ASSESSMENT OF PRODUCT DISTRIBUTION MANAGEMENT SYSTEM OF SPRING WATER SHARE COMPANIES IN GURAGE ZONE

A THESIS SUMMITED TO WOLKITE UNIVERSITY, COLLEGE OF BUSSINESS AND ECONOMICS, DEPARTEMENT OF MANAGEMENT INPARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE

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WOLKITE, ETHIOPIA

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ABSTRACT

The bottled water industry is a huge business that involves many of the biggest food brands in the world and worth billions. It has grown dramatically in the last decade and today millions of people around the world. The purpose of this study, were to evaluate current Companies established distribution management system, to identify the companies' current product distribution challenges, to show how the company controls its product distribution network and to identify the main players in the company's product. in Ezha woreda Gurage zones of southern Ethiopia. To identify cause of problems of product distribution management systems of bottled water, the research used explanatory research design method. The data is distributed for 163 respondents and collected by questionnaires & interviews. The raw data is analyzed and interpreted by SPSS. The results of the study identify and describe; for customers, the company itself, the Government bodies for taking to appreciating their economic benefits and other competent companies in water industries. From the finding, the paper recommended that the company should be given attention in companies ways of distribution channel strategy in for purchasing of the product addressing, it should be to giving necessary improvement for sharing of intelligence information with agents; wholesalers/other distributors to boost sale and the way managing the distribution channel has played a significant role in meeting; In addition to customers request to the company's products, the existing distribution schedule should be strictly followed by all distributors. In general, the paper show Recommendations for Improvement and for further study

Key words: Distribution Strategy, *Distribution channels, Management systems Share Company,* sales performance and preference and effectiveness

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Acronyms

DC	Distribution Channel
DCA	Distribution Channel Administration
DCO	Distribution Channel Objective
DCPE	Distribution Channel Preference and Effectiveness
DCS	Distribution Channel Strategy
HMS	Horizontal Marketing System
PDM	Physical Distribution Management
PLC	Public Limited Company
SC	Share Company
SP	Sales Performance
SPSS	Statistical Packaging for Social Science
VMS	Vertical Marketing System

CHAPTER ONE

INTRODUCTION

The chapter concerned with the problems and its approach. Its contents are: background of the study, statement of the problem, Research Questions, objectives of the study, hypothesis of the study, significance of the study, scope of the study, operational definition of key terms and organization of the study were included.

1.1. Background of the Study

Access to safe drinking water and sanitation is a global concern. However, developing countries, like Ethiopia, have suffered from a lack of access to safe drinking water from improved sources and to adequate sanitation services supply & Programmme,2015) studied by WHO. Bottled water is distributed to the consumer in individual, hygienically sealed bottles. From the time of production to the time of consumption, bottled water is hermetically sealed and protected from the environment, keeping the water inside the bottle safe. These individually sealed bottles are transported by truck, rail or ship from the manufacturer to the retailer, or directly to the consumer (https://thefactsaboutwater.org)

The role of distribution management system employed in manufacturing and commerce to describe the broad range of activates concerned with efficient movement of finished products from the end of the production line to the consumer, and is some cases includes the movement of row materials from the source of supply to the beginning of the production. In this setting, the firm is the customer and anticipates a certain level of distribution services from the suppliers. The firm also is a supplier of finished or semi-finished goods, and the logistical must provide a level of distribution service to the firms customers (K. K. Khanna, 2002: 14-15, cited by Yetmwork ,2014)..

As a preventive measure, consumption of bottled water has increased in recent years in developing countries and elsewhere. Sale of bottled water has gone to more than 35 billion US dollars and by an average of 12% increase in all over the world (Rani, 2012).

The aim of any business is to meet the need of customers and subsequently make money. Today's consumer behavior theorists have gone beyond narrow economic assumptions of how consumers form value in this mind and make product choices. These modern theories on consumer behavior are

important to marketers because the whole marketing plan rests on assumptions about how customers make choices(M.R.P. Singh, .).

Therefore, distribution and satisfaction are crucial to the discipline of marketing.

Product distribution strategy is the main activity in the marketing management of products that are mass for the needs of consumers. The distribution or implementation of product placements has the purpose of bringing the product closer to prospective customers or its target market. The distribution strategy serves in the distribution of effective goods and services to clients targeted by the company (Hidajet and Halit , 2015).

From the macroeconomic point of view, distribution is a process and a structure for relocation of goods from a manufacturing place (producer) to final recipients. Distribution is a separated set of market channels and connections between them. We can discern two decision-making problems in a distribution framework,(Taravaud et al., 2018). One problem is related with the selection of sales method, thus with stipulation of types of distribution channels in the transactional manner. The second decision-making problem is so called physical distribution.

Distribution channel is a set of interdependent organization involved in the process of making a product or service available for use or consumption by the consumer or business user (Foroudi, Melewar & Gupta, 2014). While increasing the number of ways in which a consumer can find goods has the potential to increase sales, it also creates a complex system that can make distribution management difficult. In addition, the longer the distribution channel the less profit a product manufacturer might get from the sale (Huang,2012). Hence, the effective distribution system plays the important role in providing opportunities for success of a company and maximization of profit that the study was intended to analyze the current distribution management system practice of Eden natural spring bottled water S.C and Fikr natural spring bottled water P.L.C.

The physical distribution is related with the selection of relocation methods for goods, from a production place to a destination place (Rani, et al.). Marketing channel decisions are among the most important decisions that management faces today. Indeed, if one looks at the major strategy of the marketing mix (product, price, promotion and distribution), the greatest potential for achieving a competitive advantage now lies in distribution (Ademola, 2020).

The role of distribution management system employed in manufacturing and commerce to describe the broad range of activates concerned with efficient movement of finished products from the end of the production line to the consumer, and is some cases includes the movement of row materials from the source of supply to the beginning of the production. Distribution management is the operation, which creates time, place and form utility through the movement of goods and persons from one place to another (Ikegwuru, 2019).

1.2. Statement of the Problem

Selecting a sales and distribution approach is a key element of a successful business model. The sales approach, more broadly the overall process of selling and delivering products to customers at once encompasses both a company's connection to its customers and a significant portions (i.e. direct sales, manufacturers representatives, distributors, dealers) and most firms in an industry made similar choices (Kunmar and Meenakshi,2008). Recently, the number of options has expanded greatly and the breadth of choices by competitors has proliferated in parallel, creating potential instability in competitive positions for current leaders and areas of opportunity for others. To make matters more uncertain, some of the traditional options no longer offer the same balance of service and costs and now cease to achieve the desired results. Therefore, many companies are forced to rethink their approaches to sales and distribution (Shorey, 1997).

As Christoper (1994) stated in his book that the contribution of distribution management system to the company and total sales volume of a company are interdependent. Failure to choose the right distribution method and experienced sales people will limit the sales volume of a company's sales growth, due attention has to be given. As a result, The clients of the company mentioned some problems on the distribution of the company's products like lack of on time delivery of the product that are needed by the clients, in ability to provide need based on problem solving services, lack of timely response to clients request, lack of follow up, etc. these problems have a direct on the quality of the company's service and therefore, a formal and comprehensive investigation and researching of the distribution management system of the company is a necessary prerequisite for its service quality improvement and profitability.

The present day organizations in the Ethiopian context have exerting their full potential to penetrate the market through formulating different distribution strategies and widening their destination

(Rolandsen, et al., 2015). However, the challenges posed to different factories can be illustrated in various ways, the most notable of which include the distribution gap; a major characteristic of a distribution channel is that the retailer is closer to the end consumer than manufacturer. This argument raises some vital issues regarding distribution channel and the actors within it this are: the factors influencing the distribution channel system activity of the company (Krafft, et al., 2015).

Distribution is a basic company's function, with means of which a company operates on the market, sells own goods and/or services. Therefore, the effective distribution system plays the important role in a company; it provides opportunities for success for a company and for maximization of profit. Current company practices demonstrate that the company's distribution system management is conducted in a separate way, with means of logistic and marketing departments (Kabus & Nowakowska-Grunt, 2017). The performance of company's goals requires a product, which is designed for the sales and is relocated to a retail point of sales, where it is respectively presented to a customer, in proper quantity, in proper time and at acceptable costs (Hanusik, 2020).

Selecting a sales and distribution approach is a key element of a successful business model. The sales approach , or more broadly the overall process of selling and delivering products to customers at once encompasses both a company's connection to its customers and a significant portions (i.e. direct sales, manufacturers' representatives, distributors, dealers) and most firms in an industry made similar choices (Kumar & Viswanathan, 2018).

Zhang (2005) in his study "Distribution Keiretsu, Foreign Direct Investment, and Import Penetration in Japan" based in directed marketing channel known in Japan as distribution keiretsu are more likely than others to be headed by a primary wholesaler that is vertically integrated with the manufacturer, which for foreign manufacturers entails their directly investing in Japan-based wholesale subsidiaries. Briefly stated, vertical integration better aligns the non-contractible wholesaler effort levels with the Manufacturer profit, but necessarily forgoes the inherent advantage of an independent wholesaler at market-widening efforts. This establishes a trade-off bearing on the decision to vertically integrate. Where market-widening efforts complicate the resolution of retail externalities, it can be better to forgo market widening efforts altogether and instead focus exclusively on resolving the externalities, vertically integrating with the wholesaler in order to better administer a distribution keiretsu.

According to spring water share companies' distribution managers in the case area, the consumers of their company product mention problems in product delivery time. Hence, to bridge the gaps observed and to assess the current status and ways of distribution management system of water share company empirical study will be necessary.

