

Wolkite University

We Strive for Wisdom!

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARMENT OF MANAGEMEN

ASSESSMENT OF DISTRIBUTION PRACTICE CASE OF EDEN SPRING WATER COMPANY

BY: HELEN GIRMA

A REASERCH SUBMITTED TO DEPARTMENT OF MANAGEMENTIN THE PARTIAL FULFILMENT OF BACHOLOR OF ART'S DEGREE IN MANAGEMENET

ADVISOR: Ms. HANA (BAD)

JUNE, 2019

WOLKITE,

Acknowledgement

First would like to thanks to almighty God helped me in every aspect of my life. I would like to express my deepest gratitude to Ms Hana for she's advice, guide and professional support in developing this research paper.MY special gratitude also to my mother and my father, my classmate student mengesha Areda. Final would like to thank all members Wolkite University and especially for department of Management

Contents

Acknowledgement i
Abstract ..... **Error! Bookmark not defined.**
CHAPTER ONE 1
1. INTRODUCTION 1
1.1. Background of the study 1
1.2 Statement of the problem 2
1.2. Research question 3
1.3 Objectives of the study 3
1.3.1 Generally objectives 3
1.3.2 Specific objectives 3
1.4 Significant of the study 3
1.5 Scope of the study 4
1.6 Limitation of the Study 4
1.7 Organization of the paper 4
CHAPTER TWO 5
2. REVIEW OF RELATED LITERATURE 5
2.1 What is distribution channel? 5
2.2. Nature of Distribution channel 5
2.3 Roles of distribution manager 6
2.4. Strategic Elements of Choice 6
2.4.1. Intensive distribution 6
2.4.2. Exclusive distribution 7
2.4.3. Selective distribution 7
2.5 Distribution channel role 7
2.6 Distribution channel structure 7
2.7. Distribution strategy 8
2.8. Distribution process 8

2.8.1 Order processing 8
2.8.2 Inventory 9
2.8.3. Warehousing 9
2.8.4 Transportation 10
2.9 Channel objective 10
2.10 number of channel level 11
2.10.1 Direct marketing channel 11
2.10.2 Indirect marketing channel 11
CHAPTER THREE 12
3. RESERCH METHODOLOGY 12
3.1 Research design 12
3.2 Source of data 12
3.3 Target Population 12
3.4. Sample size 12
3.5, Data collection instrument 12
3.6 Data analysis method 13
CHAPTER FOUR 14
4. Data presentation and analysis 14
4.1. Demographic characteristics of the respondents 14
4.11. Interview analysis 21
Resulting from interview of company manager 21
CHAPTER FIVE 22
SUMMERY, CONCULSTION, AND RECOMMENDATION 22
5.1. CONCULSTION 22
5.2 SUMMERY 22
5.3, Recommendation 23

List of table

4.1. Demographic characteristics of the respondents.....14

Table 4.2distribution system of company 15

Table4.3. performance level of the organization channel.....16

Table 4.5. The variables determine the effectiveness of distribution channel in the organization 17

Table 4.6. The problems facing in the organizational distribution channel 18

Table 4.7. The mechanism that the organization used to solve the problem of distribution channel. 18

Table 4.8 the effectiveness of existing distribution channel on the delivery of the product to consumer.....19

Table 4.9 products are available to customer at the required time.....20

Table 4.10 customer satisfaction in relation with distribution channel of the organization 20

Abstract

This study is in titled assessment of distribution practice. Some researcher's studies only regarding on channel of distribution effectiveness, factories affect distribution channel, supply chain and logistics on other company, but no one did research on distribution practice in Eden Water Company. And the objective of this study assess distribution practice of Eden Water Company. The study will attempt to include a sample size127 employees and 1 a manager of the company by using censes sampling method. The data collected from different sources would be analysed used descriptive technique so as to make finding easy for understanding. The result obtained through this study will show that the distribution practice of Eden spring water company.

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

In the present day world mass production was in anticipation of demand. There was always a Pressing need to intermediary of one type or other or enabling the good to reach the ultimate consumer. The propose was to sale everything that was produce. How very it was really difficulties for producer to undertake the distribution of goods directly to consumers by themselves. (PeteryDoyel and Philip stern, 2006)

The primary objective of channel of distribution was to assist the producers in marketing the goods at right time, place and right price (Philip Kotler and Gary Armstrong, 2006).

