

**ST. MARY'S UNIVERSITY**  
**FACULTY OF BUSINESS**  
**DEPARTMENT OF MARKETING MANAGMENT**

**AN ASSESSMENT OF DISTRIBUTION  
MANAGEMENT SYSTEM IN THE CASE OF  
DEBRE BERHAN NATURAL SPRING WATER  
PLC**

**BY**  
**YETMWORK FEKADU**

**JUNE 2014**  
**SMU**  
**ADDIS ABABA**

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**A SENIOR ESSAY SUBMITTED TO THE  
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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. Background of the Study**

The role of distribution management system employed in manufacturing and commerce to describe the broad range of activities concerned with efficient movement of finished products from the end of the production line to the consumer, and in some cases includes the movement of raw 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 firm's customers (K. K. Khanna, 2002: 14-15).

According to goods and services often pass to consumers through multiple channels. Accordingly, distribution channel is a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user (Kotler and Armstrong, 2005; Cohen, 1991). 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 (Coelho, Easingwood and Coelho, 2003:561-573).

The student researcher intended to assess the distribution management system practice of Debra Berhan natural spring water P.L.C (Aqua safe) was established in 2007 E.C by owner of the factory Ato Gebyaw Ttakele. By initial capital 19,000,000 birr with 230 workers and having the capacity of 3000 bottles per hour with standard quality.

The factory located in Amahara regional government of northern Shawa so called Debre Berhan town. It is faraway 130kms from Addis Ababa. The factory is faraway 2km out of Debre Berhan town of highland area. It is constructed with around 5500 s.q.m. The main office of Aqua safe is found in Addis Ababa Abayout Adebaby in MEISEMA building. And also it has sales office in different towns like Gonder, Bahirdar and so on.



## **1.2. Statement of the Problem**

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 (Kunmar and Meenakshi,2008:356 ). 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: 38).

Christoper (1994: 356) 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.

### **1.3. Basic Research Questions**

To investigate the stated problem above, the following research question were raised:-

1. What is the prevailing distribution management system of the company?
2. How does the company's management supervise the distributors' performance in their area of assignment?
3. What major obstacles have been experienced by the distributors both internally from the company's management and externally from the outside marketers?

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

#### **1.4.1. General Objective**

The general objective of the study is to assess the performance and challenges regarding the distribution management system of Aqua Safe Natural Spring Water P.L.C.

#### **1.4.2. Specific Objectives**

The specific objectives of this particular study are:

- To assess how the overall distribution pattern is working.
- To assess how the company's management supervises the distribution performance in their area of assignment.
- To examine the major obstacles that have been experienced by the distributors both internally from the company's management and externally from the outside marketers.
- To assess the availability of the necessary facility for distribution management system.
- To assess how the company selects the distributors.

## **1.5. Significance of the Study**

The study is expected to have importance for different parties indifferent perspective.

The student researcher believed that the paper contribution a lot to the company in accomplishing the goal or objective which it had already set.

Moreover, The title being selected to go through an in depth analysis on product distribution strategy in the case of Aqua safe practice creates an opportunity to the student researcher to develop the knowledge in this area and to have an experience in conducting research.

Finally, It case also help other researcher as a secondary source of information for further research that will be made in the area.

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

It would have been better to study all functional units of the organization as a whole but because of time and money constraint the student researcher confines the research to study only on the distribution management system of Aqua Safe. Since the years 2011-2013. The study also delimits the distribution management of the organization only in Addis Ababa.

## **1.7. Limitation of the Study**

During the preparation of this research study the student researcher was constrained by various limitations, among the major limitation some customers were reluctant to fill the questionnaires in addition the researcher was limit with time and financial resource.

## **1.8. Research Design and Methodology**

### **1.8.1. Research Design**

The research was conducted under descriptive research method in order to describe each activity under taken by the firm and its product distribution members. Descriptive research help to use both quantitative and qualitative measurement methods.

### **1.8.2. Population Sample Size and Sampling Techniques**

**Population Sample Size:-** Even though Aqua Safe has a large number of customer in Addis Ababa for the purpose of research and achieve the desired goal customers. The student researcher therefore, targets the marketing Manager, sales people and retailers.

**Sampling Size:-** The student researcher was take a sample of 150 selected last users, retailers, and sales people to be drawn from the total population.

### **1.8.3. Sampling Techniques**

As the student researcher conduct this research non-probability sampling method was used to take samples. By using the following techniques the student researcher was find out samples to be included.

**Convenience Sampling:-**the reason behind to choose this sampling technique because of undefined number of the company customers.

### **1.8.4. Types of Data to be Collected**

Both primary and secondary data are used for the preparation of the study. The sources of the primary data are the collected data using self administered questionnaire and interview. Moreover, the secondary data are manuals of the firm, various books, and studies from internet that are related to the topic of the study.

### **1.8.5. Method of Data Collection**

The study uses quantitative as well as qualitative data collection methods. The primary data is collected by using questionnaire, discussion and interview. Secondary data were obtained from the company marketing and sales records, relevant books and reports presented by the company itself.

### **1.8.6. Data Analysis Method**

Both quantitative and qualitative analysis methods were used. The raw data were organized and analyzed by using tables, graphs and percentage. Qualitative analysis were used to analyze data gathered from interview checklist and discussions that will mad with the marketing manager of the company. Finally the researcher interprets the findings and draw conclusion and provide possible recommendation based on the analysis.

## **1.9. Organization of the Study**

The study is organized in to four chapters. The first chapter deals with the introduction which includes background of the study, statements of the problem, research methodology, significance of the study, scope and delimitation of the study. The second chapter deals with presenting the review of the related literature concerning distribution management done by different scholars. The third chapter is concerned with data collection, analysis and interpretation. The lost brings to an end this study with summary, conclusion and recommendation.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1. Distribution Management System**

According to Kotler and Keller (2006: 225) 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: 356) 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.

#### **2.2. Definitions of Distribution**

Distribution in layman's language refers to getting the right product to the right place at the right time. Distribution can be defined as the channel structure used to transfer products from an organization to its customers (Rahul V. Altekar, 2008: 225).

The distribution mix is also a combination of decision related to marketing channels, storage, facility, inventory control, lactation, transportation, warehousing etc. (Pilla and Baguathi, 2005: 24).

A distribution channel is a group of people and firms involved in the transfer of title or ownership as the product move from the product moves from the producer to the ultimate consumer. The American marketing association describes a distribution channel the structure of infra company organization units and extra company agents dealers, whole sales and retailers

through which a commodity products or service is marketed users, between them stands a set of intermediaries performing a variety of function. These intermediaries constitute a marketing channel (also called a trade channel or distribution channel) (K Havaldar and Vastant M Cavala, 2007: 8-15).