1.2.1 Basic Research Questions

To investigate the stated problem above, the following research questions were raise:-

- ✓ What are the Companies established distribution management system?
- ✓ How successful is the existing distribution system?
- ✓ What challenges the companies faced in their product distribution?
- ✓ What modifications have been made to the current distribution system?

1.3. Objective of the Study

1.3.1. General objective of the Study

The main objective of the study was assess the current Product Distribution Management System of Spring Water Share Companies in Case of Gurage Zone.

1.3.2 Specific Objectives

The specific objectives of this study were:

- ✓ To evaluate current Companies established distribution management system
- ✓ To identify the companies' current product distribution challenges
- ✓ To show how the company controls its product distribution network
- ✓ To identify the main players in the company's product distribution system

1.4. Significance of the study

The study was expect to have the following importance.

1.4.1. The bottled mineral water company's

The findings of this study would have importance to the bottled mineral water company's distribution management as well as other concerned bodies about the existing challenges of distribution system and standardization of distributors on sales volume.

1.4.2. For Employees

This study has contributed for all Stakeholders (Employees and administrative staffs) to working towards the achievement of set goals and to treat affecting factors in Product Distribution Management System.

1.4.3. For Customer

This study has contributed for all Customers that wanted to use in the Products that lacks access of the product.

1.4.4. Government

This study serves as a source of information to policy maker and for the government to understand affecting factors of Product Distribution Management System.

1.4.5. Researcher

It was also help as a reference to other researcher who wants to make further investigation in the area of distribution management system.

1.5. Scope of the Study

The research focused on Assessments of Product Distribution Management System of Spring Water Share Companies in Case of Gurage Zone. Product Distribution Management System of Spring Water was the process or activities of efficient movement of finished products /bottled water / from the end of the production line to the consumer. The scope of this study was also limited / bounded/ and analyzed the near five years data of the current distribution management system of Eden natural spring bottled water

1.6 Organization of the study

The study was organize into five Chapters. The first chapters contain introductory part that is the problem and its approach. It discussed on the background of the study, statement of the study, objective, hypothesis, significant, delimitation, Operational definition of key words and terms and Organization of the study. Review of related literature was provided in chapter two. The third chapter deals with Research Methodology. Chapter Four describe about Results and Findings. Chapter five is the last chapter. It discuss on the summary of the findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

This chapter focus on review of various literature and research findings which have relevance to the study. According to various literatures the Product Distribution Management System of bottled water was expressed. Therefore, in ordrr to show these, the chapter organizing based up on three topics. Theoretical Literature, Empirical Literature and Conceptual framework of Product Distribution Management System was concidered in it.

2.1. Theoretical Review

This section is focuing on review of various theoretical literatures which explores the Product Distribution Management System of bottled water and its trend in Distribution Management System. According to Kotler and Keller (2006), the supply chain describes a longer channel stretching from raw materials to components to final products that are carried to final buyers. Moreover, Kumar and Meenakshi (2008) expressed that SCM is a broad concept that encompasses physical distribution management which involves planning, and controlling the physical flow of goods, services and related information from point of Computation to meet customer requirement at profit. Over the last decade, supply chain management (SCM) which is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers, has emerged as a key to success in the global economy. Many leading firms have realized that a well-run supply chain can be a source of distinct competitive advantage in the market place**.**

2.1.1 Definitions of Distribution

Distribution is the process of making a product or service available for use or consumption by a consumer or business user, using direct means, or using indirect means with intermediaries. Or are the movement of goods and services from the source through a distribution channel, right up to the final customer, consumer or user, and the movement of payment in the opposite direction, right up to the original producer or supplier. An order or pattern formed by the tendency of a sufficiently large number of observations to group themselves around a central value. The familiar bell-shaped curve

is an example of nominal distribution in which the largest numbers of observations are distributed in the center, with progressively fewer observations falling evenly on the either side of the center (average) line. See also frequency distribution, nominal distribution, and standard distribution (Caims , 2017).

2.1.2. Distribution Channels

A collection of organizations and individuals affiliate place product or service to end-customers. Distribution channels connect the goods producers and customers to each other. Intermediaries form the components of the distribution channel.

The words of distributor encompass a wide range of different means and refer to different people. There are basically two different types of distributors. At one end of the spectrum, there are general distributors who can provide a variety of different goods in different geographic regions. On the other side, there are specialist distributors that offer information and technology services and applications of handful products. Public Distributors titles like Wholesaler, Distributors of general shopping, Association distributors and Storekeeper distributors (Mehabaw, 2017).

Components of distribution networks include:

- Manufacturers and importers of goods to networks
- Wholesale that is intermediary between producers and final distributors. Exclusive agent
- Retailers that are final supplier of goods and services to consumers.

2.1.2.1. Indirect Distribution Channel

The indirect channel is used by companies who do not sell their goods directly to consumers. Suppliers and manufacturers typically use indirect channels because they exist early in the supply chain. Depending on the industry and product, direct distribution channels have become more prevalent because of the Internet. Distributors, wholesalers and retailers are the primary indirect channels a company may use when selling its products in the marketplace. Companies choose the indirect channel best suited for their product to obtain the best market share; it also allows them to focus on producing their goods (Mathews,., 2016).

2.1.2.2. Direct Distribution Channel

A direct distribution channel is where a company sells its products direct to consumers. While direct channels were not popular many years ago, the Internet has greatly increased the use of direct channels. Additionally, companies needing to cut costs may use direct channels to avoid middlemen markups on their products. Selling agents and Internet sales are two types of direct distribution channels. Selling agents work for the company and market their products directly to consumer's rough mail order, storefronts or other means. The Internet is an easy distribution channel because of the global availability to consumers (Ademola, 2020).

2.1.3. Whole Selling

Wholesaling includes all activities involved in selling goods or services to who buy for resale or business use. Manufactures use wholesalers because wholesalers can perform function better and more cost effectively than the manufacture can. These functions are not limited to selling and promoting, buying and building bulk barking, warehousing, and transporting financial risk bearing dissemination of marketing information and provision of management services consulting. Like retailer's wholesaler must decide on target market, product assortment and services promotion and place. The most successful wholesalers are those who adopt their services to meet and target customer's needs, recognizing that existing add value to the channel (Barthelemy., 2020).

2.1.4. Retailing

Retailing includes all the activities involved in selling goods or services directly to find consumer for their personal non-business use. A retailer or retail store is any enterprise which sales volume comes primarily from retailing. All marketer retailers must prepare marketing plans that includes decision on target market. So the marketing channels can be viewed as a set interdependent organization with high potential for conflict. Then why would any business chosen to become part of channel system (Barthélemy et al., 2020).

2.1.5. Coverage

Channel selection depends on Coverage (Market Size). This refers to the intensity of distribution required by the manufacturer. The number of intermediaries required in a specific geographical area influences the market coverage or market exposure strategy. A manufacturer may opt to have

intensive distribution, Selective distribution or exclusive distribution coverage for its products or services. Intensive Coverage is adopted when many intermediaries are used at each level of the channel. This is typical of consumer convenience goods distribution where as many different outlets as possible are used. Exclusive Coverage refers to a highly selective pattern of distribution where only a single selected intermediary is involved in distributing the goods or services in a specific geographical area. In this situation customers are willing to search for the products or services extensively. Specifically, goods are often distributed in this manner. Selective Coverage in between intensive and exclusive Coverage lays Selective coverage which refers to a distribution strategy where a few selected intermediaries are used in this distribution channel. This is typical in the distribution of consumer convenience goods (Mangione., 2018).

2.2. Conceptual Framework

With conceptual frameworks theories are connect to all aspects of inquiry such as problem definition, purpose, literature review, methodology, data collection and analysis. Conceptual framework can act like maps that give coherence to empirical inquiry. Because conceptual frameworks are potentially so close to empirical inquiry, they take different forms depending upon the research question or problem (Bartle & Shields, 2008). As mentioned earlier, Marketing/selling channels may involve many diverse players at different levels of distribution that have their own goals (Ferrell & Hartline, 2013). Four types of channel structures can be identified, where various levels of control and management are exercised through integration. These four types include conventional marketing channel, vertical horizontal and multichannel marketing systems. (Bickhoff, Hollensen, & Opresnik, 2014).

For the purpose of this study, the researcher has adopted the Conventional marketing channel methods as defined by, (Panda & Madhu, 2009). They said, the traditional marketing channel, i.e. the conventional marketing channel, can consist of independent manufacturer(s), distributer(s), wholesaler(s), and retailer(s). Responsibilities of each member are limited to its task, for example, manufacturer worries about making products, and retailer selling the products. None of them has significant control over each other. Their goals are to maximize own profits and minimize own costs even if some of their actions are harmful for the system as a whole. Evolution of this marketing

channel led to development of three marketing systems: vertical, horizontal, and multichannel marketing systems (Ulrich, Hollensen, & Boyd, 2014).

Vertical marketing system (VMS) includes the manufacturer(s), wholesaler(s) and retailer(s) who act as a unified system. In VMS one of the members can own the others, franchise them or possess so much power that the other members find it beneficial to cooperate. The strongest member attempts to control the channel and it tries to eliminate conflicts over other members, i.e. independent organizations perusing their own goals. (Fuchs *et al*., 2012) VMS can be classified into three types:

- Corporate VMS. Successive stages of production and distribution are combined under the ingle ownership.
- Administrated VMS. A dominant, in regard of size and power, member of the channel coordinates stages of production and distribution.
- Contractual VMS. A number of independent companies get involved in the process of production and distribution.