Place distribution was the physical point of consumption to meet costumer's requirement (Philip kotler and Gray Armstrong, 2010)

How very when the product passes from producer to ultimate consumer or industries users through intermediarys distribution institution called indirect selling and when the producers sells directly to the finally buyer and there was no intervening of intermediaries called direct selling (Philip kotler and Gray Armstrong,2006

In Ethiopia, they were many a number of production factories that engaged in production and distribution of products. These factories product that sold in domestic and international market.

The movement of goods and services from the source through a distribution channel as the structure of intercompany organization units and extra company agents, dealers, wholesalers and retail through which a commodity product or service marketing (Donald Brow son and David closes, 1996)

Generally, Eden spring water development companies one of well know companies in some towns of Ethiopia which is used different distribution channel system

1.2 Statement of the problem

Distribution role within market mix is getting product to its target market. The first critical activities in getting product from to market is arranging for it is sale and the transfers the title of product from producer to final customer. Other common activities or function are promoting the product and storing it assuming some of finical risk during the distribution process (PeteryDoyel and Philip stern, 2006)

Distribution is the displacement of traditional resources from marketing channel by news of interiors or physical point of consumption to meet customer requirement (Philip Kotler and GrayArmstrong, 2006)

Research gaps some researcher's studies only regarding on channel of distribution effectiveness, factories affect distribution channel, supply chain and logistics on other company, but no one did research on distribution practice in Eden spring water development and processing company

A factory chooses to distribution it is product indirect by taking the help of varies intermediaries such as agent, retailer and wholesalers. The companies use both direct and door- to door distribution of goods and service. (Philip kotler and Gray Armstrong, 2010)

General the company unable satisfy all users requirement because of incapability using interaction with outside environment

(lack of intermediates, low practice of distribution hinders to distribute products to final consumers. So, I want to fill the gap of the Eden spring water problem on distribution practice.

There is also shortage of supply the company cannot gat raw materials easily. Due to drought and other factory, so the demand of the product exceeds than its supply due to this customer are not satisfy.

1.2. Research question

The research would be answers the following question.

- What are the challenges on existing distribution system?
- What are the determinant factors that affect distribution?
- How to assess the existing distribution system effectiveness on the delivery of Product to consumers?

1.3 Objectives of the study

1.3.1 Generally objectives

The main objectives of this study to assess distribution practice of Eden spring water

1.3.2 Specific objectives

- To examine the challenges on existing distribution system
- To determinant the factor that affect distribution.
- To assess the existing distribution system effectiveness on the delivery of Product to consumers

1.4 Significant of the study

This would help to generate information that help how to Formulate effective distribution strategies and programs suitable for implementation.

An assessment of the relationship between distribution practice and sales value Encourage the stakeholders on the choice of distribution channels in future. It would also suggest Possible solutions that enable the company to improve its distribution system, the study also serves as a base

For further studies in the area, provides highlight for future distribution system.

Helps company to within the existing channels of distribution for long time. Give direction who wants to develop future.

1.5 Scope of the study

The scope of the study focus on assessment of distribution practice of Eden spring water that found in Debub region Agena sub city. The study gives more emphasize on distribution channel and type of distribution channel mostly companies practice.

1.6 Limitation of the Study

Since there are a lot of Eden spring water company in Ethiopia the study is only limit in Eden spring water. So the finding result would conclude to Eden spring Water Company only it can't represent for other company.

1.7 Organization of the paper

This study organizes in to four chapters. Chapter one has contain the introduction part dealing with background of the study, the statement of problem, objective of the study, significance of the study and scope and limitation of the study. The second chapter literature review discusses in depth previous researches on the topic of the effect of distribution channel on sales volume of Eden spring water. Chapter three focuses on the analysis of data presentation and interruption of data. And finally chapter deals with recommendation and conclusion of the researcher

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

In this chapter literature review discusses in depth previous researches on the topic of the effect of distribution channel, Nature of Distribution channel, Roles of distribution manager, Strategic Elements of Choice, Theoretical Review

2.1 What is distribution channel?

The term distribution channel describes the commercial arrangement establishing to enable a product to flow from the point of production to the point of ultimate consumption distribution channel consists of chains of institution, with the exception of the original supplier and end user these institutions are intermediaries under takes a number of activities which either directly move a product or service available for use or consumptions by consumer or business user (Peter Rix 2011)

