively (table-4.5). The data shows that 72% of the respondents have been served their current companies for more than five years which might help to respond with accurate data to the questionnaires.

		Frequency	Percent
Valid	Below 3years	18	28
	5-10 Years	30	46
	11-20 years	10	15
	Above 20 years	7	11
	Total	65	100

Source: Survey data

Table-4.6 depicts that; 3%, 73% and 24% of the sampled companies have been engaged in producing fabrics (raw materials), garment items and both respectively.

		Frequency	Percent
Valid	Fabrics (raw materials)	1	3.0
	Garment items	22	73.0
	Both	7	24.0
	Total	30	100.0

Source: Survey data

Regarding the company market orientation; 73%, 7% and 20% of the sampled textile and garment industries have been supplying their products to local market, foreign market and both respectively (table-4.7). More than 73% of the manufacturers have been supplying their products to the local market which helps them to closely monitor the taste of the end users of their products.

		Frequency	Percent
Valid	Local buyers	22	73.0
	Foreign Customer	2	7.0
	Both	6	20.0
	Total	30	100.0

Source: Survey data

4.3 Response Rate

Pertained with the response rate; out of the 36 small garments and textile industries that currently operating in the Burayu town 30 of them have been purposively selected for the purpose of data reliability aged more than five years. The selected respondents were industries' management members. The researcher has been distributed a total of 65 questionnaires to the respondents and 65 respondents returned the filled questionnaire. Hence, the response rate has been 100 percent.

$$\text{Response Rate} = \frac{\text{Number of respondents Cooperated (100)}}{\text{Total Number of Selected Respondents}} = (65/65*100)=100$$

4.4 Reliability Test

Reliability analysis allows studying the properties of measurement scales and the items that compose the scales. The Reliability Analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. Cronbach's alpha (Cronbach, 1951) is a measure of reliability. More specifically, alpha is a lower bound for the true reliability of the survey. Mathematically, reliability is defined as the proportion of the variability in the responses to the survey that is the result of differences in the respondents. That is, answers to a reliable survey will differ because respondents have different opinions, not because the survey is confusing or has multiple interpretations.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. Based upon the formula $\alpha = \frac{rk}{[1 + (k - 1) r]}$ where k is the number of items considered and r is the mean of the inter-item correlations the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. George and Mallery (2003) provide the following rules of thumb: " $\alpha > .9$ – Excellent, $\alpha > .8$ – Good, $\alpha > .7$ – Acceptable, $\alpha > .6$ – Questionable, $\alpha > .5$ – Poor and $\alpha < .5$ – Unacceptable" (p. 231). While increasing the value of alpha is partially dependent upon the number of items in the scale.

Reliability of the instrument was measured for eighteen variables of the study were six of them channel design dimension related, nine of them channel administration dimension related and three of the channel management technology dimension related. Thus; as shown in table 4.8 above a Cronbach's alpha of more than 0.7 was achieved for three variables.

Table 4-8 Reliability Statistics			
Variable	No. of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
Channel Design	6	.796	.803
Channel Administration	9	.745	.785
Channel Management Technology	3	.775	.825

Source: Computed from the survey data

4.5 Descriptive Analysis

Regarding the marketing channel integration (MCI) selection of the sampled textile and garment firms; 70%, 15% and 15% of the firms have been preferred and using producer-retailer-end user, producer-wholesaler-retailer-end user and mixed marketing channel to distribute their products respectively (table-4.9). As can be seen from table-4.8; more than 70% of the firms using the shorter MCI to distribute their products, but about 15% of them preferred longer channel. The longer the integrated marketing channel, the larger the market coverage possibility. The data obtained from the key informant's shows that almost all textile and garment industries in the study area use single channel rather than multi-channel distribution. According to Kotler (2000); multiple marketing channels are preferred for better market coverage if administered properly by the channel members. But as manufacturers of the textile in the study area attached themselves to a unit system of distribution. In order to be successful producers as well as distributors must have flexible marketing channels.

		Freq.	%
Valid	Producer-Retailer-consumer	45	70.0
	Producer-Wholesaler-Retailer-consumer	10	15.0
	Producer- Agent-Wholesaler-Retailer- Consumer	0	0.0
	Producer- Wholesaler- Consumer	0	0.0
	Producer- Agent-Consumer	0	0.0
	Mixed Channel/multichannel	10	15.0

Source: Survey data

Pertained with the influence of the MCI of the firms; 85% and 15% of the respondents have been responded as "YES" and "NO" respectively (table-4.10). This infers the current MCI has negative influence on the sales performance of the textile and garment industries in the study area. The data obtained from the key informants also reveals that the marketing channel of most textile industries have been influencing their sales performance.

		Frequency	Percent
Valid	NO	10	15.0
	YES	55	85.0
	Total	65	100.0

Source: Survey data

Regarding the extent of firms sales performance influenced by the MCI they follow; 69%, 22% and 9% of the respondents have been responded as “high”, “moderate” and “low” respectively (table-4.11). This infers that, majority of the firms’ sales performance has been highly influenced by the MCI they currently using. The key informants also concluded that the MCI preferred by the firms highly affecting their sales performance.

		Frequency	Percent
Valid	High	45	69.0
	Moderate	14	22.0
	Low	6	9.0
	Total	65	100.0

Source: Survey data

From the sales performance indicators point of view (table-4.12); “poor product design within the industries” responded by 34%, 42%, 12% and 12% of the respondents as “strongly agree”, “agree”, “disagree” and “strongly disagree” respectively. This implies that there are product design problems within about 76% of the sampled industries.

Regarding with the high employee turnover of the textile and garment industries; 36%, 46%, 2%, 8% and 8% of the respondents have been responded as “strongly agree”, “agree”, “neutral”, “disagree” and “strongly disagree” respectively. It indicates that there has been employee turnover within about 82% of the sampled industries. This implies that employee turnover has been influenced the sales performance of the industries.