They are the set of path ways a product or service following after production, culminating in purchase and by the final and users.

Some intermediaries such as wholesalers and retailers buy, take title to and resell the merchandise, they are called merchants. Other brokers, manufactures representatives, sales agents search for customers and may negotiate on the producers behalf but do not take title to the goods they are called agents still others transportation companies, independent ware houses, banks, advertising agencies assist in the distribution process but neither take title to goods nor negotiate purchases or sales, they are called facilities.

### **2.3. The Importance of Distribution Channels**

A marketing channel system is the companies of tem pay too little attention to their distribution channels, sometimes with damaging results. In contrast, many companies have used imaginative distribution systems to gain a competitive advantage creative and imposing distribution system made it a leader in express delivery. Dell revolutionized its industry by selling personal computers directly to consumers rather than through retail stores (Philip Kotler, 2008: 336).

In addition, channel decisions involve relatively long term commitments to other firms as well as asset of policies and procedures. In managing its intermediaries, the firm must decide how much effort to devote to push versus pull marketing. A push strategy involves the manufactures using its sales force and trade promotion money to induce intermediaries to carry, promote, and sell the product to end users. Push strategy is appropriate where there is low brand loyalty in a category brand choice is made in the store, the product is an impulse item, a product benefits are will understood a pull strategy involves the manufacture using advertising and promotion to persuade consumers to as ask intermediaries to order it pull strategy is appropriate when there is high brand loyalty and high involvement in the category when people perceive differences between

brands, and when people choose the brand before they go to the store (Koter and Keller, 2006: 468).

The role of marketing channels:

- Many producers lack the financial resources to carry out direct marketing;
- Producers who establish by increasing investment in their mach business; and
- In some cases direct marketing simply is not feasible.

### **2.3.1. Important Factors of Distribution System**

Christopher (1986: 36) expressed that the two most important factors when considering physical distribution are the time taken for the product to reach the consumer; and the cost of delivering the product to the consumer. Moreover he explained that we do not want the consumer to wait for too much time when they are waiting for the products to reach them. So we want to use the fastest product delivery, the more the cost of product delivery will increase. So, he suggested choosing the "minimum service level" that will the customers be satisfied by.

In case of Aqua Safe, for example, we may say that the minimum level of service is set to one day. This means that, the Aqua Safe products has to be delivered within one day to the consumer. So, the distribution system/distribution channels of the company should be designed in such a way that the products can reach the consumer within one day flat. One day is the minimum level of service desired.

According to Christopher (1986: 37) if a company keeps the minimum level of service too high, it risk losing customers. In today's competitive environment, Aqua Safe delivers its products in one week and its competitors deliver in one day; Aqua Safe will lose business to the competitors; because today people will not wait a week if they can get something in a day.

On reading the above paragraphs, one may tend to think that the physical distribution system is only related to transportation of goods from the company to the consumer. However, physical distribution is a whole lot more. Some of the major aspects of physical distribution are transportation, warehousing, and inventory management (Christopher, 1986; Cohen, 1991: 56).



Transporting Aqua Safe products from the company's factory warehouse to the customer every time an individual order is placed would be very costly. Not only would this be costly, but also it would take too much time and the time of delivery would exceed the desired minimum level of service.

## **2.4. Channel Function and Structure**

### **2.4.1. Channel Function**

In marking product and service available to consumers, channel members add value by bridging the major time, place and possession gaps that separate good and service from those who would use them members of the marketing channel perform may key functions (Philip Kotler, 2008: 337).

- Information: gathering and distributing marketing research and intelligence information about actors and force in the marketing environment needed for planning and aiding exchange.
- Promotion: developing and spreading pervasive communication about an offer.
- Contact: finding and communicating with prospective buyers
- Matching: shaping and fitting the offer to the buyer's needs including activities such as manufacturing, grading assembling and packaging.
- Negotiation: reaching an agreement on price and other terms of the offer so that ownership or possession can be transferred.
- Physical distribution: transporting and storing goods.
- Financing: acquiring and using funds to cover the costs of the channel work.
- Risk taking: assuming the risks of carrying out the channel work.

## **2.5. Types of Distribution Channel**

According to (Meenakshi, 2008: 468) manufactures on retailers have a choice of two physical distribution channel direct channel and indirect channel. Use of direct channel in the case of manufacturers entails transporting goods to customers straight from the factory, while for multiple retailers it involves receiving supplies at branch store level. Whereas using indirect

channel is in which stocks or held at one or more intermediate locations in the supply line. A manufacturer using an indirect channel directs it out put through distribution depots.

## **2.6. Building and Managing Effective Third Party Distribution Channels**

(Rajagopal e.t.al, 2009: 39) in their study mentioned that many companies, for years, have looked at third party distribution channels as a vehicle for fast acceleration of their sales. There's a plethora of different types of third party distribution channels out there that a company can select, develop and manage for sales success. Those range from value added resellers, to system integrators, to manufactures reps, to distributors, and to agents as well as international representatives.

As per (Doyle, 1994: 333) one of the biggest mistakes that companies make when they deploy a third party channels however, is to think that the companies that they sign up are going to do the work on their own without any support from the company. Usually companies spend a huge amount of resource and effort to go start, create, deploy third party system integrated value added reseller networks but they don't provide any resources, any management, any support to then after they come on board. However, according to (Cohen, 1991: 95) if a company wants to deploy those kinds of third party distribution channels, in addition to discounts and commissions that the manufacturing company is going to pay, it is necessary to proactively supply to those resellers like sales, distribution and technical support, in order to make sure that they're optimized in their sales performance for the manufacturing company.

According to (Rowe, 2005: 159) the rule of thumb that he found is treating your resellers and third party distributions channels jus as if they were your own employees. Understand how to motivate them, how to get to know them, create relationships with them, spend time with them in the field, make sure that they have the resources and support in order to be effective at their job and you can win the distribution channel and get them selling for you. If you think that you're going to get something for nothing from third party distribution channels, you're probably

wrong. The fact is nothing is free in sales and it certainly implies to the notion of third party distribution channels (Rewoldt, Scott, and Warshaw, 1981: 425).

### **2.6.1. Channel Strategy**

Channel strategy decisions involve (1) the selection of most effective distribution channel (2) the appropriate level of distribution intensity and (3) degree of channel integration.

(Porter, 1998: 334) defined the value chain concept as a crucial tool for analyzing the sources of competitive advantage. Value chain analysis comprises disaggregation of the firm into its strategically relevant activities in order to understand the behavior of costs and the existing and potential sources of differentiation. A firm gains competitive average by performing these strategically important activities more cheaply or better than its competitors. Porter identified five primary elements of the value chain inbound logistics, operations, outbound logistics, marketing and sales, and service, as well as four support activities-procurement, technology development, human resource development, and firm infrastructure. However, this paper focus on the role of outbound logistics management, in enhancing a firm's competitive position.