2.2. Nature of Distribution channel

Few producers sell their goods directly to the finale users, instead most use intermediaries to bring their products to market. They try to for a marketing channel a set of interdependent organizations that help make a product or service available for use or consumption by the consumer or business user. A company channel decision direct affects every other marketing decision. Pricing depends on whether the company works with national discount chains, uses high quality specialty stores or sells directly to consumers via the web. The firm sales force and communication decision depend on how much persuasion, training, motivation and support its channel partners need. Whether a company develop or acquires certain new products may depend on how well those products fit the capabilities of its channel members. (Philip kotler and Gray Armstrong, 2010)

Distribution system refers that complex of agents, wholesaler, and retailers through which manufactures move products to their marketed channel are made up of independent firms who

are in business to make a profit these are known as marketing intermediaries of middlemen distribution out lets can include combination system, a manufacturer must make a policy choice

between selling direct to customer by employing sales peoples or using intermediaries i.e. selling through wholesalers and retailers. The decision is usually base on cost factors that functions of;

- The number of potential customer in the market
- How concentrated or dispersed
- How much each will buy in a giving period
- Cost associated with the distributive operation (e.g. transport, Warehousing and stock holding)

2.3 Roles of distribution manager

Logistics and distribution managers organize the storage and distribution of goods. In this role you would ensure the right products are delivered to the right location on time and at a good cost. You may be involved in transportation, stock control, warehousing and monitoring the flow of goods.

Understanding the whole supply chain is important so you can coordinate it effectively and liaise with supplier of row material, manufactures, retailers and consumers.

2.4. Strategic Elements of Choice

An important consideration for marketing management when formulation channel policy and the number of marketing intermediaries used it the degree of market exposure sought by the varying degrees of market exposure can be distinguished (M, pride and ferell, 2009)

2.4.1. Intensive distribution

For low priced convenience or impulse products companies well generally want maximize the number of outlets carrying them. The more place carrying the product the more likely it is be bought. The more intensive the distribution required, the great, the efficiencies offered by intermediaries (Boon Louis and David Lutz, 2013)

2.4.2. Exclusive distribution

For high priced, luxury products the manufacturer would be often limit distribution a very small number of intermediaries. The intermediary normally a gains better margins and the exclusive right to sell the product in a specific area. The manufacturer hopes to achieve in return a greater sales effort, greater control of pricing and selling practices a superior brand image. (Boon Louis and David Lutz, 2013)

2.4.3. Selective distribution

Manufactures of specialty goods well often look for a compromise between intensive and selective distribution. Here the manufacturer aims to have sufficient cover but to restrict it sufficiently to be able to select motivated knowledgeable dealers (M pride and Ferell, 2009)

2.5 Distribution channel role

The generic value chain describing the actives involved in the manufacturing, marketing, delivery and support of the product or services product by the firm. Inbound logistics are those activities allocated with receiving, storing and disseminating inputs to the production process. Operations coves the task involved the transforming inputs in to the final product form. The activities that can be under taken by the firm marketing channel are the three remaining areas to the value chain. There are follows.

- Out bound logistics; Activities concerned with collecting, storing, and physically distribution the product customer, such as order processing, storage, transportation and delivery scheduling.
- Marketing and sales; activities concerned with obtaining information about the needs of customer and persuading them to buy. Such as marketing research, persona selling, advertising and promotion, pricing and negotiation.
- Service activities; allocating with providing services to enhance or maintain the value of the product, such as installation, replied, training, parts supply and product adjustment.

2.6 Distribution channel structure

There are three main determinants of channel structure:

- The requirement of final customer.
- The capability of the originating.

- The availability and willingness of appropriate intermediaries if Needed to participate in the channel.

The trading channel is very much avoidable in the marketing mix, although it not often seen as such. It is therefore vital that marketing managements.Channel structure are not static or universal the can and do change and evolve over and vary from market to market, example Distribution channel that serving rural markets tend to have more intermediaries than channel serving delivery to retailer attractive(Lamb, Hair, mc Daniel).

2.7. Distribution strategy

Tow aspect of strategy should be central in selecting channels. The marketing segments targeting by the supplier and differential advantage it seeks exploit.First, it is crucial to choose a channel that has experience credibility in dealing with the target market that the supplier seeks to serve. The channel selected should have the capability to understand the needs to target customers and the sales personnel and distribution facilities to match their requirement properly.

Second, the channel must be capable of effectively presenting and supporting the supplier differential advantage.