Pertained with poor customer satisfaction within industries; 71%, 17% and 12% of the respondents have been responded as “strongly agree”, “agree” and “disagree” respectively. This indicates that there is poor customer satisfaction within about 88% of the sampled

textile and garment industries. This infers that the poor customer handling of the industries has been influencing their sales performance.

Regarding the “Good sales volume”; 18%, 18% and 64% of the respondents have been responded as “agree”, “Disagree” and “strongly disagree” respectively. Here, about 82% of the sampled industries have no good sales volume. This implies that the textile and garment industries in the study area have no good sales volume. The data obtained from the key informant interview reveals similar.

Anca-Mihaela, (2015) stated that companies sales performance can be successful if they achieve the basic key sales performance indicators. This encompasses return of investment, profit margin, risk versus opportunity, return of assets, turnover, market share, employee satisfaction, client satisfaction; availability of resources, planning versus effort, cost and income versus budget, products specifications, procedures, efficiency, quality of all services provided to customers, continues new clients and etc. But the sampled textile and garment industries were seen not successful in addressing the key sales performance indicators.

Indicators	SA		A		N		DA		SDA	
	Freq	%	Freq	%	Freq	%	Freq	%	Fr.	%
There is product design problem within industries	22	34	27	42	0	0	8	12	8	12
There is high employee turnover within the industries	24	36	30	46	1	2	5	8	5	8
There is poor customer satisfaction within industries	46	71	11	17	0	0	8	12	0	0
Good sales volume	0	0	12	18	0	0	12	18	41	64

Source: Data survey

Concerning the Customer handling of the firms (table-4.13); 46%, 33%, 5%, 2% and 14% of the respondents have been responded to “ firm's lead time affected Customer handling” as “strongly agree”, “agree”, “neutral”, “disagree” and “strongly disagree” respectively.

This indicates that the lead time within about 79% of the sampled industries has been affecting their customer handling of the firm. This infers that majority of the textile industries have poor customer handling practices in the study area.

Regarding with the “firm's poor communication influence on customer handling”; 52% 41%, 2% and 5% of the respondents have been responded as “strongly agree”, “agree”, “neutral” and “disagree” respectively. This infers that there is poor communication within about 93% the sampled industries.

Pertained to “firm's poor customer service affected customer handling”; 46%, 34% and 20% of the respondents have been responded as “strongly agree”, “agree” and “neutral” respectively. This implies that firms’ poor customer service has been influenced

Regarding with the “firm's power shortage affected customer handling”; 49% and 51% of the respondents have been responded as “strongly agree” and “agree” respectively. This indicates the power shortage within about 100% of the sampled industries has been affected the customer handling of the firms.

The data obtained from the key informants concluded as that there is the problem of customer handling within the majority of the sampled industries. According to Thomas Gruenberg, (2004); customer handling policy of the companies matters responsive reaction. Customer satisfaction is the customer’s reaction to the value received from the purchase or utilization of the offering. But poor customer handling has been identified in the companies sampled.

Table 4-13 Customer handling of the firm has been affected by										
Influencers	SA		A		N		DA		SDA	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Firm's lead time affected Customer handling	30	46	22	33	3	5	1	2	9	14
Firm's Poor communication affected customer handling	34	52	27	41	1	2	3	5	0	0
Firm's Poor customer service affected customer handling	30	46	22	34	0	0	13	20	0	0
Firm's Power shortage affected customer handling	32	49	33	51	0	0	0	0	0	0

Source: Data survey

Pertained to the sales volume of the textile and garment industries in the study area; 66%, 20%, 7% and 7% of the firms have under 10 million ETB, 11-25 million ETB, 26-50 million ETB and over 50 million ETB of sales volume respectively by 2018 G.C (table-4.12).

By 2017 G.C; 50%, 33 %, 10% and 7% of the firms have made sales under 10 million ETB, 11-25 million ETB, 26-50 million ETB and over 50 million ETB respectively.

Likewise by 2016 G.C; 27%, 10%, 53% and 10% of the firms have been made sales under 10 million ETB, 11-25 million ETB, 26-50 million ETB and over 50 million ETB respectively. By 2015; 17%, 20% 47% and 16% of the firms have made under 10 million ETB, 11-25 million ETB, 26-50 million ETB and over 50 million ETB respectively.

Similarly by 2014; 17%, 6%, 57% and 20% of the firms made under 10 million ETB, 11-25 million ETB, 26-50 million ETB and over 50 million ETB respectively (table-4.14).

Table 4-14 Five years sales trend of the firms (in millions)								
Sales Year	Under 10		11-25		26-50		Over 50	
	Freq	%	Freq	%	Freq	%	Freq	%
2018	20	66	6	20	2	7	2	7
2017	15	50	10	33	3	10	2	7
2016	8	27	3	10	16	53	3	10
2015	5	17	6	20	14	47	5	16
2014	5	17	2	6	17	57	6	20

Source: Buray town revenue Authority (with modification)

As can be seen from the chart-4.1; the annual sales under 10 million ETB increased largely by 2018 and the larger sales by 2014 has been in a decreasing pace by 2018. This implies that the sales performance of the sampled industries has been in a decreasing rate due poor customer satisfaction, poor channel selection, weak channel administration and weak technological based customer management of the industries.

