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Assessments of the Challenges of Indirect Distribution Channels: The Case of Sugar Corporation

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A Thesis submitted to St. Mary University in partial fulfillment of the requirements for the Degree of Masters of Business Administration.

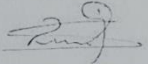
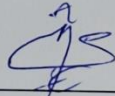
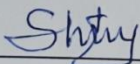
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SCHOOL OF GRADUATE STUDIES

Assessments of the Challenges of Indirect Distribution
Channels: The Case of Sugar Corporation

By: Birhanu Wolde

Approved by Board of Examiners

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Statement of Declaration

I, **Birhanu Wolde Dereje**, hereby declare that the study entitled “**Assessments of the Challenges of Indirect Distribution Channels: The Case of Sugar Corporation**” is my original work and has not been presented for degree in any other universities and that all sources of material used for the project have been duly acknowledged.

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A handwritten signature in black ink on a light beige background. The signature is cursive and appears to read 'Birhanu W. Dereje'.

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Statement of Certification

This is to certify that **BIRHANU WOLDE DEREJE** has carried out his research work on the topic entitled “**Assessments of the Challenges of Indirect Distribution Channels: The Case of Sugar Corporation**”. The work is original in nature and is suitable for submission for the award of Masters’ Degree in Business Administration.

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Acronyms and Abbreviations

DC	-----	Direct Channel
CA	-----	Consumers Associations
SC	-----	Sugar Corporation
MT	-----	Ministry of Trade
IDC	-----	Indirect Channels
POS	-----	Point of Sales

Abstract

The purpose of this study is to Assessing of the Challenges of Indirect Distribution Channels: The Case of Sugar Corporation, In light of this objective, the study employed descriptive research and simple random/probability sampling design. Consequently, the study selected a sample of 69 individuals from 136 population. The data analyzed on quantitative basis using descriptive statistics. The analysis and finding shows the basic challenges of the distribution is Lack of distributor's capacity in finance, skill and consistency, consideration of distribution task as a secondary business, Sales Price Determination process, channel Controlling Process and law capacity of using IT. Also distributors out of the distribution system because of lesser profit, high target of sugar sales quota, strict agreement & controlling process, Lack of motivation and support from Sugar Corporation to its channel members, lack of penalty on distribution agreement violation is applied only on distributors are the main reason for conflicts of channels in the distribution activities. The researcher recommends the Sugar Corporation and Distributors should have maintain automated distribution system, Sugar Corporation shall provide training, support for distributors, maintain penalty on agreement violation for both parties, maintain equal treatment for all distributors and considering the distribution task as a primary business.

Keywords: Challenges of distribution channel, Effective distribution channel

CHAPTER ONE

INTRODUCTION

This chapter aims to give some highlight about the research topic and discuss on research problem, research questions and objectives for carrying out the study.

1.1 Backgrounds of the study

The channel of distribution is a system that helps bringing products from manufacturer to final customer (Zikmund & Babin 2010). Companies use distribution channels to ensure that their product is reach customers at the right time and convenient location. Distribution channels involve intermediary organizations that help in a process to deliver products to end customers.

Many companies do not sell their products directly to end users. In mass production and consumption industries in particular, many manufacturers rely on distributors, representatives, sales agents, brokers, retailers or some combination of these intermediaries to distribute their products (Hughes and Ahearne, 2010). These intermediaries perform a variety of functions and constitute a marketing channel, that is also referred to a trade channel or distribution channel (Kotler and Keller, 2008). The importance of channel intermediaries has grown in recent years, largely due to increased size, improved level of product knowledge, technical competence, specialization and various other factors (Kalafatis, 2000).

According to Strydom (2015), the majority East African countries goods or products are owned by the government as monopoly and hence no need to worry about competitive advantage. However, the company needs to have an effective distribution channel for two main reasons.

The first reason is that the company needs to adopt customer relationship marketing perspective to serve its downstream channel members including the end customers effectively so that negative company image and associations would not be built (Strydom 2015).