The more innovative the product and the more complex the customer value chain the greater the competence required from the channel.(peteryDoyel and Philip stern ,2006)

2.8. Distribution process

The distribution process begins when a supplier receives an order from customer there is now an expectation that goods will be received at the time requested. Lead-time is the period of time that elapses between the placing of an order and receipt of the good, and this can vary according to the type of product and market (Philip Kotler, 1994)

2.8.1 Order processing

Order processing is the first in the logistical process. It efficiency has a direct bearing and lead time. Orders were receiving from customer, and many establish long-term regular supply routes that are stable, as long as the supplier performs satisfactory. Taken to its logical conclusion this effectively does away with ordering and leads to what is calls partnership sourcing. this is an agreement between required without the necessity of negotiating a new contract every time order

processing includes order entry, in which the order is actually entered into a company′s information order handling, which involves location assembling and moving products into distribution order silvery, the process by which products are made available to the customer.

Finally order-processing system should be quick and accurate, as other company department need to know immediately that an order has been placed so the customer receive confirmation of the order receipt and the precise delivery time (William m. pride and o.c. Ferrell, 2009)

2.8.2 Inventory

Inventory or stock management, is a critical area of product distribution management (PDM) because this have a direct on level of service and customer satisfaction. optimum stock levels are a function of the type of market in which company operates. Few company say they never run out of stock, but if stock out happen regularly, market share would be lost to more competitors that are efficient.

Stock represents opportunity costs that occur because of competition for company's limited resources. if marketing strategy requires that high stock level could be maintain, this should be justified by a profit contribution that will exceed the extra stock costs (William m. pride and o.c. Ferrell 2009)

2.8.3. Warehousing

More attention is payee to warehousing in the USA the UK because of relatively longer distance and where delivery to customers can take days by the most efficient routes. However, warehousing principles remain the same, particularly when we should consider that the European Union should be viewed as a large "home market" many companies function adequately with their own on sit warehouse from where goods are dispatched direct to customers. When a firm market goods that ordered regularly, but in small quantities, it becomes logical to consider locating warehouses strategically around the country. Transportation can be carried out in bulk from the place of manufacture to respective warehouses where stock wait ready for further distribution to the customer. Large retailers use this, although warehouses and transports owned and operated on their behalf by logistics experts.

To summaries, factory that must be considered in the warehouse equation were-

- Location of customers
- Size of deliveries and
- Lead times. (William m, pride and o.c. Ferrell 2009)

2.8.4 Transportation

Transportation is usually the greatest distribution cost. It is easy to calculate, as it is direct relative to weight or number of unit. Transportation decision concert method or mode a company should utilize when moving products through domestic and global channel. The most important mode is rail, air, track and water.

For some types of good, rail transport has advantages. When lead times is ales critical element of marketing, or when lowering transport cost is a major objective, rail transport becomes viable.

Except where goods are perishable or valuable in relation to their weight, air transports are not normally an alternative form distribution distance is relatively short. For long distance international routes, it is popular, as it has the advantage of quick delivery compared to sea transport as well as lower insurance cost. (William m. pride and o.c. Ferrell 2009)

2.9 Channel objective

Companies should state their marketing channel objectives in terms of targeted levels of customer service. Usually a company can identify several segments wanting different levels of services. The company should decide which segments to serve and the best channel to use in each case. In each segment the company wants to minimize the total channel cost of meeting customer – services requirements, the company's channel objectives are also influenced by the nature of the company. Its products, its marketing intermediaries, its compete and the environment.

Marketing channel exist to create utility for customer. The major categories of channel utility are:

- place: the availability of a product or services in allocation that is Convenient to a potential customer

- Time: the availability of a product and services when desired by Customer
- Form: the availability of a product processed, prepared, in proper Condition and/ or ready to use
- Information: the availability of answers to question and general communication about useful product features and benefits (Philip kotler and Gray Armstrong 2010)

2.10 number of channel level

Channel level consist of consumer marketing channel or the industrial marketing channel. A factor common among both channel levels is that both include the producer as well as the end customer.

2.10.1 Direct marketing channel

Direct marketing channels: consists of a manufacturer directly selling to the end consumer. This might mean door to door sales, direct mails or telemarketing. Dell online sales is a perfect example of a zero level channel marketing.

2.10.2 Indirect marketing channel

Indirect marketing channel is channel containing on or more intermediary levels. One level channel: as the name suggests, the one level channel has an intermediary in between the product and the consumer. An example of this can be insurance in which there is an insurance agent between the insurance company and the customer.

Tow level channel: a widely use marketing channel especially in the consumer durables industry which consists of a wholesaler and a retailer.