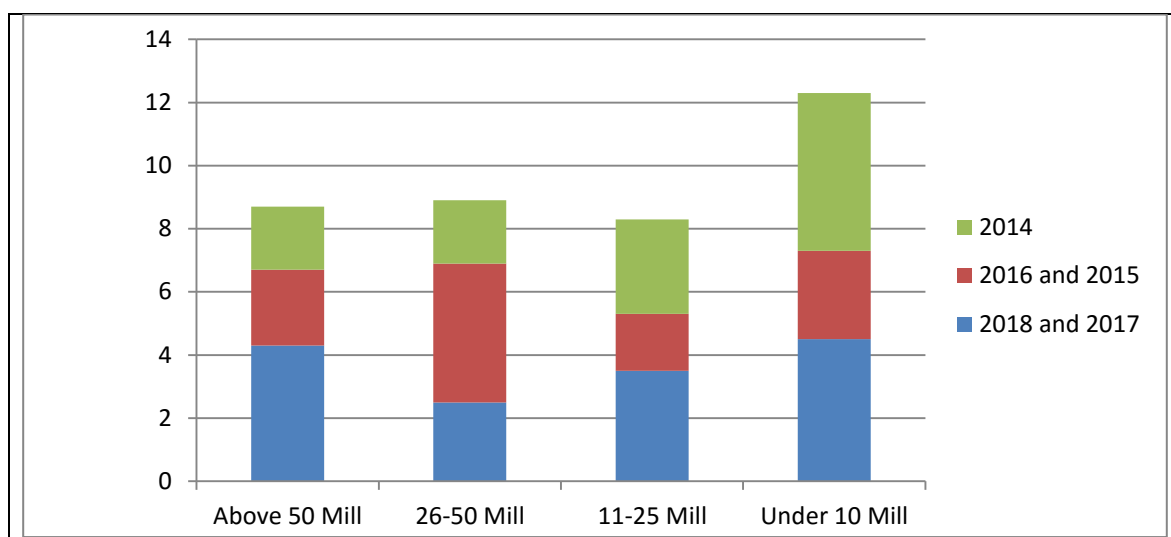


Figure 4:1 Five years sales trend of the sampled industries

Source: Extracted from secondary data

Concerning the influence of channel design of the firms on their sales performance (table-4.15); to “the objective of MCI creation of the firms to increased their sales”; 6%, 15%, 2%, 74% and 3% of the respondents have been responded as “strongly agree”, “agree”, “neutral” and “disagree” respectively. This implies that the MCI creation objective of 77% sampled firms has not contributed to enhance their sales performance.

Regarding the company’s flexible alternative channel integration; 12%, 42% and 46% of the respondents have been responded as “strongly agree”, “Disagree” and “strongly disagree” respectively. This implies that about 88% of the sampled textile and garment industries have no flexible MCI to boost their sales performance.

Regarding to “company’s customers’ easily access to the firm’s product”; 15% and 85% of the respondents has been responded as “strongly agree” and “disagree” respectively. This indicates that 85% of the sampled industries’ customers have not easily access to the products of the firms.

Regarding “the companies’ selection of good channels design”; 15%, 5%, 77% and 3% of the respondents have been responded as “strongly agree”, “agree”, “Disagree” and “strongly disagree” respectively. This implies that the about 80% of sampled textile and garment industries have no good channel design that enhances their sales performance.

Pertained to “the practice of companies customer needs analyzes before product distribution”; 8%, 8%, 81% and 3% of the respondents have been responded as “strongly agree”, “agree”, “Disagree” and “strongly disagree” respectively. This conforms that about 80% of the sampled industries have no customer need analysis to increase their sales performance.

Pertained with “the companies’ easily channel constraint adjustment practices as aroused to increase their sales”; 23%, 5%, 69% and 3% of the respondents have been responded as “strongly agree”, “agree”, “ disagree” and “strongly disagree” respectively. This implies that about 74% of the sampled textile industries have no practice of adjusting the MCI constraints to improve their sales performance.

The data obtained from the key informants suggests that majority of the sampled industries have no flexible marketing channels and have poor customer selection practices in addition to product competitiveness in the market. A well-integrated multi-channel distribution format helps to reduce business risks on the grounds that it increases diversification of a company's resource allocation Coelho, Easingwood, and Coelho (2003). But the marketing channel followed by the sampled textile and garment industries have not been improved their sales performance.

Components	SA		A		N		DA		SDA	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The objective of MCI creation of the firm increased its sales	4	6	10	15	1	2	48	74	2	3
The company has flexible channel integration alternatives	8	12	0	0	0	0	27	42	30	46
The company has easy product accessing to the customers	10	15	0	0	0	0	55	85	0	0
Your company has selection good channels Design	10	15	3	5	0	0	50	77	2	3
The company has the practice of customer needs analyzes	5	8	5	8	0	0	53	81	2	3
The company easily adjusts the channel constraints when aroused	15	23	3	5	0	0	45	69	2	3

Source: Data survey

Concerning the channel administration practices to enhance the sales performance of the firms' (table 4-16); "the proper channel member selection of the company enhanced its sales" has been responded as "strongly agree", "agree", "disagree" and "strongly disagree" by 8%, 9%, 72% and 11% of the respondents respectively. This implies that about 83% of the companies' have poor customer selection practices enhance their sales performance.

In relation with "good communication among the company related channels to increase sales" 2%, 5%, 11%, 74% and 8% of the respondents have been responded as "strongly agree", "agree", "neutral", "disagree" and "strongly disagree" respectively. This infers that about 82% of the sampled companies have poor communication among their marketing channels to boost the sales performance.

In relation with “The customer satisfaction to the marketing channel administration of the sampled companies”; 9% and 91% of the respondents have been responded as “strongly agree” and “disagree” respectively. This implies that there is poor customer satisfaction within channel administration practices of the sampled industries.

Regarding to “Company’s distribution channel administration has increased its sales”; 14%, 75% and 11% of the respondents have been responded as “agree”, “Disagree” and “strongly disagree” respectively. About 90% of the sampled industries channel administration practices has not increased their sales performance.

Concerning with “The company has been created strong partnership with customers”, 18%, 25%, 46% and 11% of the respondents have been responded as “strongly agree”, “agree”, “disagree” and “strongly disagree” respectively. This suggests us that majority of the sampled industries have no strong partnership with their line customers to increase their sales performance.