The second reason is that channel members and the end users will not shift business relationship to potential competitors when the market will be open for competition in the future (Strydom 2015).

Sugar Corporation Sugar delivery through distribution channels to reach the end customer cannot be said that current distribution channels have performed to the level that meets industry and stakeholders expectations because there are many chaos in the channels, especially in the indirect

channel, as the researcher's experience in Sugar Corporation indirect channel can serve as an unproven and mere clue about the channels inefficiency.

“Sugar Corporation” with a vision of executing sugar development activities at a large scale came into existence on October, 2010 by the Council of Ministers Regulation No.192/2010 replacing the former Ethiopian Sugar Development Agency. Currently, with the Regulation No. 916/2015 instituted to determine the authority and practice of FDRE Executive Bodies, the Corporation is operating under a Board of Management while it is organized under Ministry of Government Enterprises.

During transformation out of 8 structured divisions, marketing division the one that has been given the objective to accomplish intensive distribution and sales of products by using its departments.

Under the marketing division, Local Sales department is responsible to follow the distribution activity depending on the directives come up from Ministry of Trade and Industry. Some challenges have been faced by the Corporation, the researcher has tried to investigate.

Finally, this title is so important because as a developing country the sugar sector needs high investment and manpower to produce and distribute to the market. Sugar distribution in Ethiopia has expected to have so many challenges that has frequently declared by state Medias and different information sources. So, based on this the researcher will try's to assess what are the major obstacles of the indirect sugar distribution channels and indicate the solution. That is why the researcher wants to assess the Challenges of Indirect Distribution Channels: The Case of Sugar Corporation.

1.2 Statements of the problem

Distribution strategies are often used for convenience offering of products for customers purchase on the spot without much shopping around (Sandra 2013). The sole owner and the intermediaries need to agree on the terms and responsibilities of each channel member. They should agree on price policies, conditions of sale, territory rights, and the specific services to be performed by each party. It must define each channel member's territory, and it should be careful about where it places new resellers (Kotler and Armstrong, 2011).

The reason why the researcher selected this type of issue -assessing the challenges of indirect distribution channels: The case of Sugar Corporation is that the current marketing needs highly

flexible, competitive and motivated practice of distribution system to satisfy customers. All distribution system will lead by regional trade bureaus. But as a consumer's product the distribution system is different from those conventional goods distributors.

As per the experience of staffs of Sugar Corporation, supervising the indirect channel and the distribution system of sugar is decided by the ministry of Trade and Industry of Ethiopia. Regional trade bureaus select their appropriate Cooperative unions, wholesalers, retailers as a channel members and those distributors or Unions, Consumers associations directly buy the sugar from Sugar Corporation and distribute to the consumers.

The researcher has conducted assessment of the challenges of indirect distribution channels on Sugar distribution in meeting the company's objective. The problem statement is ask what the major challenges that distributors face during distribution activities and assessing why sugar corporation will not control the distribution system and the marketing activities and how much the Distributors have enough capacity to distribute the product and what motivational packages do have when they meet their target and the general information flow between distribution channel members.

In this regard, the researcher were identified the major challenges of indirect distribution in Sugar Corporation. The Problems like:-

- The prior experience of distributing the Sugar on Territory Confined Bases.
- The basic challenges that affect the distribution channel in distributing Sugar.
- The main reason that Unions/Consumers associations are out of the distribution system.
- The level of Information technology support for inventory and order management.
- The rises of distribution Channel conflicts.

1.3 Research Question

The research settles the following specific research questions:

- i. What experience distributors do have?
- ii. What are the main reasons that distributors are out of the distribution system?
- iii. What are the main challenges on the relationship between Sugar Corporation and distributor's?
- iv. How Sugar Corporation apply Channel regulation and violation?

- v. What is the level of conflict of channels in the current market of Sugar distribution?
- vi. What is the level of Information technology support for inventory and order management?