Three level channels: again observed in both the and the consumer durables industry, the three level channel can combine the roles of a distribution on top of a dealer and a retailer. The distribution stocks the most and spreads it to dealers who in turn give it to retailers.

CHAPTER THREE

3. RESERCH METHODOLOGY

The chapter is composing of the following sections; Research Design; Study Area; Sample and Sample Size; Data Collection Methods; and Data Analysis Plan.

3.1 Research design

Descriptive research studies are those study which are concern which describing the character of a particular individual or group as state of affairs as exist. This study would use or conduct by descriptive research design.

3.2 Source of data

The study would be use primary and secondary data to accomplish the study. The primary sources of data would be obtaining by means of questioner, personal observation and interview made with company manager. The secondary data sources of data would be collect from books, annuals and terminal reports of distribution.

3.3 Target Population

The target population for this study were the company manager and employees of Eden water production who are 128 in number.

3.4. Sample size

To make this study reliable the sample is 128 of the population that is taken as a whole. Because the number of employees of Eden are small.

3.5, Data collection instrument

The student researcher was use questionnaires with employees and interview with managers as a data collection tool to collect primary data and was uses books, records related to this study, and internet the like to collect the secondary data for the study.

3.6 Data analysis method

Data collect and analysis of data of this study was use quantitative, qualitative and descriptive method of data analysis. An interview was use to company manager then they researcher would be present it descriptively. Analysis and present the collect data would be present through percentage method and tabulation.

CHAPTER FOUR

4. Data presentation and analysis

This chapter with the presentation and interpretation of data gathered through questionnaire and interview, which was fill and answers by employee and manager of Eden spring water company. The total number of the study were conduct to 128 employees of distribution management are effectively respond and returned. An interview was conduct with the general manager of the company. This based on the data obtained from the sample respondents data is present, analyzed and interpreted by using tables, and simple statement.

4.1. Demographic characteristics of the respondents

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes age, sex, educational level, and year of experience. This summary is the table below.

Table 4.1. Demographic characteristics of the respondents

Item	Criteria	Frequency of respondent	%
Sex	Male	78	60
	Female	50	40
Total		128	100
Age	20-25	25	20
	26-30	75	59
	30-35	28	21
Total		128	100
Educational level	Certificate	80	62
	Diploma	20	16
	Degree	26	20
	Above degree	2	2
Total		128	100
Work experience	1-3	80	62.5
	4-6	48	37.5
	7-10	-	-
	Above10	-	
Total		128	100

(Source: - Data collected through questionnaires)

As respondents from the above table 4.1 shows (60 %) of respondents are male and (40 %) of the respondents are females with respect to their sex. The majority of workers within the company are male. From the above table 4.1, (20 %) of respondents are between 20- 25 year, (59 %) of respondents are between 26-30 years and (21%) respondents above 35 years. There for, the total employees of the organization are young. From the above table 4.1

Required with the educational level (16%) of respondents are diploma holders. (20%) of respondents are 1st degree holders and (62%) of respondents are certificates holders this implies that most of employee were certificates holders and above first degree (2%).

As year of experience can be seen from the above table 4.1 majority of respondent's employee (62.5 %) have been served the organization for 1-3 year. About (37.5 %), have been serve they organization between 4-6 years in the company and no respondent have from 7-10 years and no one of respondents have more than 10 years' experience. From this research understand most of employees served the organization from 1-3 year

4.2. Distribution System

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes very good, good, medium, poor, very poor. This summary is the table below.

Table 1 distribution system of company

Table 4.2distribution system of company

Item	Criteria	Frequency	%
What do you think about the company distribution system	Very good	20	15.6
	Good	40	31.2
	Medium	60	46.87
	Poor	8	6.25
	Very poor	-	-
Total		128	100

(Source: - Data collected through questionnaires)

The above table shows that (6.25%) of the respondents replayed that the company distribution system is poor. On the other hand, (31.2%) of respondents indicate that company distribution system is good. (46.87%) of respondents state they company distribution system is medium and (15.6 %) of respondents indicate that company distribution system is very good. From this they research is concluded the company distribution system is medium.

Table4.3. performance level of the organization channel.

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes very, high, medium, low, very low. This summary is the table below.