(Winter and Knemeyer, 2012: 18-38) have suggested that in industries such as retailing and product manufacturing, supply chain management is perhaps the most important factor in determining the success of the firm. Incorporating the full impact of logistics into the firm's strategy is therefore a crucial imperative for firms and can lead to superior and sustainable performance.

#### **2.6.1.1. Channel Selection**

(Lin and Chen, 2008: 356-365) conducted a study on determinants of manufacturers' selection of distributors and expressed that recruiting good distributors in marketing channels can improve a manufacturer's performance, and even increase its competitive advantage. From candidate distributors, manufacturers must select those that are most able to sell the products and serve the needs of target markets in order to achieve better firm performance (e.g. profitability). Therefore, finding competent distributors is an important issue for manufacturers, especially for many medium and small-sized firms that might lack sufficient knowledge and information to select

distributors. The empirical observation of the study have shown that four factors are important to manufactures when selecting distributors: firm infrastructure, marketing capabilities, relationship intensity and logistics capabilities. Distributors can strengthen their competitive advantage by improving their competence in these four dimensions.

A company has to consider many factor related to the market and customers, its own situation, the product, the competitive environment (Adriano, 2008: 646). All these factors have a strong bearing on the type of distribution channel selected. A company should be very deliberate in deciding upon a distribution channel as it is expensive, cumbersome and can invite litigations to dismantle a distribution channel once it is established because interests of independent intermediaries are involved (Kumar and Meenakshi, 2008: 356).

#### **2.6.1.2. Distribution Intensity**

Deciding the number of outlets in a region or for a population i.e. the intensity of outlets is a critical decision (Adriano, 2008:646). If the numbers of outlets are more than required, the cost of serving a customer goes up. If the numbers of outlets are less than required, customers will face difficulty in accessing the outlets and they may buy an alternate brand or product or forgo purchase altogether. The three distribution options for a company are intensive distribution, selective distribution and exclusive distribution. Intensive distribution provides maximum coverage of the market by using all available outlets. The other one is selective distribution applicable for products like electronics goods and home appliances; manufactures use a limited number of outlets in a geographical area. The last one is exclusive distribution that refers to having only one wholesaler, retailer or industrial distributor is used in a geographical area.

#### **2.6.2. Channel Management**

Manufacturers have to select the intermediaries who will carry their products (Chang, Polsa and Chen, 2003:132-139). The chosen intermediaries have to be trained in specific areas like the working of the product being carried, art of selling in merchandising, and in other areas depending on the requirement of the business. The intermediaries need to be motivated to eagerly push the manufacturer's product. The manufacturer may offer them financial or non-financial incentives. It is very important that the intermediaries are evaluated periodically in

terms of the functions (Gassenheimer, Sterling and Robicheaux, 1996:94-119) that they are required to perform. And finally, the manufacturer has to resolve conflicts arising among members at the same level or among members at different levels of the distribution channel.

## **2.7. Recognizing the Needs for a Channel Design**

According to (Sahu and Raut: 2003:12) in today's world of mass production, there is always a pressing need for intermediaries of one type or the other for enabling the goods to reach the customer. In a more detailed manner, (Rosen Bloom, 1995: 22) has pointed out many situations that can indicate the need for a channel design as follows:-

- Developing a new product or product line. If existing channels for other products are not suitable for the new product or product line, a new channel may have to be set up or the existing channels modified in some fashion;
- Aiming an existing product at a new target market;
- Making a major change in some other component of marketing mix;
- Establishing a new firm, from scratch or as a result of mergers or acquisition.
- Opening up new geographic area;
- Meeting the challenge of conflict or other behavioral problem.

The above list, although by no means comprehensive, offers an overview of the more common conditions that may require the channel manager to channel design decisions.

## **2.8. Are Intermediaries Necessary?**

The question most often asked is if distribution intermediaries are really required? The answer to this would be not always, as sometimes the commitment of the intermediary and his need for an excellent distribution effort may not be of the same intensity as that of the company (Rosen Bloom, 1995: 22-29).

- With the advent of the internet, examples of companies like Amazon and Dell which directly deal with the consumers, is present;
- The example of Bata India is a case in point, Bata has set up a distribution network of hundreds of its own outlets where it sells its branded footwear directly to the

consumers. In fact, Bata consumers do not think of any other way of buying their favorite foot wear.

- Another well known company is Eureka Forbes which does not have any physical stocks of its products in any place for consumers to access. Instead, the company's sales people call on their prospects homes, introduce the product, demonstrate its effectiveness and sell the products directly.

Normally, in case of technically complicated products, the company may want to handle the distribution themselves as they cannot expect the intermediary to learn as much and as well about the product as their salesperson. Also, the intermediary in this case may not be able to handle questions about the product as effectively.

### **2.8.1. Wholesalers**

They normally operate out of the main markets in a city. They deal with a large number of companies products and packs. They have their own shops in busy trading areas. Their features are:

- They choose and decide what products they will sell;
- They are not on contract with any companies;
- Their customers are other wholesalers, retailer and institutions;
- They negotiate about 15 days credit from the distributors and special privileges on giving purchase request more than once a week even though the beat plan of the distributor may give them one visit a week.
- They extend credit terms to their loyal customers.

### **2.8.2. Retailers**

They are the shopkeepers who set up shops in the market place to cater to the needs of hundreds of consumers. If the retailer is located in busy part of the market where the consumer traffic is large, he can command a lot of profitable terms from the distributors and companies – like credit, promotions, renting display space and so on. Anyway the retailer makes the highest margins in the entire supply chain. Retailers extend credit on only about 25 per cent of their customers. They have also started home delivery to their regular and customer close – to their outlet.

Value added resellers purchase the incomplete product or kit and add value by assembling it and selling to the customer depending on his specification.

### **2.8.3. Distributors, Dealers, Stockiest and Agents**

This set of channel members are also known as stockiest, agents and guarantors depending in the extent of re-distribution undertaken by them for the companies they represent. Agents do not invest in the company's products. All belong to the same category of company outsourcing to help distribute products to retailers. Some characteristics of distributors are:-

- They are required to invest in the product by buying it from the company;
- They are on commissions, margin or mark-ups;
- They may or may not get credit from the company they, however, give credit to their customers who are wholesalers or retailers;
- Commission or margin is a percentage of the price at which they buy the product from the company;
- Mark-up is still a percentage but based on the selling price to the customer retailer.