They integrate their programs on contractual basis in order to achieve more economies or sales impact, than they could achieve on their own.

Horizontal marketing systems (HMS) are a type of channel arrangement, where two or more different independent organizations join their forces and combine their resources to exploit a new market opportunity. These organizations can work either on permanent or temporary basis. Generally, companies get involved in HMS for lack of capital, knowledge, and marketing resources or production capabilities, or in case they are afraid of taking a risk on their own. This is an opportunistic arrangement. Each company has identified the strength of the other that it can utilize to its own advantage, as a result, both of them can achieve better results and beat the competition(Louckx, 2014).

Multichannel marketing systems (MMS) occur when a company employs two or more channels in order to serve one or more customer segments (MEHABAW, 2017). The number of companies adopting this system is increasing. The main reasons of that phenomenon are the possibility to increase market coverage, lower channel costs, and organize more customized selling. The consequences of having multiple channels are complexity of channel management, control, and cooperation, as well as high chances of channel conflict. Thus, before implementing MMS or adding

an extra channel, companies should carefully plan their channel structures identifying which functions each channel should perform.

2.2.1. Concept of Distribution Channel

Distribution channel as a set of independent organizations involved in the process of making a product or service available for use or consumption. The ultimate goal of a distribution channel is to bridge the gap between producers and consumers by adding value to products or services. Typically, manufacturers, intermediaries (wholesaler, retailer, specialized) and end users are perceived as the key actors of a distribution channel. Based on these definitions, it is not easy to determine where the distribution channel actually starts, since there might be multiple producers involved in manufacturing the final products at different levels. Some of these producers are close to the end at which raw material is supplied, while others are closer to the end that deals with final buyers or users(Snelson & Coughlan, 2019).

A company wants a distribution channel that not only meets customers' needs but also provides an edge on competition. Some firms' gain a differential advantage with their channels to design channels that satisfy customers and outdo competition, an organized approach is required which comprises of four Sequence decisions: (i) specifying the role of distribution (ii) selecting the type of channel (iii) determining intensity of distribution (iv) Choosing specific channel members - that is selecting specific firms to distribute the product.

2.2.2. Functions of Distribution Channels

Distribution channels can be defined as marketing channels or market channels. A distribution channel is a group of depended on each other organization units, which are taking part in process of flow of products or services form producers to buyers. The functional aspect of the distribution channel is seen as a way to connecting and ordering of agencies and intermediaries through which one or more streams (Szopa P., Pękała W., 2012)

According to (Szopa P., Pękała W., 2012) Company decisions regarding the type of distribution channel are considered in two structural systems: vertical and horizontal. In the vertical structure there are a number of dependencies between companies. Several decisions about the quantities of different levels of a flow streams are made here. The horizontal structure determines the number and

type of intermediaries on specific levels. In distribution channel a number of intermediaries is important who participate in the transfer of goods and property rights to it from the producer to the final client. Each of these participants becomes another level in the distribution channel and their number determines the length of the channel.

2.2.3. Distribution Channel Levels

All products whether they be consumer goods, industrial goods or services require a channel of distribution. The industrial channels tend to be shorter than consumer channels because of the small number of ultimate customers, the greater geographic concentration of industrial customers, and greater complexity of the products which require close producer-customer liaison. Gomez, Martin &Molina (2015) Presented three levels in consumer channels strategy. Agents are used when the service provider is geographically distant from customers and where it is not economical for the provider to establish their own local sales team. Examples include insurance, travel, secretarial and theatrical agents. There are different channel levels available to a marketing manager and these include: Zero Level: This is when producers sell directly to consumers without any intermediaries, One Level: When the producer sells through two intermediaries, Two Level: When the producer sells through two intermediaries and Multi-Channel: When producers sell through several intermediaries.

2.2.4. Factors Affecting Choice of distribution Channel

For the purpose of this paper, the factors influencing the choice of distribution channel levels have been grouped into four thus:

Marketing Considerations: Type of Market, Number of potential customers, Geographic concentration of the market and Order size

Production Considerations: Unit value, Perish ability and Technical nature of a product

Middlemen Considerations: Service provided by middlemen, Availability of desired middlemen and Producer's and middlemen's policies.

Company Considerations: Desire for channel control, Services provided by seller and Ability of management and Financial resources

2.2.4.1. Selective Distribution

With selective distribution however, not every outlet or channel will be utilized. The firm will rather rely on a few outlets to handle the products. The firm may resort to this method if the product involved is of a durable nature and requires an after-sales service or it is associated with certain prestige. The firm will therefore use as the criteria for selection the middlemen's experience and the ability to handle the product effectively in terms of after sales servicing required and the necessary promotional activities to be undertaken. These conditions will certainly eliminate opportunist's middlemen who may only be interested in making quick fortune and brisk money without paying adequate attention to the desire of the firm and the need of the customers. It is therefore not uncommon for firms with this selective distribution strategy in view to advertising for middlemen handle certain product place a lot of emphasis on the financial capability, product experience and other virtue, considered as pre-requisite.

2.2.4.2. Exclusive Distribution

Exclusive distribution entails the granting of exclusive rights to a single seller in with a particular territory or area to sell the company's products such a right therefore provides that the firm supplies all the necessary tools including promotional device to the seller. The seller in turn undertaken to handle only the Firm in all stand to gain from such arrangement. The middlemen get larger commission because his mark-up is high; he also commands the prestige of such a role. The firm on the other hand, is free from the burden of having to handle completely the marketing of its products exclusive distribution include product like computer, air-conditioner, oil product, auto products, accessories, lift etc. observed that one of the most frustrating problems facing marketing is the management of their distribution channels. Additionally, the issues such as of degree of coverage, degree of control, cost of distribution, dealer support and training are important issues that should be considered by a manufacturer choosing its distribution scope (Hughes., 2019).

2.2.5. Distribution Channel Matters

Strategic management of distribution channels is growing in both popularity and significance in the business world (Ganesan., 2009).

2.3. EMPIRICAL REVIEW

Kebede (2020) in his study investigation channel power and satisfaction in a marketing channel. It was found out that the competition faced by business organizations is no longer mere inter-firm competition, but also inter-channel competition caused by adapting to industry globalization. Considering this trend, this study found out that there was a correlation between distribution channel power customer commitment and satisfaction. The results provide non-coercive power had a positive and significant impact on the channel firms' communication and commitment, as well as the supplier communication and commitment had a positive and significant impact on the economic satisfaction and non-economic satisfaction of channel firms.

Based on the emerging theories on trust and the construct in relationship, the paper explored the deep nature of relationship and trust in order to understand and reinforce the distribution of products to the end users (customer). A field research, run in the Italian domain Nadine (2017), has demonstrated the coexistence of power and trust determinants as drivers of the relationship between the alcohol drink producers and the dealer. It has suggested, furthermore, that alcohol drink producers can influence, by a cause-effect chain approach, the feeling of dealer toward the relationship and consequently can bust the dealer collaboration on an affective commitment base.

2.3.1. Physical Distribution Management (PDM)

Physical distribution management (PDM) is the term used to describe the management of every part of the distribution process. PDM can be contracted out to a specialist or is best developed as a specialist function within the organization. It is the process which ensure that the correct customer within a given timescale, as cost-effectively as possible (Mehabaw, 2017).

Part of PDM would include being aware of what your competitors are offering, as suggested above. Elements for consideration would include costs involved, methods of transport –road, rail, plane, shipping, routes used, stock, storage and stock control, protection and delivery of stock, timing –a key element evaluating the effectiveness of methods of distribution and being aware of other alternatives. Distribution is an integral part of the marketing mix. With the right distribution strategy in place that is with the right mode of delivery the right speed of delivery to the appropriate place of purchase, customer satisfaction can be significantly increased. Failure to deliver these practical

points will result in the loss of orders and income to the company and long-term customer loyalty will decline (Ateba, et al., 2015).

Currently, there are about 67 bottling companies certified by the Ethiopian Conformity Assessment enterprise and sell their products in the Ethiopian market; out of these about 40 sell their products in Addis Ababa city market (Ethiopian Conformity assessment Enterprise, (2016) , Cited by (Ermias , 2018).

Ermias Kiros (2018) Addis Ababa as the capital city of Ethiopia and Africa with a population over 4.4 million, head quartered the African Union and the UN Economic Commission of Africa hosts numerous international conferences (John Wiley, 2005). These all making Addis Ababa an important center.

There are also large numbers of hotels, restaurants, recreational place for wedding ceremonies and for other purposes. So for this reason, safe and standardized drinking and bottled waters are required to satisfy both needs. In this capital city of Ethiopia different brands of locally produced bottled waters both purified and mineral waters are available in the local market. These bottled waters are used by many Ethiopians and tourists visiting Ethiopia for satisfying their water requirement and enjoyment purposes. Currently there are about 67 different brands of waters for purified, natural mineral and carbonated water types (Ermias, 2018).

According to companies website, Due to the more and more EDEN bottled water to be sold in shops, hotels and companies, the continuously rising of market demand, the product began to be in short supply. At the suggestion and invitation of Newamstar, the professional team of EDEN Group visited several major bottled water enterprises in China and carried out relevant communication to better understand the current advanced packaging technology and efficient on-site management.

Through the joint efforts of EDEN Group and Newamstar, the 24000BPH blowing-filling-capping combi production line successfully completed the installation and commissioning. When the production line was officially put into production and EDEN Group’s management team saw the products on the production line, the cheers and the warm applause echoed in a long time. The two parties shook hands and congratulated each other.