Item	Criteria	frequency	%
What is the performance level of the organization channel	Very high	20	15.6
	High	40	31.25
	Medium	60	46.87
	Low	8	6.2
	Very low	-	-
Total	128		100

(Source: - Data collected through questioner,)

As seen from the above table4.5, (31.25%)of respondent are sated that they performance level of company is high and (15.6%) of respondent's state that very high, (46.87%)on the other hand respondent's states that the company performance is medium and (6.2%) respondents state the company performance low. Finally, the research is concluded that the performance level of effectiveness of company is medium.

Table 4.4. Types of distribution channel the company use

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes wholesalers, retailer, brokers, special agent. This summary is the table below.

Item	Criteria	Frequency	%
What type of distribution channel the company use	Wholesalers	100	78.1
	Retailer	28	21.9
	Brokers	-	-
	Special agent	-	-
	Other	-	-
Total		128	100

(Source: - Data collected through questionnaires)

As observe from the above table 4.6. (78.1%) of the respondents replayed that the company use wholesalers. On the other hand, (21.9%)of respondents' retailers. There is no of respondent state brokers and no one of respondents is stated company is used agents. Finally, the research is concluded that company frequently uses wholesalers.

Table 4.5. The variables determine the effectiveness of distribution channel in the organization

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes, interdependent of channel, improving performance of the overall distribution, managing cost.

Item	Criteria	Frequency	%
What variable determine the effectiveness of distribution channel of the organization	Interdependent of channel	80	62.5
	Improve performance of the overall distribution	40	31.25
	Managing cost	8	6.25
	Other	-	-
Total		128	100

(Source: - Data collected through questionnaires)

This table clearly shows that (62.5%) of the respondent are replays as interdependent of channel determine the effectiveness of company channel. (31.25%) of the respondent state that effectiveness of organization determines by the improve performance of overall distribution system and (6.25%) respondents stated that the effectiveness of organization determine by the

cost and no one of respondents stated that other determine. Finally, research is concluded that the effectiveness of distribution channel is determined by interdependent of channel.

Table 4.6. The problems facing in the organizational distribution channel

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes, lack of vehicles, lack of market knowledge, shortage of raw material.

Item	Criteria	Frequency	%
What are the problems facing in the organizational distribution channel	Lack of vehicles	30	23.4
	Lack of market knowledge	18	14
	Shortage of raw material	80	62.5
	other	-	-
Total		128	100

(Source: - Data collected through questionnaires)

In the above table (23.4%) of respondents said there is lack of vehicle and (62.5%) and respondents state that there is shortage of raw materials and (14%) respondents said stated that lack of marketing knowledge. the research concluded shortage of raw materials the main problems regarding to the organization distribution channel.

Table 4.7. The mechanism that the organization used to solve the problem of distribution channel.

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes, providing training program, offer certificate course, guiding to improve product knowledge, providing support for channel marketing program in the form of fund.

Item	Criteria	Frequency	%
Which mechanism that the organization used to solve the problems of distribution channel	Providing training program	38	29.7
	Offer certificate course	-	-
	Guiding to improve product knowledge	90	70.3
	Providing support for channel marketing program in the form of fund	-	-
	Other	-	-
Total		128	100

(Source: - Data collected through questionnaires)

As me observed from the above table (29.9%) of the respondents stated providing training program and (70.3%) Of the respondent state is guiding to improve product knowledge. No one respondent no sated providing support for channel marketing program in the form fund. The organization solved the problem of distribution channel through guiding to improve product knowledge and providing training program.

Table 4.8 the effectiveness of existing distribution channel on the delivery of the product to consumer

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes, yes, no.

Item	Criteria	frequency	%
Dose the existing distribution channel effective to deliver product to customers	Yes	100	78.2
	No	28	21.8
Total		128	100
If your answers for question no. 13 is no explain your reason			

(Source: - Data collected through questionnaires)

As me observed above table (78.2%) of respondent's state that the organization distribution system effective and (21.8%) of respondent's state that the organization existing distribution channel not effective, because of lack of vehicles, transportation cost and environmental factors. finally, the research is concluded they existing distribution system is effective.

Table 4.9 products are available to customer at the required time

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes, yes, no.

Item	Criteria	frequency	%
Products are available to customer at the required time	Yes	90	70.3
	No	38	29.7
Total		128	100

(Source: - Data collected through questionnaires)

In the above respondent's answers (70.3%) of respondents states that customer get available product at required time and (29.7%) of the respondent's state that customer cannot get available product at the required time. Customer get available product at required time.