1.4 Objective of the study

1.4.1 General objectives

The overall objective of the study was to assess the challenges of indirect distribution channels in Sugar Corporation in meeting the company's core objective.

1.4.2 Specific objectives

1. To assess the experience of distributing Sugar on territory restricted bases.
2. To assess the reasons distributors are out of the distribution system.
3. To assess the relationship between Sugar Corporation and distributor's.
4. To assess the level of channel regulation and violations.
5. To assess the level of conflicts of channels in the distribution activities
6. To assess Information system supports with in the distribution system.

1.5 Scope of the Study

There is no uniform definition for indirect channel of distribution, different researchers have tried to articulate, the definition given by Kotler, (2012) has been adopted as operational definition of this research, indirect channel is the channel a company uses one or more levels of intermediaries to address customers indirectly bring its products to whole sealer and final consumers.

The conceptual scope of the research only covers the major challenges of indirect distribution. Descriptive research method were used to analyze and find out the challenges. Sugar Corporation has more than 250 distributors of sugar with in nine regions and two city administrations. So, the study population is limited to Addis Ababa since time and cost has to be considered.

Sugar Corporation is part of the distribution network and participated to facilitate and solve the problems. Due to this the thesis also focus on employees of Sugar Corporation.

1.6 Limitation of the study

This research conducted by primary data from questionnaires therefore the results were based on the perceptions of the participants. Because of some of distributor's respondent have low literacy level, the findings and the conclusions of this research may limited.

1.7 Significance of the Study

Findings from this study will assist researchers or academicians to provide a good understanding of the challenging factors that affect the practices of indirect channel sales through distributors and it also benefits the Sugar Corporation Marketing team in providing clue on the challenging factors in its distribution channel.

Though this research is for an academic purpose, the researcher interest is to contribute to his employer's attempt to solve distribution channel challenges. So, managements of Sugar Corporation will benefit from this research in the first place in getting the challenges of distribution channel to meet the company's ambitious sales target, to satisfy its customers, and to build the company's brand image and protect it from negative acts of associations.

The study can also help as a stepping stone for those who would like to carry out further exploration in the area of challenges of distribution channels for other companies.

1.8 Definitions of Key Terms

Distribution: One of components of marketing mix that in simplest task transfer the product from the production place to the purchase place to the customer. In other words, the main task of distribution management is placing the goods in hand of potential customers at the right time and place. (Roosta, A. Venus, D. Ebrahim, Abdul. ", 2009)

Physical distribution - means coordination of the information and goods flow among the involved parties of the channel, in the way that the goods are available in the right places, at the right time, in the right quantities, and in a cost-efficient manner (Fer-rell& Hartline 2011, 265).

Channels - are well-organized structures of buyers and sellers that bridge the gap of time and space between the manufacturer and the end customer (Doole & Lowe 2012).

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

Indirect distribution channel- A chain of intermediaries through which a product moves in order to be made available for purchase by a consumer. An indirect channel of distribution. Typically involves a product passing through additional steps as it moves from the manufacturing business via distributors to wholesalers and then retail stores. **Distribution Chain:** Shall mean the Distributor's system of organization for sales of Products through its wholesale and/or retail outlets.

Distributors: Shall mean a legal person or a natural person trader authorized to sell and distribute Products through its distribution chain.

Wholesaler: A wholesaler will sell his product in bulk quantities to retailers, allowing the retailer to take advantage of a lower price than if he were to buy single items.

Agent: in legal terminology, a person who has been legally empowered to act on behalf of another person or an entity. an agent may be employed to represent a client in negotiations and other dealings with third parties. The agent may be given decision-making authority.

Retailers: Natural or legal person, which have entered into contractual relations with the Distributor and/or Sub Distributor with the goal of selling in retail bases.

Customer/end user: Legal entity or physical person that uses/purchases the products and/or services of Sugar Corporation from the Distribution Chain, with no intention for further reselling.