Today, EDEN bottled water is continuously flowing from factories to all the places of Ethiopia. The gift of nature and the sweet taste nourish the good life of the Ethiopian people. We believe that EDEN will be more brilliant tomorrow under the support of Newamstar!

Feker Natural Spring Water which started producing bottled water three months ago in Gurague zone, announced that it would increase production by 50 percent in the next fiscal year. Currently the company produces 24,000 bottles per hour, but that number will soon increase to 36,000 bottles. Feker Bottled Water plans to soon offer its products in three liter bottles when their new machine is installed. Feker sources its water from the Gurage Mountains 207 kilometers south of Addis Ababa; it comes in two, 1.5, and 500ml bottles. The company has invested 180 million birr(https://www.capitalethiopia.com)

According to Tesfaye G/ Hiwot, cited by (https://www.capitalethiopia.com), CEO of Feker Bottled water told that production increase will create one hundred new jobs. "We are waiting for the new machine to double production this doesn't require any additional space. It will serve more customers and add additional labor from our current 214 workers." "We are committed to helping people lead healthier lives as water is surely the best way to fulfill daily hydration needs. Our goal is to provide families in Ethiopia and all around the world with an affordable and convenient daily healthy hydration solution."

He added that the company plans to export their product after completing a study. " The local demand is very high and we are working at 67 percent capacity of production. First let's meet the local demand by adding a new machine and then we will look at the export market.'' Fiker Natural Spring Water is produced by OK Bottling & Beverage SC. This water is among one of the 57 products that are listed under those that have meet compulsory standards, with the bottlers having to pass through an inspection by ECAE. So far 32 have been certified, according to an official at the ECAE.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter includes the research design; study area; sample and sample size; sampling procedures; data collection methods; and data analysis plan.

3.1. Study Design

This research study adopted an explanatory research design because the result was showing cause and effects of different variables on Product Distribution Management System of Spring Water Share Companies in Case of Gurage Zone.

The researcher must decide the way of selecting a sample or what is popularly known as the sample design. In other words, a sample design is a definite plan determined before any data are actually collected for obtaining a sample from a given population. The design was also appropriate in collecting useful data that could be quantified and reported as a representation of the real situation or characteristic in the study population. Therefore, the study assessed t bottled water distribution management system practice in selected natural spring bottled water P.L.C and S.C. in Order to build theory of the best distribution management system.

3.2. Study approach

The study used both qualitative and quantitative measurement methods. Qualitative research approach assumes that social reality is within us and therefore the act of investigating reality has an effect on that reality. Leedy and Ormrod (2005: 133) says that qualitative researchers believe that the researchers' ability to interpret and make sense of what he or she sees is critical for understanding any social phenomenon. In qualitative research data are often in the form of descriptions not in numbers. So, qualitative data was gathered from interview checklist and discussions that made with the marketing managers of the companies.

The other one is quantitative research, which engages in systematic and scientific investigation of quantitative properties and phenomena and their relationships (Kothari, 2005). So, quantitative data was gathered from objective items through the questionnaires.

3.3. Background of the study area

3.3.1. Eden natural spring bottled water company P.L.C

Eden Business S.C is an Ethiopian business firm which is owned by over 3,000 shareholders from all walks of life and with various business and professional exposures.. Eden Business S.C found in Ezha woreda Gurage zone southern part of Ethiopia. Distance from capital city of Ethiopia by 202 km, from Wolkite 52 km and from woreda admin 10 km.

3.3.2. Fiker natural spring bottled water s.c

Fikr natural spring bottled water is committed to doing business responsibly and seeking opportunities to make a difference. The packaging is designed to help maintain taste and flavor, protect its products during handling, shipping and storage, identify the product and provide important consumer information.

3.4. Population of the study area

Population or universe represents the entire group of units which is the focus of the study. The target population of the comparative research study is composed of company officials, distribution centers and retailers of bottled water producing enterprise because they are always prime participant in distribution system of company's product.:

Table 3.1 Total number of population in Share Company

Selected bottled water company	Number of company employees
Eden	213
Fikr	196
Total	409

3.5. Sampling Size

To determine the sample size using the formula given by (Lamola & Yamane, 1967) in drawing an adequate sample size from a given population at 95% confidence level (or e = Level of precision is 0.05).

$$n = \frac{N}{1+e^2(N)}$$ Where: **n**= Sample size required for the study;

N= total population size;

e = Level of precision

n=409/1+(0.05)2(409)=409/1+(0.0025)(409)=409/2.5075=163

The sample of 240 participants was participate in this study from the total populations.

3.6. Sampling Techniques

To collect the primary data use simple random probability sampling method by proportion of respondents in to share company.

Table 3.2 proportion of participant from total population in each company

Selected bottled water company	Number of company employer	Proportion of participant
Eden	213	213/409*0.52 = 85
Fiker	196	196/409 *0.48 =78
Total	409	163

3.7. Source of data

Primary data are those which are collected afresh and for the first time, and thus happen to be original in character. These can be collected using observation, interviews, questionnaire and schedules (Rhim & Kothari, 2018). So, the researcher was collect primary data from the sample of prime participants of distribution system of the selected bottled water company. Secondary data was taken from company annual distribution reports and their performance monitoring chart.

3.8. Data Collection Methods

Documentary sources such as relevant books, journals, articles, official publications, newspaper clippings, reports and seminar papers are utilizing to present the facts and to substantiate the arguments to secure secondary data. In primary data, interviews, questionnaires and observation, were used to collect data.

3.8.1. Questionnaire

Used questionnaires because they cover a large sample of respondents in the shortest possible time and using low costs. For this thesis, the main data collection method was questionnaire. A structured questionnaire with list of questions was used with probes to elicit relevant information. The survey questionnaire instrument was comprised of two sections: demographic and distribution management related questions. Each respondent was given a consent form to read and sign before completing the questionnaire and the primary researcher explained the procedure of the questionnaire and written instructions were also provided. The questionnaire was adapted from (Asha & Miers, 2015). The questions were designed to be answered in a five-point Liker scale format for the supply chain concepts and practices and multiple choice or categorical variables relating to respondent demographics. The main part of the questionnaire was designed in a 5-point Liker scale ranging from 1= strongly disagree 5= strongly agree.

3.8.2. Interview

In this study, various interview sessions were conducted as a method of data collection instrument. It was assumed a useful data collection instrument in this study as it is an advantage to obtain detailed information about personal feelings, perceptions and opinions. It allowed more detailed questions to be asked, and it also achieves a high response rate. Semi structure interview was conducted for the purpose of investigating the participants understanding the practice of supply chain management in bottled water.

3.9. Measurement Instruments of Variables

The general objective of this thesis was to assess the current supply chain management practices of Gurage zone spring water factory. To do so, the measurement instrument of variables was Likert scale for perceived data. A five-point Likert scale was prepared and it was rated the respondents'

agreement on the stated questions. The following are the variable constructs of the thesis: Strategic supplier partnership – using quality as number one criterion in selection of suppliers, solving regularly problems jointly with its suppliers, continuous improvement programs that include its key suppliers and actively involve our key suppliers in new product development processes

- **Distribution channel strategy –** frequently the distributer determines future customer expectation, facilitate customers' ability to seek assistance, interact with customers to set reliability, responsiveness etc standards and measure and evaluate customer satisfaction
- **Information sharing/communication/** – sharing share delivery scheduling data with our most important suppliers, design and manufacturing data with most important suppliers, order, demand, and forecast information and inventory, production, sales information with our most important suppliers
- **Distribution channel preference and effectiveness** – effective and competent product distribute to the customer show the strength of Share Company.
- **Internal Operation** - Shows regularly continuous and instantaneous product and service improvement, uses up- to- datedness of production, has flexibility of production system and uses automated production process automation
- **Sales performance (SP)** – the sales performance of company show the effective distribution management of organization
- **Challenges/ Barriers for effective distribution management**- Faces supply uncertainty (supplier inability to carry out the promise), Trusts its partners to share confidential data and willing to share risks and benefits Faces inventory fluctuation due to inaccurate information sharing (bullwhip effect).

3.10. Data Analysis Method

The data collected in the form of quantitative variables. It is thoroughly checking for completeness and comprehensiveness. For this study Questionnaires were used to collect quantitative data and it was analyzed by the use of descriptive statistics using SPSS (Statistical Package for Social Sciences) and presented through percentages, Standard Deviation, mean and frequencies. The information was also presented by use of tables and charts. Regression analysis was used to make it easier for the interpretation of the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter was dedicated to data presentation, analysis and interpretation of the study based on the data gathered from the respondents of Eden and Fikr Natural Spring Water P.L.C. All the data were collected through questionnaires containing close and open ended questions and through interviewing the Eden and Fikr water Share Company marketing management, technical worker and supervisors considered as target population 163 were selected as sample from the two natural spring water P.L.C are included. The information obtained from the marketing management and customers is summarized using descriptive statistics where by raw data is computed in percentage. The summarized data was then analyzed by applying descriptive analysis method using tables, following detail explanations. At last, interpretation is made to demonstrate implications of the major findings.