Regarding with “the periodical meeting organization of the companies with its channel members on advancing sales”; 8%, 11%, 70% and 11% of the respondents have been responded as “strongly agree”, “agree”, “disagree” and “strongly disagree” respectively. This implies that majority of the companies have poor periodical meeting organization with their channel members to enhance their sales performance.

Concerning to the strong motivation scheme of the companies to enhance their sales, 2%, 6%, 2%, 88% and 5% of the respondents have been responded as “strongly agree”, “agree”, “neutral” “disagree”, and “strongly disagree” respectively. This connotes that about 88% the sampled textile industries have weak motivational plan to enhance their sales performance. This infers that textile industries in the study area have sales poor motivational scheme.

In relation with the industries advisory service delivery program for channel members; 8%, , 5%, 44% and 43% of the respondents have been responded as “strongly agree”, “agree”, “disagree” and “strongly disagree” respectively; about 77% of the sampled companies have no advisory services to their channel members to increase their sales

performance. This connotes that there is poor marketing channel advisory service practices by the firms in the study area.

Pertained with the strong trust creation of the companies with their product distributors; 19%, 9%, 66% and 6% of the respondents have been as strongly agree”, “agree”, “disagree” and “strongly disagree” respectively. This shows that about 72% of the sampled textile and garment industries have not created strong trust with their product distributors. This infers that the textile and garment industries in the study area have not built strong trust with their channel members.

The primary roles of channel administration are; selection of channel members and motivating channel members, (Hutt &Speh, 2013). The data obtained from the key informant’s shows that the sampled textile and garment industries have weak MC administration practices in that they have poor customer satisfaction, weak partnership with their product distribution channel members’ weak motivational plans for the customers.

Table 4-16 Channel Administration related factors										
Components	SA		A		N		DA		SDA	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The proper channel member selection of the company enhanced its sales	5	8	6	9	0	0	47	72	7	11
There is good communication among the company related channels to increase sales	1	2	3	5	7	11	49	74	5	8
The marketing channel administration of the company has been satisfied Customers	6	9	0	0	0	0	59	91	0	0
Company's distribution channel administration has increased its sales	0	0	9	14	0	0	49	75	7	11
The company has been created strong partnership with customers,	12	18	16	25	0	0	30	46	7	11
The company organizes periodical meetings with its channel members on advancing sales	5	8	7	11	0	0	46	70	7	11
The company's has strong motivation scheme to enhance its sales	1	2	4	6	1	2	57	88	3	5
The industry has an advisory service delivery program for channel members	5	8	3	5	0	0	29	44	28	43
The company has created strong trust with its product distributors	12	19	6	9	0	0	43	66	4	6

Source: Data survey

Regarding the channel management technology of the sampled textile industries (table 4.17); 12%, 5%, 31% and 52% of the respondents have been responded to “the company customer management practices enhanced its sales ” as “strongly agree”, “agree”, “disagree” and “strongly disagree” respectively. The data shows that about 83% of the sampled industries technology application has not enhanced their sales performance. This implies that the textile industries in the study area have not been applied technology or not using technology to enhance their sales performance.

The technology based sales tracking system practices of the sampled companies also responded as “strongly agree”, “Disagree” and “strongly disagree” by 17%, 68% and 15% of the respondents respectively. This connotes that the textile and garment industries in the study area have poor technology based sales tracking systems.

The automated marketing channel integration has been responded by 2%, 3%, 2%, 83% and 10% of the respondents as “ strongly agree”, “disagree” , “neutral”, “disagree” and “strongly disagree” respectively. This indicates that about 93% of the sampled companies have no automated MCI to enhance their sales performance. Information technology has made people use internet in conducting their transaction and channel interaction with their customers (Neslin, et al., 2006). As of the data summary of the key informants, majority of the sampled industries have weak technology based marketing channel management and some of them use internet technology for the export purposes.

Variable Description	SA		A		N		DA		SDA	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The company customer management practices enhanced its sales	8	12	3	5	0	0	20	31	34	52
The company has good technology based sales tracking system	11	17	0	0	0	0	44	68	10	15
The company follows an automated marketing channel integration	1	2	2	3	1	2	54	83	7	10

Source: Data survey

4.6 Statistical Data Analysis

Concerning the statistical analysis of the data (table-4.19); the influence of channel design on sales performance of the sampled industries, deviates from the mean value (3.528) by 0.745. This implies that a 1 unit improvement in marketing channel design enhances the sales performance of the firms by 0.745 percent. The reverse is also true.

Channel administration of the sampled industries also deviates from the mean value (3.482) by 0.580 percent. This connotes that a 1 unit increase in channel administration practices of the firms results to increase in sales performance of the sampled industries by 0.580 percent. The opposite is also true.

The marketing channel management technology of the sampled firms also deviated from the mean value (3.911) by 0.905. This implies that a 1 unit increase in technology based marketing channel management of the industries results to an increase in sales performance of the firms by 0.905 percent. The reverse is also true.

Table 4-18 Descriptive Statistics						
S.N	Marketing Channel Integration Dimensions	N	Min.	Max.	Mean	Std. Dev.
1	Channel Design influence on sales performance	65	1.50	4.50	3.528	.745
2	Channel Administration influence on Sales performance	65	1.67	4.11	3.482	.580
3	Channel Management Technology influence on Sales performance	65	1.33	5.00	3.911	.905
	Valid N (list wise)	65				

Source: Computed from the survey data

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

The research title “the influence of marketing channel integration on the sales performance of small garment and textile industries” has been assessed from the viewpoints of channel design, channel administration and channel management technology of the textile and garment industries in the study area. For both descriptive and statistical methods of data analysis; SPSS v.20 software has been employed. Descriptively and statistically; the three instrumental variables along with their respective 18 items/variables identified have relationships with the sales performance of the firms. As a result of this study; the parametric tools used to assess the sales performance of the sampled firms have negative influence on their sales performance. Specifically, the marketing channel integration related conclusions and recommendations given to overcome problems of the sales performance of the firms given follows.