Territory: Relevant territory or geographical area within Ethiopia, where the Distributor and/or its Distribution Chain is entitled to perform its activity.

Price violation: means selling of any product different from the price set by Sugar Corporation or Ministry of Trade & Industry.

Territory violation: Selling of any product out of the area assigned to the distributor, the sub distributor and the retailer.

1.9 Organization of the Study

The research will be organized in the following ways: The first chapter gives a brief introduction of the research paper. It consist Background of the Study, Statement of the Problem, Research Question, Research Objectives, and Significance of the Study, Scope of the Study, Limitation of the Study, Definition of Terms, and Organization of the Study. The second chapter supports the paper with both theoretical and empirical literatures. The research methodology will be explaining in detail at the third chapter with a support of research design and method of data analysis. The fourth chapter will contain the Data Presentation and Analysis. The last chapter which is chapter five will explaining the Findings of the study, Conclusions and Recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter provides an insight to readers about the theoretical view of the topics under study. In line with objective of the study, the chapter covers topics related to marketing distribution, designing and channel management, distribution regulation and violations, and other conceptual framework drawn from a theoretical ground taking factors of distribution management.

2.1. Theoretical Literatures

Distribution Channels have become the most important component of marketing today and are receiving increased attention. Channels not only add value to products and services, but also create customer and shareholder value, brand equity and market presence for a company. For most service organizations, consumer marketing and industrial marketing firms, the distribution channel, or inter organizational network of institutions, comprising of agents, wholesalers, distributors, and retailers play a significant role in the flow of goods from producers to consumers (Lambert et al, 1998). It is not common among producers to sell their products directly to the end users. A number of intermediaries, who form a marketing channel called distribution/trade channel, operate between such producers and the end consumers. (Kotler and Keller 2006)

2.2. Empirical Review

2.2.1. Distribution Network Practice in Ethiopia

In most of Ethiopian firms products and services are sold through their own outlets or wholesale to other resellers in cities of the country. Since it is difficult to get paper works on experiences of distribution networks of firms in Ethiopia, the study has tried to see some as the following;

Sutton and Kellow, (2010) study assessed 50 leading firms in Ethiopia, and in their own study they tried to describes the history and current capabilities of Ethiopia's leading industrial companies (agribusiness, manufacturing and construction) with the help of the companies profiles. Relating to the distribution network practices of the 50s leading firms; their study described almost all firms' distribution experiences. But for the benefit of discussion, the following firms' distribution practices are explained as "better" practices of distribution.

Table - 2.1: Better Distribution Practices Discussed on Sutton & Kellow (2010) Study.

S.No	Leading Firms (Based on their study)	Better distribution practices discussed on their study
1	Ahadu P.L.C	Within its different affiliated companies of the P.L.C., there exists wholesaling, personal selling, retailing and distribution outlets)
2	AQ Roses P.L.C.	Own sales and distribution network companies in Nederland.
3	Cement Factories	Distribution agents and sales outlets
4	East Africa Holdings S.C.	It has highly developed distribution system and Distribution outlets.
5	Nas Foods	Distribution networks in almost every zones of the country
6	Red Fox	Well established distribution networks in international Markets.
7	Sebeta Agro Industry	Different distribution channels to market products (wholesale stores & direct delivery for bulk orders)

Source: Compiled from the study of Sutton & Kellow, (2010)

Markos (2013) studied the distribution practices of MOHA soft drink industry and come up that, MOHA has used direct and indirect distribution through its own sales force, trucks, agents and sub-agents throughout the country, respectively. According to his survey study, the (agent) indirect distribution of the company takes only 15.1%, the direct distribution also used 57.3% of the time, wholesalers' distribution was 3.1% and the remaining % was distributed by "other means of distribution". The study further showed that, there is major distribution problem (54.2%) and most of the respondents were not satisfied (62.6%) by the distribution strategy of the company too.