## **2.9. Expectations from the Distributors**

This is to be defined right at the beginning so that the prospective candidates can be advised and second by to get the right kind of distributor (Havaladar and Cavale, 2007: 11-12).

The expectations are:

- Achieving sales targets in volume, value and brand packs;
- Financial commitment for inventory and credit to be extended in the market;
- Investment in infrastructure - storage space, vehicle for distribution;
- Manpower – for selling and handling the office records and reports;
- Distribution capabilities – markets and outlet coverage with productive calls as per a predestined beat plan;
- Developing new markets and new accounts;
- Managing key accounts and institutional business;
- Merchandising and displays in the market;

- Secondary sales efforts and tracing primary sales are what the distributors buy from the company secondary customers and is more important;
- Effectively handling promotions and schemes initiated by the company;
- Managing damaged stocks;
- Organizing and participating in promotional events;
- New products and pack – sizes launching assisting the company;
- Handling customer quality complains;
- Handling statutory requirements on behalf of the company; and
- Payments and remittances to the company in time.

## **2.10. Selection of Distributors**

The distributor recruitment and selection process is quite tedious and involves. (Havaladar and Cavale, 2007: 15) some of these steps:

- Based on company requirements, identifying two or three prospects for each appointment necessary;
- Background check on each short – listed candidate;
- Meeting the prospects explaining to them what is required and finding out their interest level;
- After getting all this information, the sales people have to short – list one or two final candidates with whom the dialogue can continue; and
- The final selection could be made on qualitative and quantitative factors. The qualitative factors could be willingness eagerness, confidence in himself and the company products, willingness to spend time in the market by the owner himself, willingness to abide by the company rule, keeping the image of the company intact and so on.



## **CHAPTER THREE**

### **DATA PRESENTATION ANALYSIS AND INTERPRETATION**

This chapter is dedicated to data presentation, analysis and interpretation of the study based on the data gathered from the respondent customers and persons of Aqua Safe Natural Spring Water P.L.C.

All the data were collected through questionnaires containing close and open ended questions and through interviewing the Aqua Safe Marketing Management and Supervisors out of unknown number of customers considered as target population 150 of the customers were selected as sample respondent based on Malhotera suggestion while all the sales persons of Aqua Safe Natural Spring Water P.L.C are included.

Also the marketing manager was considered as sample respondents one hundred fifteen (150) copies of questionnaire were distributed or customers who are composed of sales agents, retailers wholesales, as well as selected last users. As 140 customers and all sales peoples' and agents cooperated in filling out the questionnaires and referring the rate of referring the rates of return for questionnaires are 140(93%) and 100% for company sales peoples.

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 is then analyzed by applying descriptive analysis method using tables, following detail explanations. At last, interpretation is made to demonstrate implications of the major findings.

### 3.1. General Characteristics of the Respondents

The following table (table 1) has information o the general characteristics of the sample respondents including their age distribution, educational background and status.

**Table 1. General Characteristics of the Respondents**

No	Item	Alternative	Number of respondents	
			In number	In %
1	Sex	Male	90	64.29
		Female	50	35.71
		<b>Total</b>	<b>140</b>	<b>100</b>
2	Age	18-27	70	50
		28-37	40	28.57
		38-47	20	14.29
		Above 47	10	7.14
		<b>Total</b>	<b>140</b>	<b>100</b>
3	Status	Owner	50	35.71
		Manager	20	14.29
		Owner and manager	60	42.86
		Sales person	10	7.14
		<b>Total</b>	<b>140</b>	<b>100</b>
4	Respondent's business types	Café and restaurant	45	32.14
		Hotel	70	50
		Private distribution shop	20	14.29
		Retail shop	5	3.57
		<b>Total</b>	<b>140</b>	<b>100</b>
5	Respondent's working experience in the current business	Less than 5 years	20	14.29
		Between 5- 10 years	14	10
		Between 10 – 20 years	66	47.14
		More than20 years	40	28.57
		<b>Total</b>	<b>140</b>	<b>100</b>

As the table shows the total respondents 90 (64.29%), 50(35.71%) of the respondent customers were male and female respectively. In the age distribution of respondents is explained and 70(50%) of customers found in the age range of 18 - 27, 40(28.57%) of the respondent customers found in the age range of 28 – 37, 20(14.29%) of the customer are under age range of 38 - 47 and 10(7.14%) of customer are above 47. The status of the majority of the respondents 60(42.86%) and 50(35.71%) were owner-manger and owner of the outlets respectively. The rest 20(14.29%) and 10(7.14%) ware employees of the customers.

Regarding respondent's business type, since the student researcher tried to accommodate various business types for the study, 70(50%), 45(32.14%), 20(14.29%) and 5(3.57%) were café and restaurant, Hotels, Private distribution shops, and retail shops respectively.

While the majority of the respondents 66(47.14%), 40(28.57%), have working experience in their current business between 10 - 20 years and have more than 20 years respectively, 20(14.29%), have less than 5 years experience and 14(10%) have 5 - 10 years of experience in their current business.

Generally, a total of 110(78.57%) sample respondents were owners of the outlets. Moreover, various types of business were selected for the success of this study that accounts in total 106(75.71%) which has working experience between 10 - 20 and more than 20 years. This implies that the questionnaires are filled out by individuals who are believed to have the capacity to provide the necessary data so that the result obtained from these data can be considered as a reliable one.

### **3.2. Analysis of the Major Findings of the Study**

The student researcher tried to examine an assessment of distribution management system in the case of Aqua Safe Natural Spring Water P.L.C. from the point of view of company owned and sub-contracted. 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.

**Table 2. Frequency Statistics on Aqua Safe Order Handling System**

Item	Alternative	Company owned		Sub-Contracted	
		In number	In %	No	In %
How does the distributor know you are in need of Aqua Safe product?	I make phone call to the company	100	71.42	25	17.86
	I make phone call to the sales person	40	28.57	115	82.14
	<b>Total</b>	<b>140</b>	<b>100</b>	<b>140</b>	<b>100</b>

The above table shows that, all the sample responded outlets 100(71.42%) available in the company owned distribution routes communicate their need for Aqua Safe product by making a phone call directly to the company. Whereas in the case of outlets that belong to sub-contracted distribution routes, 40(28.57%) of the respondent outlets make a phone call to the sales person in order to get Aqua safe product.

The rest 25(17.86%) of them confirmed that they contract directly the company to make an order. In the case of outlets that belong to sub-contracted distribution routes, 115(82.14%) of the respondent outlets make a phone call to the salesperson. This implies that in order to make a product order, outlets available in the company owned distribution routes communicate their need directly to the company managements whereas the majority of the outlets available in the sub-contracted routes communicate with the sales person in that specific route. This shows that the company distribution system doesn't have uniform order handling system.