5.1 CONCLUSION

The marketing channel integration selection of the textile and garment industries in the study area has been highly influenced their sales performance in that 70 percent of them follow a producer-retailer-consumer MCI. The MCI selected by most of the sampled industries have not encouraged to improve product design, frequent employee turnover within the industries, poor customer satisfaction due to companies weak customer handling practices and a declined pace of sales volume also identified.

The customer handling practices of the firm has been identified affected by weak firms’ lead time, poor communication with customers, poor customer service plan, and production power shortage of the firms. Consequently; an influenced customer satisfaction results to influence sales performance of the firms.

The marketing channel design followed by the companies has been recognized weak and seen not promising for future sales performance enhancement. Regarding to MCI; majority of the sampled industries have a rigid and weak marketing channel design selection, weak

customer needs analysis on the marketing channel to be followed for effective product distribution and have no channel constraints adjustment practices for successful sales performance. As a result; the sales performance of the textile and garment industries in the study area has been in a declining pace from year to year because of the firms using single and rigid marketing channel design. Statistically, a change in 1 unit of marketing channel design identified influence the sales performance of the firms by 0.745 percent.

The sampled textile and garment industries identified that they have deprived of a promising channel administration practices to enhance their sales performance. poor customer selection practices, weak communication with their marketing channels, poor customer satisfaction within channel administration, weak partnership with the channel members, poor periodical meeting organization with their channel members to enhance their sales performance, weak channel members motivational and advisory services plan as well as weak trust creation with their product distributors have been among the indicators of fragile marketing channel administration of the firms. Thus; not limited to; the weak marketing channel administration practices of the companies negatively influenced the sales performance of the textile and garment industries in the study area. Statistically, a change in 1 unit of channel administration practices identified influenced the sales performance of the firms by .580 percent.

The channel management technology of the sampled textile industries have been identified that; it has insignificant contribution in enhancing their sales performance. Technology based customer management practices, poor technology based sales tracking systems and lack of automated marketing channel management of the textile and garment industries in the study area have been the major indicators of poor technology based channel management practice of the firms. Statistically, a change in 1 unit of channel management technology identified influence the sales performance of the firms by .905 percent.

5.2 RECOMMENDATION

The textile and garment industries in the study area should incorporate the key sales performance indicators for their sustainable business prosperity.

Application of flexible modern business environmental and firm's resource capacity based marketing channel design selection of the firms insures to stay sustainably in the market. Currently; majority of the sampled firms have been using single and inflexible marketing channel. The textile and garment industries should employ a hybrid marketing channel design for sustainable enhancement of their sales performance.

In order to insure a promising channel administration practices; the textile and garment industries should select their marketing channel members, build strong partnership and communication; organize periodical meeting review with their channel members to evaluate their relationship performance and have motivational and advisory services plan to avoid a fragile marketing channel administration of the firms.

The textile and garment industries should build technology based marketing channel management, such as automated sales tracking systems and technology based customer management.

The textile and garment industries should provide marketing channel integration related training for their channel members.

According to Ethiopian business review (May, 2019); Ethiopian textile and garment industries are the lowest paid in the world which is 26 USD per month, Lesotho 146 USD per month, Kenya 207 USD per month and South Africa 244 USD per month. order to tackle the sales performance related problems arise from employee turnover; the textile industries should develop practical employee benefits and development package scheme to retain the existing employees.

5.3 SUGGESTION FOR FURTHER STUDY

The researcher has been conducted the research on the influence of sales performance of the textile and garment industries from the viewpoint of marketing channel integration. Other than marketing channel integration, other factors might influence the sales performance of the industries. Any interested researcher can conduct research on the sales performance of the textile industries by employing other variables.

REFERENCES

- Firth L. (2007). How can managers reduce employee intention to quit? 19 (2). *J. Manage, psychol*, 170-187.
- Griffeth R. (2000). *A Meta-Analysis of Antecedents and correlates of Employee Turnover: Update, Moderator tests, and Research implications for the next millennium*".
- Kotler and Armstrong. (2000). *Principle of Marketing*. New Delhi: Prentice Hall.
- M.Webster, R.Beach and I.Fouweather. (2014). E-business strategy development: an FMCG sector case study.
- M.Webster, R.Beach, I.Fouweather. (2014). *E-business strategy development: an FMCG sector case study*. Retrieved June 19, 2019, from <https://images.g2crowd.com/>.
- Ntale T. (2016). Marketing Channels And The Sales Performance of Monitor Publications Limited.
- China Textile Planning Institute of Construction. (2004).
- Strategic research agenda of the European technology platform for the future of textiles and clothing. (2006). *EURATEX*.
- Growth and Transformation Plan II 2015/2016- 2019/2020*. (2014). Addis Ababa: Ethiopian Government.
- Search for Ever Cheaper Garment Factories Leads to Africa. (2015). *wall street*.
- Ethiopian Business Review. (2016). *Ethiopian Business Review.*, 17.
- Abassi S. (Public Personnel Management, 2 (3)). "Turnover: the real bottom line". pp.333-342.
- Admaw A. (2010). *Impact of Supply chain management practices on competitive positioning of Ethiopian Textile firms*. South Africa.
- Alexander, G. (2013). *3 Ways to Make Your Brand Memorable on Social Media*. Retrieved,. Retrieved from <http://www.entrepreneur.com/article/225844>.
- Anca-Mihaela. (2015). Key Performance Indicators: Management Tools for Sales Improvement.V. 6/2015. *Revista Română de Statistică - Supliment* .
- Andy Neely, Mike Gregory and ken Platts. (2005). Performance Measurement system design original paper. *International Journals of operation and production Vol 25 No 12*. Emerald group publishing Limited.
- Barrows C. (1990). "Employee turnover: implications for hotel managers". *FIU Hosp Rev.*, 24-31.