Table 4.10 customer satisfaction in relation with distribution channel of the organization

The main objective for the on presentation of the characteristics of the respondent is to describe their general background, which includes, high satisfactory, moderate satisfactory, satisfactory, un satisfactory.

Item	Criteria	frequency	%
How do you rate the customer satisfaction in relation with distribution channel of the organization	High satisfactory	30	23.4
	Moderate satisfactory	30	23.4
	Satisfactory	60	46.9
	Un satisfactory	8	6.3
Total		128	100

(Source: - Data collected through questionnaires

from table 4.12 can see that (23.4%) of the respondent's response highly satisfactory relation with distribution channel of company. (23.4%) 0f respondent's response that customer moderate satisfactory. on the other hand, (46.9%) respondent's response that customer is satisfactory and (6.3%) of respondent's state customer is unsatisfactory with the relation to distribution channel.

finally, the research is concluded that is satisfied with distribution channel of the organization

4.11. Interview analysis

Resulting from interview of company manager.

The analysis presented here under it taken from the response of the Eden business share company manager.

1. What types of channel system the company is used to distribute products?

As response of company manager the company use direct distribution channel

2. What are the main factors affecting distribution systems?

The managers also replied that company distribution channel highly affected by shortage of raw materials and transportation cost. Transportation cost the expense involved in moving products or services asset to different place, which are often passes to customer

3. What are the benefits for consumers who buy products from your company?

Concerning benefits of customer buy products from company managers replied that company offers fair price, quality products and offer customers who buy by large amount give transportation service.

CHAPTER FIVE

SUMMERY, CONCULSTION, AND RECOMMENDATION

5.1. CONCULSTION

- ✓ The company frequently facing shortage of raw materials the main problem regarding to the organization distribution channel.
- ✓ The company solved the problem of distribution channel through guiding it improve product knowledge.
- ✓ The existing distribution channel is effective the response of the majority respondents indicates. Customers get available product at required time. The distribution channel of the factory is satisfactory.

5.2 SUMMERY

The majority (60%) respondents are male. regarding age interval of respondant's majority of respondents were found between (26-30). regarding educational level of respondents majority (62%) of them are certificate holder (16%) of them are diploma holder (20%) are degree holed and above first degree 2%. Concerning work experience of respondents (62.5%) of respondents served for (1-3) years, (37.5%) of respondent served for (4-6) years and there is no one of respondents served (7-10) and above 10 years.

Regarding distribution system company majority (46.87%) of respondents said medium. Therefore, distribution system of company is medium. With respect of performance level of effectiveness of organizational channel (31.2%) of respondents said high, (15.6%) of respondents said that very high, (6.25%) respondents said low and the majority (46.86%) 0f respondents them said medium. So the performance level of organization medium. Regarding type of distribution channel more company frequently, uses (78.1%) of respondents said wholesalers, (21.9%) of respondents said retailers and no one of respondents replied special agents and broker. Therefore, the company is frequently use wholesaler.

Regarding the variable determine the effectiveness of distribution channel (62.5%) of respondents replied that interdependence of channel, (31.25%) of respondents replied improve

performance of over all of distribution, (6.25%) of respondents replied that managing cost like cost structure.

Concerns problems regards to organization distribution channel majority (23.4%) of respondents said lack of vehicle, (62.5%) of respondents replied shortage of row of material and lack of market knowledge (14%). So shortage of raw materials major problems regarding to distribution channel and the effectiveness of distribution channel on the delivery of product to customer (21.8%) of respondents replied not delivery product to customer, because of lack of vehicles, transportation cost and environmental factor and (78.2%) of respondents replied that the organization distribution delivery products to customers.

Concerning customer get available product at the required time (70.3%) of respondents replied that get available product at required time and (29.7%) of respondents replied not get available product at required time. So customer get product at required time.

Respect to customer satisfaction in relation with distribution channels of organization channel (23.4%) of respondents replied customer highly satisfactory, (23.4%) of respondents replied customer moderate satisfactory, (46.9%) of respondents replied satisfactory and (6.3%) of respondents replied unsatisfactory. So customers satisfactory.

As responses of company of mangers types of distribution channel that company user both direct and indirect distribution channel to distribute product to customer and also said that the company distribution channel highly affected by transportation cost and concerning the benefits of customers buy from company the manager is said that company offer fair prise, good quality and give free transportation service customer buy in large quantity.

5.3, Recommendation

This researcher gives recommendation as solution that assumed to reduce or avoid problem as the following.