**Table 3. Frequency Statistics on the Speed of Aqua Safe Product System**

Item	Alternative	Company Owned		Sub-Contracted	
		In Number	In %	In Number	In %
How promptly does the company or sub-contracted distributors deliver their products	Within 3 days	-	-	50	35.71
	Within 6 days	68	48.57	68	48.57
	Within 9 days	72	51.42	22	15.71
	<b>Total</b>	<b>140</b>	<b>100</b>	<b>140</b>	<b>100</b>

As the above table shows, the majority of the sample outlets available in the company owned distribution routes 72(51.42%) of the respondents confirmed they receive the ordered products after nine (9) days and 68(48.52%) of them receive within 6(six) days. Whereas in the case of outlets available in the sub-contracted routes, 68(48.57%) of the respondents replied that they receive Aqua Safe product within 6 (six) days, 50(35.71%) of them receive within three days. As per the result of the above analysis about the distribution groups, the sub-contracted distributions are faster than the company owned group in responding outlets request for delivering Aqua Safe products.

**Table 4. Comparison Statistics between the Two Types of Distribution**

Item	Alternative	Company Owned		Sub-Contracted	
		In number	In %	In number	In %
Have you ever complained about the delayed distribution?	Yes	130	92.85	132	94.28
	No	10	7.14	8	5.71
	<b>Total</b>	<b>140</b>	<b>100</b>	<b>140</b>	<b>100</b>

Out of the 140 respondents 130(92.85%) of the company owned sample outlets reported that they have complained about the delay and 10(7.14%) confirmed that they didn't report about the delay in the distribution system. Whereas in the case of sub-contracted sample outlets, 132(94.28%) reported and the rest 8(5.71%) didn't report their complaints to the concerned

body. This implies that the majority 262(93.57%) of sample outlets available in the company owned and sub-contracted routes reported to the concerned body about the delay in the distribution system of Aqua Safe P.L.C

**Table 5. Outlets Response on Complaints Management System of Aqua Safe**

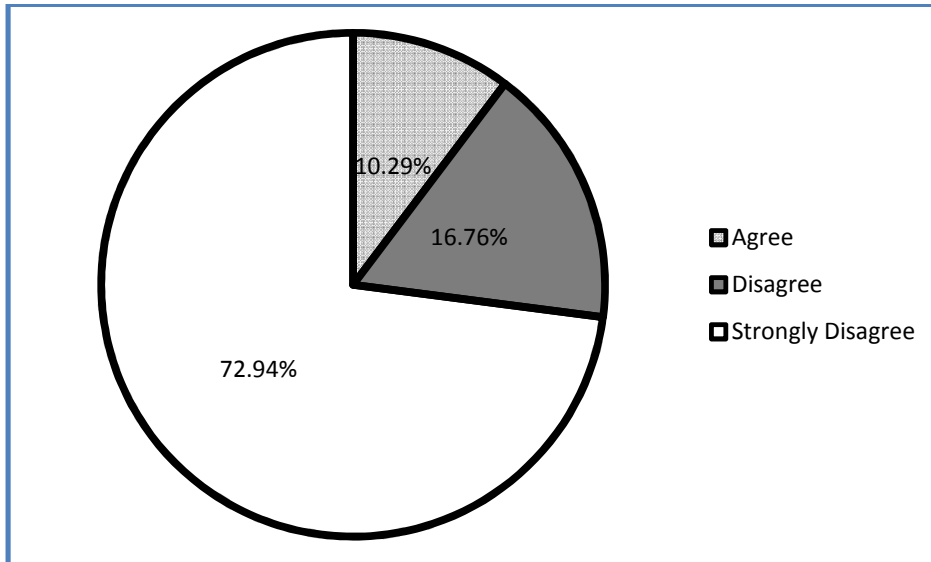
Item	Alternative	Outlets response from Sub-Contracted Routes	
		In number	In %
The management responds immediately	Strongly agree	-	-
	Agree	3	2.14
	Neutral	-	-
	disagree	20	14.28
	strongly disagree	117	83.57
	<b>Total</b>	<b>140</b>	<b>100</b>
The company has complaints handling system	Strongly agree	-	-
	Agree	-	-
	Neutral	-	-
	Disagree	45	32.14
	Strongly disagree	95	67.85
	<b>Total</b>	<b>140</b>	<b>100</b>

As the above table shows, respondents were asked to rate the speed of responses to complaints from the management side. The result of description data analysis show in table5 indicates that, out of 140 respondents 117(83.57%) and 20(14.28) of them are not in favor of the statement which says the management respond immediately for the outlets complaints. This implies that in total 137(97.85%) of the respondents believe that the management do not take action immediately for their complaints.

Moreover, they confirmed that the company doesn't have a system to receive any complaints /feedback rating 95(67.85%) strongly disagree, and 45(32.14%) disagree. Generally the result of

this analysis implies that there's no effective complaint handling system in the company so that the management is unable to give immediate response to the outlets.

#### Availability of Aqua safe products in the outlets stock



**Figure 1. Pie Chart representation of the Availability of Aqua Safe Products in the Sample Outlets Stock**

The pie chart represents the cumulative outcome of the analysis of Aqua Safe distribution system with regard to the availability of Aqua safe products in the outlets storage (frequency distribution in percentage). The result of the descriptive data analysis shown in figure1 indicates that 72.94% and 16.75% of the respondents reported as strongly disagree and disagree about availability of Aqua safe products all the time in their stock respectively. While the rest 10.29% agreed that the product are available in their stock all the time. This shows that the percentage of outlet that do not have stock.

**Table 6. Outlets Response on the Quantity of Aqua Safe Product Distribution at a Time**

Item	Alternative	Respondents	
		In number	In %
The distribution supply whatever amount of aqua safe products required by this company	Strongly agree	-	-
	Agree	1	0.71
	Neutral	-	-
	disagree	40	28.57
	strongly disagree	99	70.71
	<b>Total</b>	<b>140</b>	<b>100</b>

Table 6 shows, 1(0.71%) of the respondents have a favorable response for the statement which says it is possible to get the amount of Aqua Safe products required by the outlets. However, the remaining respondent outlets confirmed that they are not in favor for the above statement by rating 99(70.71%) strongly disagree, and 40(28.57%) disagree. As the total rating indicates 139(99.29%) the majority of the respondents do not get the amount of Aqua safe products as per their request.