4.1. Characteristics of the Respondents

Table 1: Characteristics of the Respondents

No	Item	Alternative	Frequency	Percent
1	Sex of respondents	Male	116	71.2
		Female	47	28.8
		Total	163	100.0
2	Level of education	Master	31	19.0
		Degree	73	44.8
		Diploma	32	19.6
		Secondary school	27	16.6
		Total	163	100.0
3	Length of continuous service with the department	less than a year	8	4.9
		from 1 to 4 years	71	43.6
		from 5 to 10 years	79	48.5
		over 10 years	5	3.1
		Total	163	100.0

Source: Own survey (2022)

As table 1 item 1 shows in the total respondents 116 (71.2%) and 47(28.8%) of the respondent were male and female respectively. Education level of respondents master 31(19.0%), degree 73(44.8%), diploma 32(19.6%) and secondary school 27(16.6%). Length of continuous service with the department show different from respondents to respondents less than year 8(4.9%), from 1 to 4 years 71(43.6%), from 5 to 10 years 79(48.5%) and over 10 years 5(3.1%) service within organization in the study areas.

4.2. Analysis of the Major Findings of the Study

The study tried to answer an assessment of distribution management system in the case of Eden and Fikr natural spring water P.L.C. from the point of view of company. To this end, various questions were posed to sample respondents mainly related with product distribution practices, factor that affect the distribution management system. For the company a need for problem related with product distribution accessibility of the product and how effective the company's product distribution system.

- **Test validity and reliability**

Validation test allows you to assess how well your ranking structure generalizes to a larger population. Reliability test analysis allows you to study 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. Intra-class correlation coefficients can be used to compute inter-rater reliability estimates. Reliability analysis allows you to study the properties of measurement scales and the items that compose the scales.

Table 2:- Test of validity and reliability

Reliability Statistics

Cronbach's Alpha	No of Items
.898	35

Source: own analysis, (2022)

Chronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale. According to (Zikmund-Fisher et al., 2010), scale with coefficient alpha between o.6 and 0.7 indicate fair reliability so for this study a Chronbach's alpha score of 0.70 or higher is consider adequate to determine reliability. The Chronbach's alpha score of this study was 0.898 shows that very good to determine reliability.

4.3. Descriptive Analysis

4.3.1. Distribution channel strategy (DCS) of share company

In section the researcher describe the response of Questionnaire & Interviews. The response from Questionnaire and Interviewed the company's for Managers, Supervisors and Sales People Working in the Company's to get some basic information toward the company's product distribution management system, and all the questions together with its answers are presented below.

Table 3: **Distribution channel strategy (DCS) of Share Company**

		1/ Our product is easy for customers purchase		2/ There are various ways in which customers can access our ----		3/ Our company is flexible on methods of - - -		4/ It is easy to transport the daily product		5/ Our company has made good progress in understanding -----	
N	Valid	163		163		163		163		163	
	Missing	0		0		0		0		0	
Mean		3.53		3.52		3.75		3.37		3.69	
Std. Dev.		1.096		1.021		1.187		1.176		1.140	
Alternative		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly disagree		14	8.6	16	9.8	16	9.8	19	11.7	11	6.7
Disagree		4	2.5	2	1.2	2	1.2	17	10.4	12	7.4
Moderate extent		58	35.6	41	25.2	37	22.7	31	19.0	36	22.1
Agree		56	34.4	90	55.2	59	36.2	77	47.2	61	37.4
Strongly agree		31	19.0	14	8.6	49	30.1	19	11.7	43	26.4
Total		163	100	163	100	163	100.0	163	100.0	163	100

Source: own analysis, (2022)

As the above table 3 item 1 shows, respondents were asked to rate the speeds of responses to product easy to customers purchase. The result of description data analysis show in table 3 indicates that, out of 163 respondents 14(8.6%) and 4(2.5%) of them are not in favor of the statement which says the distribute management system. Other respondents shows that 56(34.4%) and 31(19.0%) and 58(35.6%) were said agree strongly agree respectively. The remains 58(35.6%) respondents were responded as moderate extent.

Moreover, the respondents item 2, confirmed that the ways in which customers can access our products 16(9.8%) strongly disagree, 2(1.2%) disagree where as 90(55.2%) agree, and 14(8.6%) strongly agree. Generally the result of this analysis implies that there was good various ways in which customers can access company product.

To locating the center of the observed values of the variable in the data in a descriptive study of the variable is mean and variation around the center. The mean and standard deviation of product easy to customers purchase in company was 3.53 and 1.096 respectively. In same manner mean and standard deviation of the ways in which customers can access our product in various ways was 3.52 and 1.021 respectively.

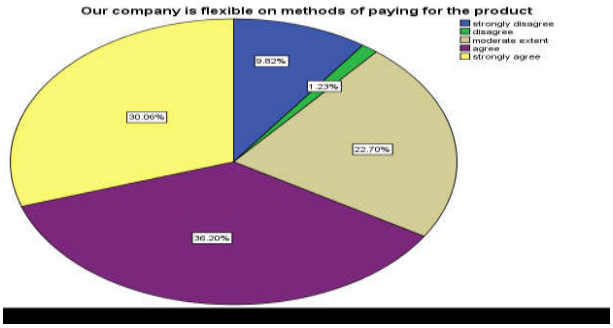


Figure 1. Pie Chart representation of flexible on methods of paying for the product

Source: own analysis, (2022)

The result of the descriptive data analysis shown in figure1 indicates that 9.82% and 1.23% of the respondents reported as strongly disagree and disagree about the flexible method of paying for the product respectively. While the rest 30.06% and 36.20%, 22.70% were strongly agree, agree, and moderate extent that the flexible method of paying for the product in two natural spring water share company.

Table 3, item 4 shows that, the sample respondent said that 77(47.2%) agree, and 19(11.7%) were strongly agree. The other respondents said 19(11.7%) and 17(10.4%) were strongly disagree and disagree respectively and 31(19%) of them were moderate extent in Eden and Fikr natural spring water

P.L.C. were work mood easy to transport daily product.

Item 5 also state that, Company has made good progress in understanding how to effectively design channels for distributing products 43(26.4%) and 61(37.4%) respondent were respond strongly agree respectively and agree, and 36(22.1%) were in moderate extent. Whereas the rest of the respondents were responded 11(6.7%) strongly disagree and 12(7.4%) disagree in study company has made good progress in understanding how to effectively design channels for distributing products.

To locating the center of the observed values of the variable in the data in a descriptive study of the variable is mean and variation around the center. The mean and standard deviation of company product easy to transport with in daily was 3.37 and 1.176 respectively. In same manner mean and standard deviation of the company has made good progress in understanding how to effectively design channels for distributing products was 3.69 and 1.14 respectively.

Table 4: **Distribution channel strategy (DCS) of Share Company**

No	Item	Alternative	Frequency	Percent	Mean	S.D
1	We first analyze customer needs before deciding distributing products	Strongly disagree	13	8.0	3.77	1.209
		Disagree	12	7.4		
		Moderate extent	27	16.6		
		Agree	58	35.6		
		Strongly agree	53	32.5		
		Total	163	100.0		
2	Our company deals with agents, wholesalers and other distributors respectfully and treats them well	Strongly disagree	13	8.0	3.67	1.094
		Disagree	2	1.2		
		Moderate extent	48	29.4		
		Agree	62	38.0		
		Strongly agree	38	23.3		

Source: own analysis, (2022)

Table 4, item 1 also shows that, the company analyze customer needs before deciding distributing products 58(35.6%) agree, 53(32.5%) were strongly agree, and 27(16.6%) moderate extent. The rest of respondents were analyzed customer needs before deciding distributing products was give response 13(8%), and 12(7.4%) were strongly disagree and disagree respectively in Eden and Fikr natural spring water P.L.C.

Item 2 also Company deals with agents, wholesalers and other distributors respectfully and treats them well 38(23.3%), 62(38%), and 48(29.4%) respondent were respond strongly agree, agree, and moderate extent respectively. Whereas the rest of the respondents were company deals with agents, wholesalers and other distributors respectfully and treats them well 13(8%) strongly disagree, and 2(1.2%) disagree in study company.

According to interview, the distributors use the vehicles to dump products only to some outlets. In addition to that the company owned distribution sales people go out for distribution only once per day. So this means sales people do not use the facility to its capacity. Hence the customer outlet cannot get their order on time, there exists shortage in their storage or the company distribution schedule cannot kept. However, the sales people denied that above fact by saying that there is no major problem with regard to distribution facility. They only thing they mentioned is if they had more vehicles it would have been easy to distribute the available products to a large geographical area within a short period of time. The above face implies that Eden spring water is unable to control and manage the distribution system as well as to manage the idea time of the facility.

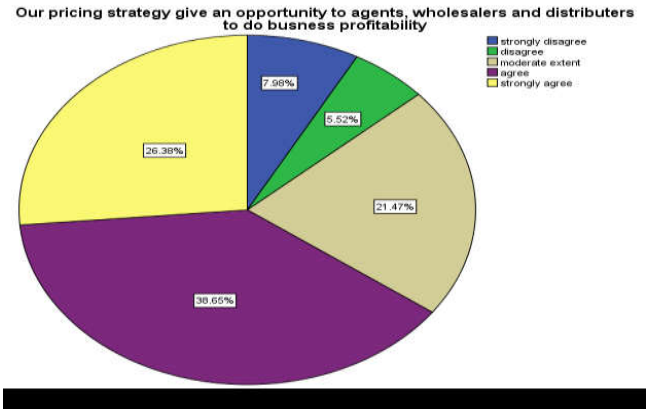


Fig. 2: Pricing Strategy

Source: own analysis, (2022)

The company pricing strategy was give opportunity to agents, wholesalers and distributors to do business profitability in figure 2 indicates that 7.98% and 5.52% of the respondents reported as strongly

disagree and disagree respectively. While the rest 26.38%, 36.65%, and 21.47% were strongly agree, agree, and moderate extent about the pricing strategy was give opportunity to agents, wholesalers and distributors to do business profitability.