On the other hand, the Coca-Cola Company has its own distribution channels in which it works the regular distribution method by relying on trucks and by the network of low cost Micro Distribution Centers (MDC). The MDCs are an independently owned and run by local entrepreneurs including the areas of "Hard to reach". The company has established a systematized process for assessing the need and locations for MDCs, recruiting owners and operators, and providing assistance with setting up operations of a new MDC (The Coca-Cola Company, 2015).

Coughlan et al. (2006) believes that manufacturers, intermediaries and end-users are the key members of any distribution marketing channel management. Any member of the marketing channel other than the manufacturer and the end-user is referred to as intermediary. Generally

speaking, intermediaries can be whole seller, retailer or specialized intermediaries. A wholesale intermediary does not sell to individual consumer end-users, but it sells to other intermediaries such as retailers or business end-users. Nowadays, hypermarkets, category killers, mass merchandisers, department stores, convenience stores, buying clubs, franchises and online retailers are called retail intermediaries, who sell directly to individual consumer end-user. Specialized intermediaries are not involved in the business represented by the goods or services sold, but instead, they perform a specific flow in the distribution marketing channel management.

The Marketing flow of information also have a critical impact on the distribution system to manage and facilitate inter channel communication because of:

- The first reason is that the company needs to adopt customer relationship marketing perspective to serve its downstream channel members including the end customers effectively so that negative company image and associations would not be built.
- The second reason is that channel members and the end users will not shift business relationship to potential competitors when the market will be open for competition in the future.

2.2.2. Background of Sugar Corporation

Sugar Corporation with a vision of executing sugar development activities at a large scale came into existence on October, 2010 by the Council of Ministers Regulation No.192/2010. It is operating under a board of directors. Currently the Corporation is accountable to Public Enterprises' Property and Administration Agency as dictated on proclamation number 1097/2018.

Ever since its establishment in October 2010 Sugar Corporation has benefited communities of the areas in which the development is going on. It has made irrigation, potable water, roads, schools, health posts and other social service institutions available for the local community. It is also expanding land covered with sugarcane, increases the number of sugar factories and creates job opportunities. However; it is possible to witness that it has yet to do a lot in increasing housing construction, and sugar co-products supply.

To fulfill its major goals and tackle problems faced the Corporation is implementing change management and other series of tasks. Along with this capacity building trainings are going on locally and abroad.

Domestic Sugar Supply

Even though the nation`s sugar industry has scored more than half a century, it has failed to satisfy the domestic demand because of the following facts:

- Growing demand of sugar of the society in relation to the fast economic development the country is registering;
- Growing of population and
- Due to Increasing number of industries which use sugar as an input, the sugar demand and supply has been incompatible.

The current sugar supply is about 650 thousand to 700 thousand tons of sugar per annum. Of these 325 thousand to 400 thousand tons of sugar is produced in the country. To fill in this gap about 200 thousand to 300 thousand tons of sugar is imported annually by the government spending high amount of foreign currency. Though only 7 kilo grams is being supplied, the current sugar consumption per individual in Ethiopia is more than 10 kilo grams a year.

Mission

Creating modern technology and capable human resource so as to develop the nation`s potential to the sector produce sugar, sugar bi-products and co-products and take remarkable foreign market share and support the nation`s economy beyond satisfying domestic demand and ensuring the benefits of the public.

Vision

Ensuring sustainable growth, becoming one of the ten competitive sugar producing countries of the world in 2023.

2.3. Conceptual Framework

The conceptual framework of the study is constructed based on the fishbone or cause and effect diagram. This is because of the fact that, the study tries to see the determinants of indirect distribution channel performances or which true causative variables can have impacts and what factors contributes to the effective indirect distribution channel of the company can be answered with the help of cause- effect diagram. Therefore the cause effect diagram of the research is partially adapted from Shoham et al.,

(2008) and some other variables are conglomerated from the above discussed theoretical and empirical literatures of scholars.