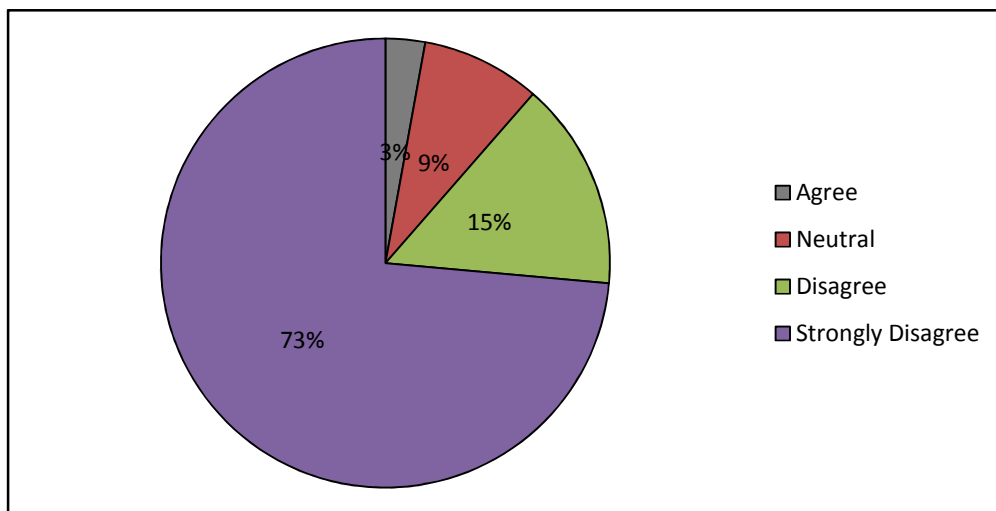
**Table 7. Outlets response on the Speed and Time of Delivering Products**

Item	Alternative	Respondents	
		In number	In %
The company delivers its products immediately	Strongly agree	-	-
	Agree	17	12.14
	Neutral	-	-
	disagree	49	35
	strongly disagree	74	52.86
	<b>Total</b>	<b>140</b>	<b>100</b>
The company has on time delivery system upon outlets request	Strongly agree	-	-
	Agree	36	25.71
	Neutral	-	-
	Disagree	43	30.71
	Strongly disagree	61	43.57
	<b>Total</b>	<b>140</b>	<b>100</b>
The company has distribution schedule to distribute its products to its customers	Strongly agree	-	-
	Agree	-	-
	Neutral	18	12.86
	Disagree	42	30
	Strongly Disagree	80	58.57
	<b>Total</b>	<b>140</b>	<b>100</b>

Based on the questionnaire survey different on time delivery indicators have been used respondents were sharing their views on the different indicators. Accordingly as shown in table 7 about 74(52.86%), 49(35%) and 17(12.14%) of respondent outlets from both types of distributors replied as strongly disagree, disagree and agree about the immediate delivery of the company's products to its customers. This indicates that the company doesn't deliver its products immediately to customer's request. Out of 140 respondents, 61(43.57%), 43(30.71%) and 36(25.71%) of them reported strongly disagree, disagree and agree respectively regarding on time delivery system of the company as per the outlets request. This analysis shows that the company doesn't have on time delivery system up on outlets request.

Additionally, 80(58.57%) and 42(30%) of the respondents rated strongly disagree and disagree respectively about the availability of the company’s schedule to distribute its products. The rest 18(12.86%) of them responded as neutral. This shows that Aqua safe distributors do not satisfy their customers by delivering the required products at the time needed or on a field scheduled time.

### **The Company’s Management Closely Supervises the Distribution Performance in Their Assignment**



**Figure 2. Outlets Response on the Supervision of the Performance of Aqua Safe Product Distributors**

As the above figure enlightened, out of 140 respondents, 103(73.51%) of them strongly disagree with the statement which says the company’s management closely supervises the distribution system performance, while 21(15%) respondents also are not in favor of the above statement. In contradiction with the above respondents 64(2.83%) respondents believe that Aqua Safe Managements’ respondents rated natural. The overall result of analysis indicates that Aqua safe managements’ do not supervise the distributors’ performance in their area of assignment.

**Table 8. Response of Outlets on the Availability of Enough Distribution Facility**

Item	Alternative	Respondents	
		In Number	In %
The distributors (company owned and sub-contracted) have enough distribution facility like vehicles	Strongly agree	11	7.85
	Agree	20	14.28
	Neutral	-	-
	Disagree	50	35.71
	Strongly disagree	59	42.14
	<b>Total</b>	<b>140</b>	<b>100</b>

Is table 8 illustrated out of the total 140 respondents, 11(7.86%) of them strongly agreed that there are enough distribution facility that helps to have successful distribution Aqua Safe Products, similarly 20(14.28%) of the respondents favor the above statement. In contrast with the above respondents, 59(42.14%) of the respondents were not in favor of the statement which says the distributors have enough distribution facility like vehicle. Not only this, 50 (33.71%) of the respondents also disagree with the above statement. In general out of 140 respondents, in total 109(77.85%) of them believe that the company distribution system doesn't have enough distribution facility like vehicle. The shows that the respondents don't get the amount of products they require at the time need them.

### **3.3. Analysis and Interpretation of the Company's Marketing**

#### **Manager Interview and Answers**

The student research has interviewed the company's Marketing Manager to get some basic information toward the company's product distribution management system, and all the questions together with its answers are presented below.

1. How do you see the overall distribution system of aqua safe? The managers responded that the overall distribution system of the company is basically based on the objectives of distributing the product to each and every outlet with two different distribution strategies.
  1. The distribution strategy for Addis market and
  2. The distribution strategy for regional market for Addis market, the company is using combination of company owned distributors and sub-contracted distributors. This will help the company to identify which distribution types is more efficient in generating the highest sales volume.

For the regional market there are assigned distribution (Agents) the can play the role of the company in distributing product to their respective outlets. This will enable the company to play the role of supervising by giving ample time to spend on the development and implementation of different policies to achieve maximum sales.

Therefore the management believe that the distribution strategy of the company will generate the optimum volume that the company is seeking for.

2. How do you as a manger/supervisor closely supervise the distribution system and the performance of the distributors?

As the manager of marketing and sales responded, even though the existing endeavor to supervise the distribution system of Aqua safe is not well organized and lacks the required personal, there has been an effort in a fragmented manner to supervise the distribution system by communicating customers, and by letting each sales man to sell a minimum lump sum quantity on daily basis through planned routes.

Like the managers, the sales people confirmed that the company supervises their performance once in a while. Furthermore, the sales people attested that since the company has only one supervisors for the Addis Ababa distribution system, the possibility to super vise each and every distribution routs is difficult unless and otherwise the company increases the number of supervisors. Similarly the questionnaire response enlightened that out of 150 respondents, the majority 140 (93%) of them believe that the company's management does not supervise the performance of the distribution system.