4.3.2. Distribution Channel Administration of share company

Table 5: Distribution Chanel Administration Share Company

Item	Cumulative percent					Mean	Std. D.
	S/ disagree	Disagree	Moderate	Agree	S/ agree		
1. There is good communication between the agents, wholesalers/other distributers and our company	4/ 2.5	9/5.5	44/27	62/38	44/27	3.82	.977
2. There is frequent training for agents, wholesalers/distributers on customer management	6/3.7	18/11	21/12.9	78/49.1	38/23.3	3.77	1.044
3. Our company has good progress in understanding how to manage the process of distributing product	20/1.2	15/9.2	29/39/17.8	78/23.9	47.9	4.08	1.066
4. We organize periodical meetings with agents, wholesalers/other distributers to review distribution policies to protect distrs	20/1.2	26/16	27/16.6	82/50.3	26/16	3.64	.974
5. We share intelligence information with agents, wholesalers/other distributors to --	53/33.7	49/30.1	16/9.8	13/8	30/18.4	2.47	1.484
6. Our company offers sale support to strengthen the channel partner relationship with wholesalers and other distributor	14/8.6	72/44.2	24/14.7	41/25.2	12/7.4	2.79	1.137
7. The way we manage the distribution channel has played a significant role in meeting	4/2.5	30/18.4	54/33.1	73/44.8	2/1.2	3.24	.852

Source: own analysis, (2022)

The above table 5 item 1 shows that, 62(38%) said agree and 44(27%) were said strongly agree. The rest of respondents were 4(2.5%) and 9(5.5%) were strongly disagree and disagree respectively but 44(27%) of were said moderate extent. This implies that majority of 108(65%) agreed about good communication between the agents, wholesalers/other distributers in Eden and Fikr natural spring water P.L.C.

In the same table item 2, 38(23.3%) and 80(49.1%) respondent were respond strongly agree, agree respectively. Whereas 6(3.7%) and 18(11%) respondents responded strongly disagree. As a 118(72.4%) of the result agreed on Company has made frequent trainings for agents, wholesalers/distributers on customer management.

Table 5, item 3 shows, 20(1.21%) and 15(9.21%) responded as strongly disagree and disagree respectively while 39(23.9%) and 78(47.9%) responded as agree and strongly agree respectively. This implies the Company has made good progress in understanding how to manage the process of distributing products.

The respondents in table -5 item 4 shows that, 26 (16%) and 82(50.3%) of the Stakholders responded strongly agree and agree respectively. 20 (1.2%) and 26 (16%) of the respondents said strongly disagree and dis agree respectively. This implies that the majority (66.3%) of the respondants were admit the company organizes periodical meetings with agents, wholesalers/ other. . . .

The next objective sought to investigate industry intelligence information with agents, wholesalers / other distributors to boost sales; Table 5 of item 5 shows that 30 (18.4%) and 13(8%) of the respondents responded strongly agree and agree respectively. In addition 49 (30.1%) and 55 (33.7%) of the respondents said strongly disagree and dis agree respectively. This indicates that there is not appropriate industry intelligence information with agents, wholesalers / other distributors to boost sales.

Table 5 item 6, 12(7.4%) and 41 (25.2%) of them were responded strongly agree and agree while 72 (44.2%) and 14 (8.6%) of the students were responded disagee and strongly dis agree but the rest 24 (14.7%) of them said moderate. The mean scored 2.79 implies the presence of sme problems.

The above table 5 item 7 shows that, 20(1.2%) and 73(44.8%) were said strongly agree and agree respectively. 4(5.5%) and 30(18.4%) were said strongly disagree and diagree respectively. The rest of respondents were said as moderate. The mean score of 3.24 indicate that the company offers sales

support to strengthen the channel partner relationship with wholesalers and other distributor/retailers

The interview supported the above idea as: the sales manager replied, there is no shortage of vehicles to the distribution of the company's products. As mentioned earlier In addition to the company's owned distribution vehicles, the sub-contracted distributors use their own vehicles to distribute the company's products. As a result we can say there is no shortage of vehicles but there exist improper sage of the facility so that customers cannot get the company's products type sales people also confirmed that they have the necessary (like vehicle) are available in their company that enable them to distribute our products to their customer outlets. The shows that the responses of the customer outlets are in contradiction with the distributors and management of Fiker and Eden Spring Water This implies that the respondents didn't get the amount of products they require at the time they need them.

4.3.3. Company's distribution channel objective of share company

Table 6: Company's distribution channel objective of Share Company

	Cumulative percent					N	Mean	Std. Devi
	S/ disagree	Disagree	Moderate	Agree	S/ agree			
1. Focus on supplying goods to large masses of customers	32/19.6	7/4.3	75/47.2	44/27	3/1.8	163	2.87	1.078
2. Considers customers in different geographical areas	24/14.7	10/6.1	38/23.3	64/38.7	28/17.2	163	3.37	1.262
3. There is enough consideration for a proper storing of product	25/15.3	5/3.1	40/24.5	63/38.7	30/18.4	163	3.42	1.266
4/Customer satisfaction is considered as distribution strategy	26/16	9/5.5	37/22.7	45/27.6	46/28.2	163	3.47	1.376
5. Company's distribution considers a cost reduction	14/8.6	17/10.4	32/19.6	62/38	38/23.3	163	3.57	1.202

Source: own analysis, (2022)

Table 6 item 1, illustrates from respondants, 3 (1.8%) and 44 (27%) wer responeded strongly aree and agree respectively while 7 (4.3%) and 32 (19.6%) were responeded disagree and strongly dis agree respectively. The rest 75 (47.2%) were responeded moderate. So, this implies the respondants may not have evidence.

As Table 6 item 2 , 28(17.2%) and agree respectively. 10 (6.1%) and 10 (14.1%) of them were responded disagee and and 64 (38.7%) of them were responded strongly agree strongly dis agree but the rest 38 (23.3%) of them said in moderate. The mean scored 3.37 implies it is some how good.

As shown table 6 item 3: of aggregate row, 57.1% (18.4% strongly agree and 38.7 % agree) of the employees were said There is enough consideration for a proper storing of products, where as 18.4% (15.3% strongly disagree and 3.1 % disagree). The rest 24.5% said moderate. The mean score of 3.42 and significant and indicate that the trend.

Table 6 item 4: of aggregate row, 55.8% (28.2% strongly agree and 27.6 % agree) of the respondents were said the presence customer satisfaction. While 18.4% (16% strongly disagree and 5.5 % disagree). The rest 22.6% said moderate. The mean score of 3.47 and significant and indicate that good at customer satisfaction.

As table 6 item 5, 38(23.3%) and 62 (38%) of the respondents were answered strongly agree and agree and 32 (19.6%) of the them were said moderate. The majority (61.38%) of the respondants were agreed on Company's distribution considers a cost reduction and the mean score 3.57 confirm this.

The above evidence supported by interviews as: The Company has its own distribution schedule however; the problem is on the implementation of this program to distribute the company's products to its customer outlets. As the supervisors are only two for Addis Ababa market, it is difficult to control the distributors make a request for the company's products, the distributors arrange their program and distribute the required products. Similarly, the sales people responded that they follow company's distribution schedule to distribute as they accommodate outlets request in accordance with their proximity to that day or the coming days scheduled routes. This shows that Fiker spring water distributors do not satisfy their customers by delivering the required products at the time needed or on affixed scheduled time.

4.3.4. Distribution channel preference and effectiveness (DCPE) of share company

Table7: Distribution channel preference and effectiveness (DCPE) of Share Company

Descriptive Statistics								
	Cumulative percent					N	Mean	Std. Deviation
	S/ disagree	Dis agree	Mod erate	Agree	S/ agree			
1. Your company uses the shortest distribution channel	16/ 9.8	23/ 14.1	28/ 17.2	61/ 37.4	35/21.5	163	3.47	1.249
2. The channel member has its own effect on your price and decrease the sale volume	9/5.5	15/ 9.2	42/ 25.8	54/ 33.1	43/26.4	163	3.66	1.130
3. There is optional and effective ways of distributing than what your company uses currently	6/3.7	23/ 14.1	38/ 23.3	58/ 35.6	38/23.3	163	3.61	1.102
4/ All distribution channel has their own value addition on the distributional activity	13/ 8	24/ 14.7	36/ 22.1	62/ 38	28/17.2	163	3.42	1.170
5. Does your company products share company can make a deal to change the current distribution chain	21.2	26/ 16	35/ 21.5	70/ 42.9	28/17.2	163	3.55	1.067

Source: own analysis, (2022)

In general table 7 item 1, out of 163 (100%) of the respondents 96 (58.9%) of them were said strongly agree and agree, 28 (17.2%) of them responded moderate and 39 (23.9%) were responded disagree and strongly disagree. The mean score 3.47 also shows the company uses the shortest distribution channel. Table 7 item 2 also, the respondents 97(59.5%) of them were said strongly agree and agree, 42(25.8%)

of them responded moderate and the rest 24 (14.7%) were responded disagree and strongly disagree. The mean score 3.66 also shows channel member has its own effect on your price and decrease the sales volume.