2.4. Distribution channel management

According to Wirtz (2007), Distributional channel management is a marketing strategy which is used to attract the customers' attention to different distribution channels and to offer them the goods or services they produce and provide. The customers are given the possibility to select, among a variety of non-similar channels, the distribution channel management which gives them sufficient information on the goods or services to be bought.

Coughlan et al. (2006) believes that manufacturers, intermediaries and end-users are the key members of any distribution marketing channel management. Any member of the marketing channel other than the manufacturer and the end-user is referred to as intermediary. Generally speaking, intermediaries can be whole seller, retailer or specialized intermediaries. A wholesale intermediary does not sell to individual consumer end-users, but it sells to other intermediaries such as retailers or business end-users. Nowadays, hypermarkets, category killers, mass merchandisers, department stores, convenience stores, buying clubs, franchises and online retailers are called retail intermediaries, who sell directly to individual consumer end-user. Specialized intermediaries are not involved in the business represented by the goods or services sold, but instead, they perform a specific flow in the distribution marketing channel management. Consumers can also be classified as a member of a marketing channel as they perform channel flows like other channel members.

Bucklin et al. (1997) is on the idea that with any change in a manufacturer's business strategy toward distribution marketing channel management on selling, the relationship between manufacturer and any intermediaries can be affected. Multi-channel distribution strategies can have many benefits for manufacturers, the four most important of which are as following: Gaining much more insight into the end-users' shopping patterns and needs, better utilization of excess manufacturing capacity when existing distribution marketing channel management are over-loaded, focusing more on target markets and improving the company's overall competitiveness and being beneficial especially for manufacturers with broad product lines, as a single distribution channel is unlikely to be optimal for all range of their products. (Webb 2002).

2.5. Distribution Channel design

Customer first chooses a channel (let say a call center) to start an interaction with a firm. The chosen channel, provides the customer with information and services that the customer needs. It also creates a link between the customer and other parts or channels of the company. Unlike the static structures and flows of traditional marketing systems, multichannel marketing systems are characterized by such a real time alignment between the customer and different channels in a firm. Marketing channels decision need to evaluate every aspect of the Design of its marketing channel. According to Nunes et al, 2003, stated as, demand generation, inventory storage, distribution of goods, providing credit to buyers, after sales service, product modification and maintenance are some of the functions that a channel performs. The channel member also called as an intermediary is a member of the distribution channel excluding the manufacturer and the consumer. Intermediaries come between these two and perform one or more of the above functions. Thus an enterprise, in planning its marketing complex, must pay considerable attention to the decisions of product distribution (Rasa Gudonaviciene& Sonata Alijosiene, 2008).

Channel structure can be seen in two ways namely vertical and horizontal structures (Stern et al, 2001).

- **Vertical structure** - vertical structure refers to number of sales levels i.e. length of channel. Vertical structure of a channel can be zero level (direct sales), two level, three level, and so on.
- **Horizontal Structure** – horizontal structure refers to breadth and depth of a distribution channel. Channel Breadth (intensity): This refers to number of intermediaries per level. A distribution channel can have a form of universal distribution, selective distribution, exclusive distribution or sole distribution at a level. Channel Depth: This refers to types of intermediaries per level. Specialty shop, Discounter, and etc. at a level are examples of intermediary types (channel depth).

Universal distribution/ Intensive distribution - It is a multi-channel approach which is about using two or more different channels to distribute goods and services, to distribute from as many outlets as possible to provide location convenience and to serve wider reach. Selective distribution: It involves appointing several but not all retailers which is characterized in better control and better reach. Whereas Exclusive distribution: It is about limiting the distribution to only one intermediary in the territory.