- Bei, L. and Chiao, Y. (2001). *Perceived quality, Customer satisfaction and customer loyalty*.
- Bendoly, E., Blocher, J.D., Bretthauer, K.M., Krishnan, S. and Venkataramanan, M.A. (2005). Online/in-store integration and customer retention. *Journal of Service Research*, 7 (4), pp.313-327.
- Bhattacharjee, A. (2012). *Social Science Research: Principles, Methods, and Practices*. Florida.
- Carmines E. and Richard Z. (1979). Reliability and Validity Assessment. *Sage University Press.*, 11.
- Carmines E., Z. R. (1979). *Reliability and Validity assessment*. LONDON.: Age publication.
- Coelho, F. E. (2003). 'Exploratory evidence of channel performance in single vs multiple channel strategies'. *International Journal of retail and distribution management*; 31 (11);, PP. 561-573.
- Coughlan, T. A.-A. (2005). *Marketing Channel: Delivering Customer Value*. Retrieved June 19, 2019, from <https://nscpolteksby.ac.id/ebook/files/Ebook/Business%20Administration/Principles%20of%20Marketing%20>
- Cournoyer, B. (2014). *5 Expert Tips to Increase Channel Sales Performance*. Retrieved, from. (n.d.). Retrieved from <http://www.brainshark.com/Ideas-Blog/2014/June/expert-tips-to-increase-channel-sales-performance.aspx>
- Cox, Kate. (2011). *Integrated channel planning: Effective integration*. Retrieved June 2019, from warc.com
- Creswell, J. (2009). *Research Design. 3rd Ed*. New Delhi: sage publications.
- Creswell, J. W. (1990). *Research Design: Qualitative, Quantitative, and mixed Methods approaches (2nd ED)*. New Delhi.
- Creswell., J. W. (2014). *Research design: Qualitative, Quantitative, and Mixed methods approach (4th ed.)*. SAGE Publications India Pvt. Ltd.
- Da Silva, A. M. (2008). *Distribution channel structure: an overview of determinants*. Revela-Periódico de Divulgação Científica da FALS.
- Daniel Kitew and Amare Matebu. (2005). Competitiveness for Ethiopian Textile and Garment Industries. 9.
- Dean, J. (2015). *10 Tips to Improve Your Sales Performance*. Retrieved from <http://www.sellingpower.com/content/article/?a=10089/10-tips-to-improve-your-sales-performance>
- Deutsche W. (2015). Low wages draw international textile companies to Ethiopia.
- Enlightenment Economics. (2008). THE GLOBAL TEXTILE AND GARMENTS INDUSTRY. *InfoDev*, 5.
- Esther de H & Martje T. (2015). Quick Scan of the linkage between the Ethiopian Garment and the Dutch market. *SOMO*.

- Franchis,A. (2015). Context Analysis Textile and Garment Sector in Ethiopia. *Mondiaal FNV*.
- Ghiselli, E.E., Campbell, J.P., Zedeck, S. (1981). *Measurement Theory for Behavioral Sciences*. San Francisco: Freeman.
- Gorge, D.,Mallery, P. (2003). *SPSS for windows step by step.A simple guide and reference.4 th Ed*. Boston: Allyn and Bacon.
- Hamid Saremi and Seydeh Masomeh Mosavi Zadeh . (2014). Management Of Distribution Channels. *Indian J.Sci.Res. 5(3);*, 452-456.
- Hayes, H. Michael, Jenster Per V., and Aaby Niles-Erik. (1996). *Business Marketing, a Global Perspective*. Irwin.
- Hutt Michael, D. &. (2013). *Business Marketing Management-B2B.11*. Painos.Canada: South Western,Cengage,Learning, .444.
- Iyer, G., & Villas-Boas, J. M. (2003). A bargaining theory of distribution channels. . *Journal of Marketing Research, 40(1)*, , 80-100.
- James, G. (2011). *How Can I Motivate My Channel Sales Partners?* Retrieved from <http://www.cbsnews.com/news/how-can-i-motivate-my-channel-partners/>
- Kansal R. (2011). *India's thriving print market depends on robust distribution network*. Retrieved June 12, 2019, from <http://www.inma.org/blogs/marketing/post.cfm/india-rsquo-s-thriving-print-market-depends-on-robust-distribution-network#ixzz3oNQfbqjD>
- Kothari, C. (2007). *Research methodology*. Jalpur,India: New age International limited.
- Kothari., C. (2004). *Research Methodology (2nd ED)*. New Delhi: New Age International (P) LMTD.
- Kotler P.,Armstrong G. (1996). *Principle of Marketing*. Prentice Hall.
- Kotler, et al . (2010). *Marketing Management*. USA: Prentice Hal.
- Kotler, K. &. (2009). *Marketing Management,:* . Pearson Education Australia.: Frenchs Forest.
- Kotler, P. (2000.). *Marketing Management Millennium Edition (10th Ed): p-236*. USA: Prentice-Hall, Inc.
- Kumar, V., & Venkatesan, R. (2005). Who are the multichannel shoppers and how do they perform?: Correlates of multichannel shopping behavior. *Journal of Interactive Marketing,19(2)*, 44-62.
- L., A. (2005). *Design and Selection of Industrial Marketing Channels: Master Thesis: a case of alfa-laval*. Luella university press.
- L., S. D. (2009). *Determining marketing costs and returns in alternative marketing channels. Renewable Agriculture and Food Systems* . Cambridge University Press .