Table 7, item 3 shows in their respons, out of 163 respondants, 6(3.7%) and 23(14.1%) responded as strongly disagree and disagree respectively while 38(23.3%) and 58(36.6%) responded as agree and strongly agree respectively. This implies majority of them are agreed in the presence of an optional and effective ways of distribution than what your company uses currently.

In the sam table item 4 shows that the respondents, the majority 90(55.2%) respondants responded strongly agree and agree. 37 (22.7%) of them said strongly disagree and dis agree. The remains 36 (22.1%) said moderate.

According to Table 7 item 5 shows, 28(17.2%) and 70 (42.9) of them wer responed strongly agree and agree respectively. 26 (16%) and 2 (1.2%) of them were answered disagree and strongly disagree respectinely and the remains 35 (21.5%) of them said moderate. According to the result majority of them are agreed.

Table 8, item 1 below shows that, Majority or 104(63.8%) of respondents said strongly agree and agree while 14(8.5%) of respondents said strongly disagree and disagree. The remains 45(27.6%) responded as moderate. The mean score 3.8 also helps to Encourage purchase of large size unit.

Item 2 also state that, Company Generate trials among non-users, 19(11.7%) & 73(44.8%) respondent were respond strongly agree &agree respectively. The rest of the respondents 27 (16.6%) were said strongly disagree and disagree respectively but 44(27%) said moderate. The mean was 3.49.

The interview also shows that the sales manager replied, there is no shortage of vehicles to the distribution of the company's products. As mentioned earlier In addition to the company's owned distribution vehicles, the sub-contracted distributors use their own vehicles to distribute the company's products. As a result we can say there is no shortage of vehicles but there exist improper sage of the facility so that customers cannot get the company's products type sales people also confirmed that they have the necessary (like vehicle) are available in their company that enable them to distribute our products to their customer outlets. This shows that the responses of the customer outlets are in contradiction with the distributors and management of Fiker and Eden Spring Water This implies that the respondents didn't get the amount of products they require at the time they need them.

4.3.5. Sales performance (SP) of share company

Table 8: Sales performance (SP) of Share Company

Statistics								
		Encorage purchase of large size unit	Generate among non-users	Encourage off season buying	Build brand loyalty and equity	Increase the number of customer	Increase profitability	
N	Valid	163	163	163	163	163	163	
	Missing	0	0	0	0	0	0	
Mean		3.80	3.49	3.66	3.62	3.45	3.52	
Std. Deviation		.989	.958	1.068	1.095	1.118	1.135	
strongly disagree		2.5	2.5	3.7	2.5	9.2	6.1	
Disagree		6.1	14.1	11.7	17.8	8.0	12.9	
moderate extent		27.6	27.0	22.7	17.8	25.8	23.9	
Agree		36.8	44.8	39.3	39.3	42.9	36.8	
strongly agree		27.0	11.7	22.7	22.7	14.1	20.2	

Source: own analysis, (2022)

Table 8 item 3 also shows, 37(22.7%) & 64(39.3%) respondent were respond strongly agree & agree respectively. And 6(3.7%) & 19(11.7%) respondent were respond strongly disagree & disagree respectively. But 37(22.7%) categorized as majority and the mean score is3.66. The result shows majority 101(62.0%) were considered Encourage off season buying. In the same table item 4, 101(62%) of respondents said strongly agree & agree respectively and 33(19.3%) respondent were respond strongly disagree & disagree respectively. Therefore, majority of them are agreed on Build brand loyalty& Equity.

According to Table 8 item 5 shows, 23(14.1%) and 70 (42.9) of them wer responed strongly agree and agree respectively. 15(9.2%) and 13 (8.0%635) of them were answered strongly disagree & disagree respectinely and the remains 42 (25.8%) of them said moderate. According to the result majority of them are agreed.

Table 8 item shows, 56.6% of them were responed strongly agree and agree respectively. 19% of the respondents were answered strongly disagree & disagree respectinely and the remains 23.9% were said moderate. Therefore majority of them are agreed on Increase profitability.

The Interview also said that: The managers suggested that the solutions to the existing problems are to solve the production unit problems as well as to redesign the existing distribution management system. As they have mentioned the company is working on it. Similarly the sales people added to what the managers said that the problems of distribution could be improved is there is training and professional support from expects in the area. The other solution can be motivating sales people in different way.

In today globalization world there are so many spring water share companies so according our major objectives we must increase our profitability to survive in this world this happen only by make customer satisfaction increase product by challenged and faced this world scarcity by using opportunity. There are so many competent in this nearby area just to survive our product should competes with other similar products by price minimizing mainly using advertiment and managements of the company should allocate row material and to use full capacity of professionals by motive them by risk minimize try to maximize the profit and good will should be adopt by the customer and so on.

Table 9: Summary of the Independent Variables

		DCS / Distribution channel strategy of share company	DCA / Distribution Channel Administration of share company	DCO / Company's distribution channel objective of share company	DCPE / Distribution channel preference and effectiveness of share company	Sp / sales performance (SP) of share company
N	Valid	163	163	163	163	163
	Missing	0	0	0	0	0
Mean		3.6258	3.4005	3.3399	3.5399	3.3885
Std. D		.90752	.59916	1.02972	.76146	.57662

Source: own analysis, (2022)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The purpose of this chapter is to outline the major finding of the analysis, conclusions and recommendation that can implementation of Eden and Fikr natural spring water P.L.C distribution management system.

5.1. Summary of the Major Findings

The main purpose of the study was to investigate the current Product Distribution Management System of Spring Water Share Companies in Case of Gurage Zone. In order to achieve the purpose of the study, the following basic research questions were raised: What are the Companies established distribution management system?; How successful is the existing distribution system?; What challenges the companies faced in their product distribution? And what modifications have been made to the current distribution system?

The Study applied explanatory research design method while The purpose of the study aimed at the assessment of distribution management of Eden and Fikr spring water for,- the improvement of the performance as well as the achievement of organization goal with regard to distribution system. In this regard an attempt has been made to see different distribution management problems, their causes and remedies, as described in various literatures. The sample data was then presented in the form of tables, figures & percentage based on the research question by using SPSS.

From a total of 163(100%) sample respondents 116(71.2%) ware male and 47(28.8%) female respondents the participation of female in the water share company was less than that of male while the education level of respondents in company shows 31(19%) masters, 73(44.8%) degree, 32(19.6%) diploma, 27(16.6%) secondary school. From the analyzed data there was highest number of degree holders in Eden and Fikr Share Company.

The length of continues service year in the department of the two water share company the respondents was from the total of respondents less than a year 4.9%, from 1 to 4 years were 43.6%, from 5 to 10 years were 48.5% and over ten years were 3.1% in the company.

5.1.1. Distribution channel strategy (DCS) of Share Company

According to the response our product is easy for customers purchase (Mean score of 3.53 and Std. Dev of 1.096). There are various ways in which customers can access our ---- (Mean score of 3.52 and Std. Dev of 1.021). Our company is flexible on methods of paying for the products (Mean score of 3.75 and Std. Dev of 1.187). It is easy to transport the daily product (Mean score of 3.37 and Std. Dev of 1.176). Our company has made good progress in understanding how to effectively design channels for distributing products (Mean score of 3.69 and Std. Dev of 1.140).

Therefore the study showed, Distribution channel strategy (DCS) of Share Company has structured to disseminate the product to different customers. It is evidenced by mean score of 3.6258 and Std. Deviation 0.907.

5.1.2. Distribution Channel Administration of share company

The study further found out that in the second variable: There is good communication between the agents, wholesalers/ other distributors and our company (Mean score of 3.82 and Std. Dev of 0.977). There is frequent trainings for agents, wholesalers / distributors on customer management (Mean score of 3.77 and Std. Dev of 1.044). Our company has made good progress in understanding how to manage the process of distributing products (Mean score of 4.08 and Std. Dev of 1.066). We organize periodical meetings with agents, wholesalers/ other distributors to review distribution policies to protect distributors and retailers (Mean score of 3.64 and Std. Dev of 0.974). Our company offers sales support to strengthen the channel partner relationship with wholesalers and other distributor/retailers (Mean score of 2.79 and Std. Dev of 1.137). The way we manage the distribution channel has played a significant role in meeting (Mean score of 3.24 and Std. Dev of 0.852).

These responses showed that Distribution Channel Administration of the share company has at good management ways this evidenced also the variable by (Mean score of 3.40 and Std. Dev of 0.59916).

5.1.3. Company's distribution channel objective of share company

According to the result in the study, the company focuses on supplying goods to large masses of customers (Mean score of 2.87 and Std. Dev of 1.078). the company considers customers in different geographical areas (Mean score of 3.37 and Std. Dev of 1.262) and there is enough consideration for a proper storing of products (Mean score of 3.42 and Std. Dev of 4.266). The company considered

customers satisfaction is as distribution strategy (Mean score of 3.47 and Std. Dev of 1.376) and also considers a cost reduction (Mean score of 3.57 and Std. Dev of 1.202).

To sum up, the Company's distribution channel set objective of Share Company which is confirmed by (Mean score of 3.34 and Std. Dev of 1.0297).

5.1.4. Distribution channel preference and effectiveness (DCPE) of share company

According to this variable, the company uses the shortest distribution channel (Mean score of 3.34 and Std. Dev of 1.0297) and the channel member has its own effect on your price and decrease the sales volume (Mean score of 3.34 and Std. Dev of 1.0297). There is an optional and effective ways of distribution than what your company uses currently Mean score of 3.34 and Std. Dev of 1.0297). All distribution channels have their own value addition on the distributional activity (Mean score of 3.34 and Std. Dev of 1.0297). The respondents said the company products share company can make a deal to change the current distribution chain (Mean score of 3.34 and Std. Dev of 1.0297).