2.6. Levels of Distribution Channels

Manufacturer and the final customer constitute part of distribution channels. A number of Intermediaries are used during the flow of channels according to the vertical structure mentioned above: Channel "zero level", which is also called direct marketing channel, is composed of one manufacturer and the final consumer. Channel "level one" involving an intermediary such as a retail sales. Channel "level two" has two Intermediaries and channel "level three" has three Intermediaries. From the perspective of producers, whatever the number of intermediaries is more, information about the final consumer and controls on them are more difficult. Sometimes companies use multichannel systems, Multi-channel marketing system is a system that in it company uses two or more marketing channels to reach different market segments according to market share at the same time. The number of distribution channels depends on a variety of markets. Each of the markets requires special conditions in their distribution.

Sometimes a variety of different brands of a product from a manufacturer has different distribution methods. This is for creating excellence for the labels that are distributed through special channels. A clock can be sold through supermarkets, and also through jewelry. Normally it is expected that distribution channels cause movement and transfer the goods from producer to consumer. But recently the reverse channel distribution has great concern. Recycling processes are a good example of the reverse channel. In this process, the waste is sent back to the manufacturer. In some countries, in addition to beverage vending machines, other machines return some of drink prices in case of returning empty cans. This gives entrepreneurs the opportunity that with management and recognizing the final consumer achieve interesting points in this regard. (HAMID SAREMI, 2014).