It is important that the distributors are evaluated periodically in terms of the functions that they are required to perform. However, the overall result of the above analysis indicates that there is no enough supervision about the performance of the company's distribution system.

3. What kind of obstacles do you face at the time of distribution and also with distributors? All the interviewed people said that the time of distribution the company focus different problems like traffic jam, time taking behavioral conditions of customers at the transaction time (Quarreling due to misunderstanding or slow performance of store-keepers), and dispersedly located outlets bring a problem on the time of distributing the company's products.

With regard to the distributors the managers highlighted some of the problems as follows.

- The sub-contracted distributors create shortage in the market by dumping the company's products only in some places (providing only for some outlets). Instead of distributing the company's products fairly to all outlets they focus only on selling the products to some private distribution shops. This enables them to sell large volume of products within a short period of time there by increase their commission income.
- Inability to supervise the performance of distributors due to the shortage of working force (supervisors). Since there are only one supervisors available for Addis Ababa distribution system, the company is unable to control product dumping and there problems.

Therefore, the above points show that there exists unequal distribution of company's products to customers, failure to handle difficult customers behavior in a timely manner, and inability of the company to supervise the performance of distributors.

4. Are the necessary distribution related facility available in your company for the smooth performance of the distribution system? "Yes" 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 Aqua safe products to their customer outlets.

The shows that the responses of the customer outlets are in contradiction with the distributors and management of aqua safe. This implies that the respondents didn't get the amount of products they require at the time they need them.

5. What major problem do you face with regard to the distribution facility?

According to the managers, the major problem pertaining to distribution facility in improper visage of distribution vehicles. That means 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 imply that aqua safe is unable to control and manage the distribution system as well as to manage the idea time of the facility.

6. How many warehouses do you have in or around Addis Ababa? Do you have enough stock in your warehouses to satisfy the consumer's reply to your promotional campaign?

The managers explained that two warehouse totally in and around Addis Ababa. These warehouse usually accumulate products that can be used by distributors without a problem. However in the recent few months the company is facing factory problems that reduce its production. Therefore, the warehouses cannot have company's products that can fulfill customers' request. Accordingly, the above analysis shows that the warehouses are in short of the company's products due to the problems accorded in the production unit. Even though the promotional campaign increases the number of consumers as expected, the existing problems do not allow the company to enjoy the result of the campaign. So in conclusion the warehouse /stores/ retail outlets must never be under stocked.

7. Do you have distribution schedule to distribute your products? Or do you distribute your products based on the consumers need/request?

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 supervisor 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 aqua safe distributors do not satisfy their customers by delivering the required products at the time needed or on affixed scheduled time.

8. Do you manage to get aqua safe products from the central product stores?

The sales people responded that previously be for the promotional campaign has been started, there was no major problem in getting products from the warehouses of the company. However, these days it is difficult to get products to satisfy the demands of customers. As they have

mentioned, the shortage of products is due to the failure in the company's production line. But there was no formed compaction from the management about the existing problems.

9. Does the company have system of gathering information feedback from the distributors or outlets that can help to understand whether the company distributes its products on time? As it is mentioned by the managers, there is no specific system developed to handle customers or distributors complaints feedback. Hence, the sales manager is in charge of handing issues regarding sales and distribution. The is a work load on the sales manager to perform the day to day activities and to handle additional complaints and feedback from customer outlets.

As per the analysis of the questionnaire, 150 (100%) and 95 (67.85%) respondent outlets reported that Aqua safe management doesn't act in response to their complaints immediately and the company doesn't have a system to receive any complaint /feedback respectively. Generally, as the result of this analysis and interview indicates there is no effective complaint handling system in the company so that the management is unable to give immediate response to the outlets.

10. What are your suggested solutions with regard to the problem existing in the distribution system?

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 experts in the area. The other solution can be motivating sales people in different ways.



## **CHAPTER FOUR**

### **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 Aqua Safe natural spring water P.L.C distribution management system.

#### **4.1. Summery of the Major Findings**

The purpose of the study aimed at the assessment of distribution management of Aqua Safe 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.

- There is no respondent whose age is below 18 years from this it is clear to understand that all respondent are capable to give correct response to the questions raised. A total of 110(78.57%) sample respondents ware owners of the outlets. The business types for the study that are 70(50%), 45(32.14%),
- 20(14.29%) and 5(3.57%) ware hotel, café and restaurants, private distribution shops, and retail shop respectively. 120(85.71%) of the respondents have more than five years of working experience in their current business.
- In order to make a product order 100(71.42%) outlets available in the company owned distribution and 115(82.14%) outlets the majority of them available in the sub-contracted.
- with regard to the speed delivering the company's products in response to outlets request, the majority of the sample outlets 72(51.42%) available in the company owned distribution routes confirmed that they receive the ordered products after nine days and the majority of the sample outlets available in the sub-contracted routes, 68(48.57%) of the respondents replied that they receive Aqua Safe product within six days.

- The majority 262(93.57%) of sample outlets available in the company owned and sub-contracted routes respondents to the concerned body about the distribution system of Aqua Safe P.L.C.
- 140(100%) of the respondents that they do not have Aqua Safe products in their stock all the time.
- 137(97.86%) of the customer outlets believe that the distributors do not deliver the company's products immediately after the outlets request.
- As the total rating indicates 139(99.28%) the majority of the respondents do not get the amount of Aqua Safe product as per their request.
- 104(74.28%) of the respondent outlets responded that the company doesn't have on time delivery system.
- 122(88.57%) of the respondent outlets responded that the company doesn't have distribution schedule to distribute its product to its customers.
- 124(88.57%) of the respondent outlets believe that Aqua Safe managements' do not supervise the distributors' performance in their area of assignment.
- In general out of 140 respondents, in total 107(77.85%) of them believe that the company distribution system doesn't have enough distribution facility (vehicle).

## 4.2. Conclusions

- Based on the findings and data analyzed in the previous chapter, it can be concluded that the majority of respondents are not satisfied by the performance of Aqua safe distribution management system.
- As indicated in the finding part of the study, various reasons had caused to the malfunctioning of Aqua safe distribution system. Some of the factors are lack of on the job training to Auqa Safe product distributors, well established order handling system, proper use of vehicles and distribution schedules.
- 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 system improvements or transfer of the distribution system ownership are more demanding and have important implications for the company's efficiency and profitability.

### **4.3. 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 site s 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.

Based on the above facts, the findings of the analysis, and conclusions the student researcher recommends the following points that will be helpful for the distribution management system of Aqua safe P.L.C.

#### **4.3.1. Redesign the Existing Distribution Management System**

In order to minimize or eliminate the above mentioned problems, Aqua Safe should redesign or adjust it distribution management system in terms of the following points.