- The researchers also recommended that the company increase the number of retailers to facilitate the distribution system of the product, because the existing intermediary not enough to distribution product.
- The company should use effective distribution system which consumer get available product at required time.

- The company should diversify the channel of product. This is based on geographical location to satisfy disperse populated customers.
- The companies increase the number of market share by inter to other areas, to gain other market share.
- Employees should be well educated in subject of business because they have enough knowledge in academic.
- The company should design strategies to encourage distribution of local by deferent incentive mode.
- The organization should hire well-experienced employees in distributed product special, which have art of marketing.
- The organization should use another mechanism to solve problem like as providing training program to employees.
- The organization should adopt promotional strategies to advertise product to promote product.
- Organization should participate in deferent public works to create good public relation.
- Company should participate or sponsor programs that related to ecological keeping because company is user Eden resource as input.

Reference

- ✓ *Boon Louis , David Lutz , contemporary marketing .14th edition south-west's USA*
- ✓ *Lamb , Hair, mc Daniel marketing , 11th edition*
- ✓ *Michael Czkinkota and IllkaRonkainen , 2008, Asia pacific edition.*
- ✓ *Peter Rix ,marketing a practical approach 6th edition ,TATA mc Grew-Hill edition 2011, Australia.*
- ✓ *Peters Doyle , Philip stern , 2006, marketing management and strategy 4th edition*
- ✓ *Philip Kotler (2006) , principle of marketing*
- ✓ *Philip Kotler , Gray Armstrong , etl, principle of marketing 13th edition (2010) Canada*
- ✓ *William m Peride ,o.c. Ferrell 4th edition foundation of marketing(2009) , USA.*

Wolkite University

College of Business and Economics

Department of Management

Questionnaire

TO BE FILLED BY EMPLOYEE

Dear respondents.

The questionnaire is prepared by Helen Girma, for the partial fulfilment of the requirement of award of BA degree in Management. Therefore, the information which is expected from the respondents has a great role only for the success of the research. Please assist me in giving correct and complete information to present a representative finding on the study. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share me will be kept confidential only used for the academic purpose. No individual's response will be identified as such and the identity of persons responding will not be published and released to anyone. All information will be used for academic purposes only. Thank you on advance for your kind cooperation and dedicating your time.

Thank you in advance for your kind cooperation.

Instructions:

- Before you attempted to answer, please read the instruction.
- Tick √ for close-ended question provided below.
- You can choose more than one alternative in some question.

Part one demographic question

1. Name of your company

2. Please indicate your Gender. Male ☐ Female ☐

3. Please tick the age group in which you fall. ☐ 21-30 Years ☐ 31-40 Years ☐ 41-50 Years ☐ 51-60 Years ☐ above 60 Years

4. Level of education ☐ Secondary ☐ University ☐ other, please, Specify ……

5.work experience 1-3year ☐ 4-6year ☐

7-10year ☐ above 10 years ☐

Part two-company distribution related questionnaire for employee

6. What do you think about the company distribution system?

Very good ☐ good ☐ medium ☐

Poor ☐ very poor ☐

7. how often your company evaluating channel performance?

Monthly ☐ Semi-annually ☐

Quarterly ☐ Yearly ☐

8. What type of distribution channel the company use?

Wholesale ☐ Retailers ☐ broker ☐

Special agent ☐ other ☐

9. what variable determine the effectiveness of distribution channel in the Organization?

Interdependence of channel ☐

Improve performance of the overall distribution ☐ Managing cost ☐

other……

10. What are the problems facing in the organization distribution channel?

Lack of vehicles ☐ lack of market knowledge ☐

Shortage of raw materials ☐ other……

11.which mechanism of organization used to solve the problem of distribution channel?

Providing training program ☐ offer certificate course ☐

Guiding to improve product knowledge ☐

Providing support for the channel marketing program in the form of fund ☐

0ther……

12. does the existing distribution channel effective to delivery products to

Customer?

Yes ☐ no ☐

13. if your answer for Q11 is 'no' how? .....

14. Does the Distributional channel system used by your company attractive enough/Stronger in relation to other competitor water companies? Yes ☐ no ☐

15. how do you rate the customer satisfaction in relation with distribution

Channel of the organization?

Highly satisfactory ☐ moderate satisfactory ☐

Satisfactory ☐ unsatisfactory ☐

Part, 3 interview to the manager

1, what type of channel system the company is used to its product?

2, what are the main factors affecting distribution systems?

3, what are the benefits for that consumer buy products from your company?