- Lou E. P., David S. and J. R. Lumpkin. (2019). *Edinburg Business School, Marketing Channel Relationship Management Approaches*. Retrieved from <https://www.ebsglobal.net/EBS/media/EBS/PDFs/Marketing-Channels-Course-Taster>.
- Lou E. Pelton, David Strutton and James R. Lumpkin. (2002). *Marketing Channels A Relationship Management Approach: 2nd Edition*. Great Britain: Pelton- Strutton-Lumpkin.
- Lummus R., Vokurka J. (1999). *Defining supply chain management: a historical perspective and practical guidelines*. Missouri: MCB UP Ltd.
- Mandiaal FNV. (2013). Ethiopia is the New Sourcing Destination. *Africa fashion Guide*.
- Marko Laketa, Dusica Sanader, Luka Laketa, and Zvonimir Misic. (2015). Customer Relationship Management: Concept and Importance for Banking Sector. *UTMS Journal of Economics* 6 (2), 241-254.
- Mehta, R., Dubinsky, A. J., & Anderson, R. E. (2002). Marketing channel management and the sales manager. *Industrial Marketing Management*, .
- Mercella De., and Alessandra M. (2007). *Approaches to supply chain logistics integration in the textile /clothing sector*. Italy: Institute for Service Industry Research (IRAT), National Research Council (CNR).
- Mohammed Z. (2007). Textile Industry in Bangladesh.
- Muhammad Usman Khan . (2010). A comparative study on distribution channels of textile and garment industry in Pakistan and Vietnam. *Lars Haglund* , 6.
- Nash International. (2014). Business Opportunity Report Ethiopia Textile and Apparel Industry. *COLOFON*.
- Neslin, S.A., Grewal, D., Leghorn, R., Shankar, V., Teerling, M.L., Thomas, J.S. and Verhoef, P.C. (2006). Challenges and opportunities in multichannel customer management. *Journal of Service Research*, 9 (2), pp.95-112.
- Ngoc., N. T. (2016). *Integration of Multi-Channel Distribution and Its Impact on Profit of Fast Fashion Companies; Aalto University*. Retrieved June 18, 2019, from <Http://Web.Lib.Aalto.Fi/En/Helevoc/Pdf/>
- Offenberger, B. (2015). *4 Tips to Increase Channel Partner Sales*. Retrieved from <http://righton-nobull.com/blog/2011/07/4-tips-to-increase-channel-partner-sales/>
- Peppers, D. and Rogers, M. (1996). *The One to One Future*. New York: Doubleday.
- Peter, D. (1998). *Marketing Management and Strategy*. India: Prentice Hall.
- Philip Kotler, Veronica Wong, John Saunders and Gary Armstrong. (2004). *Principles of Marketing, 4th European Edition*. USA: Prentice-Hall, Inc.

- Philip, K. (2003). *Marketing Management 11th edition*. USA: Prentice Hall.
- Rahel, S. (2010). *Performance measurement and improvement of Ethiopian garment industry*. Addis Ababa.
- Richards, Keith, and Eli Jones . (2008). Customer Relationship Management: Finding Value Drivers. *Industrial Marketing Management* 37 , 120-130.
- Rogers, W. (2014, Oct 12). <https://www.salesforce.com/blog/2014/11/12-tips-to-improve-sales-performance-gp.html>. Retrieved June 19, 2019
- Rosenbloom., B. (1983). *Marketing Channels:A Management View*. Chicago: Dryden press.
- Ruth A Kasul, Jaideep G Motwani. (1995). Performance Measurement in world class Operations, benchmarking for quality management and technology volume 2 No 2. . *Emerald group publishing limited*.
- Shusterman, J. (2013). *Coordinating Your Channel Marketing Initiatives*. Retrieved from <http://www.sproutloud.com/>.
- StitchDX. (2017). The Basics of growing your business with Marketing Automation. *StitchDX*, 800-535-1314., 535.
- Sunil Ch., P. M. (2006). *Supply chain management: strategy planning & operation*. Prentice Hall.
- The Oakland Institute. (2015). We Say The Land Is Not Yours: Breaking The silence against forced displacement in Ethiopia. *The Oakland Institute*.
- Tobias Mirsch, Christiane Lehrer & Reinhard Jung. (2015). *Channel Integration towards Omni channel Management*. Switzerland.: University of St.Gallen.
- Todor, Raluca Dania. (2016). *Marketing Automation*. Retrieved June 19, 2019, from https://www.researchgate.net/.../307642468_Marketing_automation_processes_as_a_way-to-improve-contemporary-marketing-of-a-company..
- Treace, J. (2012). *5 Simple Ways to Increase Sales*. Retrieved, from. (n.d.). Retrieved from <http://www.inc.com/john-treace/sales-management-simple-ways-to-increase-sales.htm>
- Weiss, H.J and Gershon, M.E . (2002). *Production and Operation Management*.
- Woods, R. (1995). *Managing Hospitality Human Resources .2nd .Ed.,* . Lansing, MI: American Hotel and Motel Association.
- Zhang, J., Farris, P., Kushwaha, T., Irvin, J., Steenburgh, T. and Weitz, B. (2010). Crafting integrated multichannel retailing strategies. *Journal of Interactive Marketing*, 24 (2) ., pp.168-180.

APPENDICES

Appendix-I

Addis Ababa University School of Commerce

Department of Marketing Management

Postgraduate Program

Part I:-Questionnaire Guide for the respondents:

Dear respondents;

My name is **GugsaMerga**. I am conducting a research entitled “**The influence of Marketing channel integration on the sales performance of garment and textile industry.**”for the partial fulfillment of the requirements of my Master’s Degree in Marketing Management.

This questionnairehas been designed to collect the data on the research title explained here above with reference to 30 textile and garment industries located in Burayu town.