In general, Distribution channel preference and effectiveness of Share Company has achieved distribution plan and also evidenced by (Mean score of 3.54 and Std. Dev of .761).

5.1.5. Sales performance (SP) of share company

According to the result in the study, the company Encourage purchase of large size unit (Mean score of 3.54 and Std. Dev of .761) and Generate trials among non-users (Mean score of 3.80 and Std. Dev of 0.989). It is also Encourage off season buying (Mean score of 3.49 and Std. Dev of 0.958) and Build brand loyalty& Equity (Mean score of 3.66 and Std. Dev of 1.068). The company Increase the number of customer (Mean score of 3.62 and Std. Dev of 1.095) and Increase profitability (Mean score of 3.45 and Std. Dev of 1.118). From the finding, the aggregate mean score of 3.388 and significant of .57662 indicated Sales performance (SP) of Share Company was affected bay company's distribution management system.

5.2. Conclusions

In the practice of bottled water distribution management system, two bottled water company (Eden and Fikr spring water) distribution management system was analyzed. In this research the researcher should try to do analysis in Distribution channel strategy (DCS) of Share Company, Distribution Channel , that the majority of respondents are satisfied by the performance of Distribution channel strategy (DCS) of Share Company, however purchasing of the product is not easy for customers because the majority of respondents are not satisfied.

It can be concluded that the majority of respondents are satisfied by the distribution Channel Administration of Share Company of Eden and Fikr spring water while it wants to attention for sharing of intelligence information with agents, wholesalers/other distributors to boost sale and the way managing the distribution channel has played a significant role in meeting. Regarding on Company's distribution channel objective of Share Company, most respondents were satisfied on implementation of distribution management system whereas in this regard the companies give consideration for supplying goods to large masses of customers

According to the findings in the two companies, there were practices in distribution channel preference and effectiveness (DCPE) of Share Company. Therefore the companies should continued the performance of preference and effectiveness of Share Company. It is conclude that system of **sales performance (SP) in the share company, there is** improvements in the company but some of respondents were not satisfied therefore it gives consideration for them. To sum up supervision of distributor's of performance, complaints handling mechanism, motivational scheme that fairly distributed among distributors and problems in the production unit. Weaknesses are observed on few other areas such as the late delivering and unequal distribution of the company's products. To sum up, the results clearly establish the areas where the distribution management.

5.3. Recommendation

According to (Meenakshi, 2008: 102), physical distribution is the set of activities concerned with efficient movement of finished goods from the end of the production operation to the ultimate consumer. Physical distribution take place within numerous wholesaling and retailing distribution channels, and includes such important decision areas as customer service, inventory control, materials handling, protective packaging order processing, transportation, warehouse sites election and warehousing. Physical distribution is part of a larger process called "distribution" which includes wholesale and retail marketing, as well as the physical movement of products. Accordingly, physical distribution can be viewed as a system of components linked together for the efficient movement of products. These components (customer service, transportation, warehousing, order processing, inventory control, protective packaging and materials handling) are interrelated so decisions made in one area affect the relative efficiency of others.

5.3.1. Recommendations for Improvement

On the basis of the findings obtained and conclusion drawn the following recommendations are made for the achievement of bottled water company's distribution management system in Eden Fikr water P.L.C.

- Based on the conclusion, Distribution channel strategy (DCS) of Share Company were appreciable efficiency while purchasing of the product addressing for customers should be given attention in companies ways of distribution channel strategy in the Share Company.
- It recommended that the Administrating distribution Channel of the Share Company of Eden and Fikr spring has successful achievement the companies but should be giving necessary improvement for sharing of intelligence information with agents, wholesalers/other distributors to boost sale and the way managing the distribution channel has played a significant role in meeting.
- Designing and implementing a uniform and centralized product order handling system is the most important step that water P.L.C should do so as to facilitate its distribution system as well as reduce and handle customer complaints. In addition to customers request to the company's products, the existing distribution schedule should be strictly followed by all distributors.

- It recommended that it has good achievements in distribution management system on Company's distribution channel objective of Share Company whereas in this regard the companies should give consideration for supplying goods to large masses of customers.
- There is system of **sales performance (SP) in the share company** but it should gives consideration for unsatisfactory customers in **sales performance of the company**.

Therefore, the other option for two share water company other than redesigning the existing distribution system is to focus only on bottling and let the sub – contracted distributors handle the distribution so as to increase its efficiency and profitability as well as to satisfy the market demand for the company the existing distribution system is to focus only on bottling and let the sub – contracted distributors handle the distribution so as to increase its efficiency and profitability as well as to satisfy the market demand for the company's products. Selection of distributors and recruiting good distributors in marketing channels can improve a manufacturer's performance and even increase its competitive advantage. Therefore, finding competent distributors is an important issue for manufacturers.

5.1.1. Recommendations for Further study

This study has focused on Assessment of Product Distribution Management System of Spring Water Share Companies in Case of Gurage Zone. It has investigated the effect of Distribution channel strategy (DCS) of share company, Distribution Channel Administration of share company, Company's distribution channel objective of share company, Distribution channel preference and effectiveness (DCPE) of share company and sales performance (SP) of share company. According to the result, it thus suggests that further studies be carried out on factors to give better aspects of their effects. It also recommends that similar studies be carried out on other companies within the country.

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APPENDIX

Wolkite University

College of Business and Economics

Masters of Business Administration (MBA)

This questionnaire is designed to collect information for a study will be conducted in order to enable the researcher to assess the analysis of bottled water distribution management the case of Gurage zone Share Company. The study is particularly to accomplishment of the Master of business administration degree at Wolkite University. The findings of the study will be strictly utilized for the intended purpose. Therefore, you are requested to respond to all of the given questions. Please feel free to give out information and express your opinion, which will be received and treated with all due respect and confidentiality. I appreciate your cooperation Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

Section I: General Information

1. Sex: 1. Male 2.Female
2. What is your highest level of education qualification?

Post graduate level (Master) ☐ University degree ☐

College diploma ☐ Secondary school ☐ Other ☐

3. Length of continuous service with the department?

Less than a year ☐ from 1 to 4 years ☐

From 5 to 10 year's ☐ over ☐0 years

Section II: Distribution channel (DC)

Use 1-Strongly disagree, 2-Disagree, 3-Moderate extent, 4-Agree and 5-Strongly agree.

S.N	Distribution channel strategy (DCS) of share company	5	4	3	2	1
1	Our product is easy for customers to purchase (DCS1)					
2	There are various ways in which customers can access our products (DCS2)					
3	Our company is flexible on methods of paying for the products (DCS3)					
4	It is easy to transport the Daily products (DCS4)					
5	Our company has made good progress in understanding how to effectively design channels for distributing products (DCS5)					
6	We first analyze customer needs before deciding distributing products (DCS6)					
7	Our company deals with agents, wholesalers and other distributors respectfully and treats them well (DCS7)					
8	Our pricing strategy give an opportunity to agents, wholesalers and distributers distributors to do business profitably (DCS8)					
Distribution Channel Administration of share company		5	4	3	2	1
9	There is good communication between the agents, wholesalers/ other distributors and our company (DCA1)					
10	There is frequent trainings for agents, wholesalers / distributors on customer management (DCA2)					
11	Our company has made good progress in understanding how to manage the process of distributing products (DCA4)					
12	We organize periodical meetings with agents, wholesalers/ other distributors to review distribution policies to protect distributors and retailers (DCA5)					

13	We share industry intelligence information with agents, wholesalers / other distributors to boost sales (DCA6)					
14	Our company offers sales support to strengthen the channel partner relationship with wholesalers and other distributor/retailers (DCA7)					
15	The way we manage the distribution channel has played a significant role in meeting					
Company's distribution channel objective of share company		5	4	3	2	1
16	Focuses on supplying goods to large masses of customers (DCO1)					
17	Considers customers in different geographical areas (DCO2)					
18	There is enough consideration for a proper storing of products (DCO3)					
19	Customers satisfaction is considered as distribution strategy (DCO4)					
20	Company's distribution considers a cost reduction (DCO5)					
S.N	**Distribution channel preference and effectiveness (DCPE) of share company**	5	4	3	2	1
21	Your company uses the shortest distribution channel (DCPE1)					
22	The channel member has its own effect on your price and decrease the sales volume (DCPE2)					
23	There is an optional and effective ways of distribution than what your company uses currently (DCPE3)					
24	All distribution channels has their own value addition on the distributional activity (DCPE4)					
25	Does your company products share company can make a deal to change the current distribution chain (DCPE5)					

Section III: sales performance (SP) of share company						
		5	4	3	2	1
26	Encourage purchase of large size unit (SP1)					
27	Generate trials among non-users (SP2)					
28	Encourage off season buying (SP3)					
29	Build brand loyalty& Equity (SP4)					
30	Increase the number of customer (SP5)					
31	Increase profitability (SP6)					

Section IV Interview Question for Managers, Supervisors and Sales People Working in the Company's

32 What is the current distribution management system of the company?

Low ☐ Moderate ☐ High ☐

33 What are the strength and weakness of distribution channels----------

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34 How does the company's management supervise the distributors' performance in their area of assignment?----------

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35 What major obstacles have been experienced by the distributors both internally from the company's management and externally from the outside marketers? ----------

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36 What is the role of distribution system on the performance of the organization? ---------

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. **Thank you for cooperation**