- **Design product order handling/ processing system**

Designing and implementing a uniform and centralized product order handling system is the most important step that Aqua Safe 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.

- **Provision of Training to Distributors**

To address the problem that occurs in the day to day activities, the sales people should be trained on how to develop long term relationship with their customers. Moreover, professional support should be given from the company in a continues basis.

- **System to monitor the channel**

Clear distribution strategies and criteria should be set to evaluate distributors. The company is expected not only to increase the number of supervisors, but also to design the supervision process like how frequently they should supervise.

- **Provide solutions to production unit problems**

In order to prevent customer outlets from being out of stock, the company should solve problems that occur at the factory, and supervise its distributors about the fair distribution of the products among customers so as to satisfy the market demand.

- **Design complaint Handling system**

It is good for Aqua Safe to design a centralized complaint handling system that enables the company to provide immediate response to its customer outlets.

- **Communicate objective**

The objective of the entire distribution should be communicated to and agreed by each distribution system can work together towards achieving that goal. Viewing physical distribution from a systems perspective can be the key to providing a defined level of customer service at the lowest possible cost

- **Ensure the design and Implementation of Aqua Sefa motivational schemes**

The inconsistency in implementation of Aqua Safe motivational policy and the absence of fair treatment among distributor need to be resolved by designing and implementing motivational scheme that can be applied to all channel members. After members are communicated the objectives of the channel strategy, they should be motivated towards a common.

#### **4.3.2. Transfer the Company Distribution System to the Sub-Contracted Distributors**

As per the result of the analysis and interview response, the sub – contracted distributors are relatively factor than the company owned ones in responding outlets request for delivering Aqua safe products. In general the sub-contracted distributors perform better than the company owned ones.

Therefore, the other option for Aqua Sefa 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.

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*Appendix I*

*St. Mary's University*

*Business Faculty*

*Department of marketing management*

*(Questionnaire for distribution outlets)*

- *Dear Respondents,*

This questionnaire is prepared to gather information which is an input to the research I am conducting. The objective of this research is to analyze the performance and challenges regarding the distribution management of Aqua Safe Spring Water P.L.C. I assure you that all information you will provide to the research will be kept strictly confidential. Filling out this questionnaire should take you about 10 minutes. Your honest and sincere response for this questionnaire will highly contribute for the success of the research.

Thank you very much for your kind, cooperation.

- General Instruction
  - Please make a checkmark (✓) or write brief answer as necessary
- Part I, general characteristics of the respondent's

1. Gender

a) Male

b) Female

2. Age

a) 18-27  b) 28-37  c) 38-47  d) Above 47



3. What are your states in the Aqua Safe Products distribution outlet?

- a) Owner                       b) Manager                       c) Owner and manager   
d) Sales person                       e) Other please specify \_\_\_\_\_

4. What kind of business do you operate?

- a) Café and restaurant                       b) Hotel   
c) Private distribution shop                       d) Retail shop   
e) Other please specify \_\_\_\_\_

5. How long have you been working in your current business?

- a) Less than 5 years                       b) between 5-10 years   
c) Between 11-20 years                       d) More than 20 years

• ***Part II. Question related with the product***

6. How do you access Aqua Safe Spring water products?

- a) Directly from the company distributor   
b) From sub-contracted distributor   
c) Other please specify \_\_\_\_\_

7. How does the company or sub-contracted distributors know you are in need of the products?

- a) I make phone call to the company   
b) I make phone call to the sales person

c) The company checks me if I need the products

d) The salesperson checks me if I need the products

e) Other, please specify \_\_\_\_\_

8. How promptly does the company or sub-contracted distributors deliver their products?

a) Within 1 day

b) Within 3 days

c) Within 6 days

d) More than 9 days

9. Have you ever complained about the delayed distribution?

a) Yes

b) No

Please tick (✓) in the box that best reflects your level of agreement where: 1=Strongly agree, 2=agree, 3=Neutral, 4= disagree, 5=Strongly disagree

- |  |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 10. Aqua Safe Spring Water management<br>responds immediately for your complaints.             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Aqua safe has system to receive<br>complaints or feedback from your company.               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. The distributors supply what ever amount<br>of Aqua safe product required by your company. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. The company delivers its products immediately.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. The company has on time delivery system up<br>on out date request.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. The distributors (company owned and<br>sub-contracted) have enough distribution vehicles.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

16. The company's management closely supervises

the distribution performance in their area

of assignment.

## **Appendix- II**

**St. Mary's University**  
**Business Faculty**  
**Department of Marketing Management**

**(Interview Questions Managers and supervisors working in the company's owned  
distribution system)**

1. How do you see the overall distribution system of Aquacade?
2. How do you as a manager/ supervisor how do you clearly supervise the distribution system and the performance of the distributors?
3. What kinds of obstacles do you face at the time of distribution and also with distribution and also with distributors?
4. Are the necessary distribution related facilities available in your company for the smooth performance of the distribution system?
5. What major problem do you face with regard do distribution facility?
6. How many warehouses do you have in or a around Addis Ababa? Do you have enough stock in your warehouses to satisfy the consumers replay to your promotional comp again?
7. Do you have distribution your product based on the consumers need/ request?
8. Does the company have a system of gathering information /feedback from the distributors or outlets can help to understand whether the company distributors its product on time?
9. What are your suggested solutions with regard to the problem existing in the distribution system?

**St. Mary's University**  
**Business Faculty**  
**Department of Marketing Management**  
**(Interview Question from Sales People Working in the Company's)**

1. Are the necessary facilitates available in your company for the smooth performance of distribution system?
2. Do you distribute your product based on consumer need request?
3. What kind of obstacle do you face at the time of distribution with retail outlast as well as with the management?
4. What major problems do you have with regard to distribution facility?
5. Does aqua safe management closely supervise your performance distribution to the available outlets?
6. Did you take any course or training with regard to being a sales man?
7. Do you manage easily to get Aqua safe product from the central product stores?
8. What are your suggested solutions with regard to the problem existing in the distribution?

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1. ..

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2. ...

. . 18-27  .. 28-37   
.. 38-47  .. 47 ...

3. ....

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4. ....;

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5. .... ;  
 . . 5 . . . . .  . . 5-10 . . . . .   
 . . 11-20 . . . . .  . . 20 . . . . .

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6. .... ;  
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7. .... ;  
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8. ....  
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9. .... ;  
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10. ....  
 11. ....  
 ....  
 12. ....  
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<input type="checkbox"/>	...	<input type="checkbox"/>	...	<input type="checkbox"/>	...	<input type="checkbox"/>	...	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>

13.      . . . . .

14.      . . . . .

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15.      . . . . .

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16.      . . . . .

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