Ethical considerations: This questionnaire is used only for academic purposes. At the beginning, the enumerator should ask the willingness of the respondent and should get verbal consent before distributing the questionnaire. In relation to the name of respondent, it will not be disclosed. Artificial names can be used when the need arises during discussion part. This ethical consideration should be disclosed to the respondents.

For further information don’t hesitate to contact me through the following addresses.

Mob.0913844967/09 31520124

E-mail mergagugsa@gmail.com

Thank you in advance for your cooperation!

Instruction for an Enumerator

1. Introduce yourself to the respondent,
2. Disclose the purpose of this questionnaire,
3. Ask respondent's willingness to fill the questionnaire,
4. Disclose the above ethical considerations,
5. Thank the respondent for his/her cooperation
6. Suggest and accept multiple responses

I. Please show your answer by ticking each alternative. Please don't write your name in any of these pages.

Background information:

1 Age

1. 18 - 29 2. 30 - 39 3. 40 - 60 4. Above 60 years

2 Sex

1. Female 2. Male

3 Academic status of the respondent:

1. Diploma 2. First degree 3. Second degree 4. Above 2nd degree

4 Your current position: -

1. Investor
 2. General Manager.....
 3. Sales manager
 4. Marketing manager...
 5. Sales person
 6. If other; specify_____

5 Your company is engaged in producing:-

1. Fabrics (raw materials) 2. Garment items. 3. Both.











6 Your service year in the garment and textile industry

1. Below 3years 2. 3 - 10years
 3. 11 - 20years 4. Above 20 years

7 Your company Market Orientation for:-

1. Local buyers. 2. Foreign customer. 3. Both

8 Which marketing channel integration your company has been used to distribute its products to the customers?

1. Producer  direct market (end user).....
 2. Producer  retailer  end user.....
 3. Producer  Agent  wholesaler  retailer  end user....
 4. Producer  Agent  Consumer 
 5. Mixed channel integration.....

9. Do you think the MCI of the firm is influencing its sales performance?

1. Yes 2.No

10. If your answer to question no.10 is yes, to what extent your firms is influenced?

1. High 2.Moderate 3. Low 4.unknown

II. Please show your level of agreement by putting a thick mark in the boxes below based on the following information.(SA=Strongly agree, A=Agree, N=Neutral, DA=Disagree and SDA= strongly disagree)

No	Questionnaire Description	Response				
		SA	A	N	DA	SDA
		1	2	3	4	5
11	The following sales performance indicators influencing sales of firm					
	Poor product design					
	High Employee turnover					
	Poor customer satisfaction					
12	Integration in the marketing channel is influenced by					
	Poor channel selection					
	Organizational objectives					
	Channel Constraints					
	Poor communication systems					
13	Customer handling is affected by					
	Lead time					
	Poor communication					
	Poor customer service					
	Power shortage					
14	Channel Design					
	The objective of MCI creation of the firm increased its sales					
	The company has flexible channel integration alternatives					
	The company has easy product accessing to the customers					
	Your company has made good channels design selection for distributing the textile products					
	Your company has good dealing practices with the channel members					
	Your company has the practice of customer needs analyzes before deciding distributing the textile products					
	Your company easily adjusts the channel constraints when aroused					

S.N	Questionnaire Description	Response				
		SA	A	N	DA	SDA
15.	Channel Administration	5	4	3	2	1
	The proper channel member selection of the company enhanced its sales					
	There is good communication among the company channel participants					
	Customers have been satisfied with distribution channel administration of the company					
	The way the company manages the distribution channel of the product has brought a significant impact on its sales performance,					
	The company has been created strong partnership with customers,					
	The company organizes periodical meetings with its channel members to review its distribution policies to protect distributors and retailers,					
	The company's motivation scheme for has customers has strong contribution on its sales performance,					
	The industry has an advisory service delivery program for channel members.					
	Your company has strong trust with its product distributors					
16	Channel Management Technology					
	The company customer relationship management practices enhanced its sales					
	The company has good technology based sales tracking system					
	Your company follows an automated marketing channel integration					

17. What you suggest for the company to enhance its sales performance?

Appendix-II

INTERVIEW GUIDE CHECK_LIST FOR KEY INFORMANTSs

Appendices-II: Interview Checklist guide for Key Informant Interview

Part-IV Interview Checklist guide for FGD and KII

This interview Checklists guide is designed to collect the data on the research title “**The influence of Marketing channel integration on the sales performance of garment and textile industry**”with reference to thirtytextile and garment industries located in Burayu town.

Ethical considerations: This interview checklist guide is used only for academic purposes. At the beginning, the enumerator should ask the willingness of the key informants and should get verbal consent before starting the interview. In relation to the name of respondent, it will not be disclosed. Artificial names can be used when the need arises during discussion part. The respondents can have the right to make any correction on the information provided by them and can leave from the area of interview upon their interest after the interview is completed.

Instruction for an Enumerator/Interviewer

- I. Introduce yourself to the interviewee,
- II. Disclose the purpose of this interview
- III. Ask respondent’s willingness for an interview
- IV. Disclose the ethical considerations and their rights
- V. Thank the respondent for his/her cooperation
- VI. Suggest and guide for additional points by the end
- VII. Write the responses of the key informants specifically,
- VIII. Appreciate and thank the key informants

1. Do you think that the current Marketing channel integration of your firm influencing its sales performance?If “YES ”, to what extent?
2. Do you think that Customer handling is the problem area within the company, if “YES ”, what factors affected the customer handling?
3. What can you say about the influence of the channel design on the sales performance of the firm?
4. Do you think that the channel administration practice of the firm has an influence on its sales performance?
5. How can you trace the channel management technology of the firm that means the application of technology in managing the operations of the firm?

Appendix -III

Format for annual sales volume trend collection in million ETB:

Sales Year	Under 10	11-25	26-50	Over 50
2018				
2017				
2016				
2015				
2014				