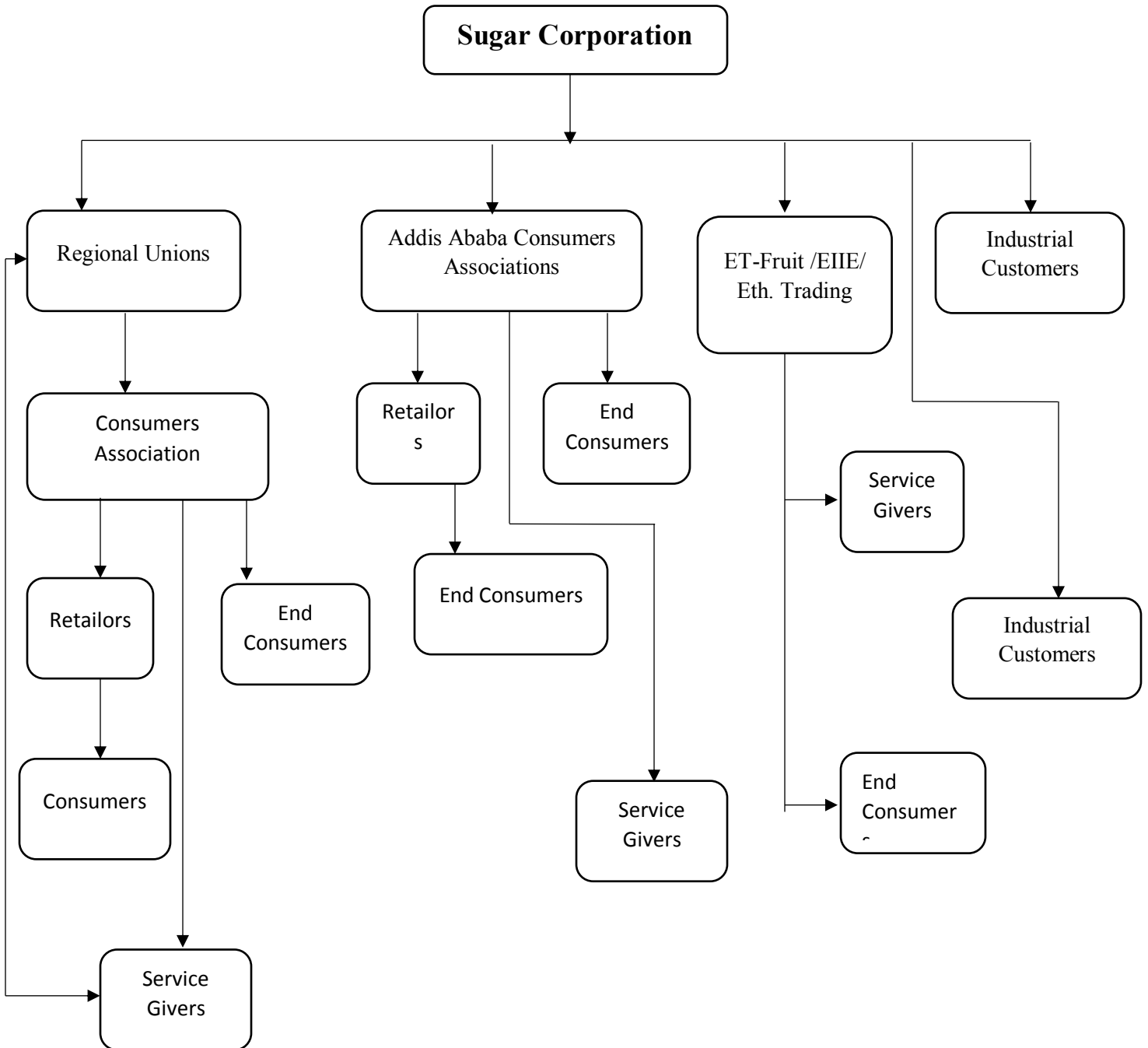


Figure 2.1. Structure of levels of channels of distribution. (Source: Sugar Corporation internal document)

2.7. Distributor Dissatisfactions

Companies can design their distribution channels to make products and services available to customers in different ways. Each layer of marketing intermediaries that performs some work in bringing the product and its ownership closer to the final buyer is a channel level. Distribution channels are more than simple collections of firms tied together by various flows. They are complex behavioral systems in which people and companies interact to accomplish individual, company, and channel goals. Some channel systems consist of only informal interactions among loosely organized firms. Others consist of formal interactions guided by strong organizational structures. During formal and informal distribution system Sole Company and distributors have agreement on price and supply conditions, territory divisions and rewards. Due to fail to fulfillment the agreements sole companies search for alternative ways, then distributors lost their jobs and make them dissatisfaction. Conflicts are rising for tertiary breaching, price violation, intermittent supply and lack of performance rewards, then following disagreement and fail the partnership relationship. Based on this condition they often disagree on who should do what and for what rewards. Such disagreements over goals, roles, and rewards generate channel conflict (Kotler and Armstrong, 2011).

Channel Conflict is a state of opposition, or discord, among the organizations comprising a marketing channel.

When Conflict Is Desirable?

Conflict is usually thought to be dysfunctional, to hurt a relationship's coordination and performance. Although this is generally true, opposition actually makes a relationship better on certain occasions. Indeed, a certain amount of conflict is even a desirable state. This is functional (useful) conflict.

Achieving Channel Cooperation

Success Strategies in Channel Management involves managing conflict to increase channel coordination. Channel Cooperation, achieved via effective cooperation among channel members, is the desired antidote to channel conflict; it is best achieved when all channel members regard themselves as components of the same organization.

2.8. Channel regulation and violation

The need for regulation varies depending on the conditions of the marketplace. While the design of the regulatory framework may differ, certain critical elements should be included in an effective regulatory framework, such as the functional aspects of the regulatory authority; decision-making processes; accountability; consumer protection, dispute resolution and enforcement powers. Consideration and proper implementation of these features are key elements for creating an enabling environment for development of the sector and for increased consumer welfare. In case of breach any of obligations in the regulation that agreed up on the contractual agreement the consequence of channel violation, and it might be settled by the Parties amicably through negotiation or termination the agreement and operation (ITU, 2009).

2.9. Distribution system and distribution channel optimization

As the space of global competition and demand for flawlessly executed customer's service accelerate at the 21 century, the requirement for effective and efficient distribution function can be expected to grow accordingly. The essence of what constitutes a distributor is perhaps best detailed by characteristics of distribution. Essentially the fundamental characteristics are how products are acquired, how products are moved through the supply channel to the customer, and finally how products are transacted. Majorly distribution system contains merchant, wholesalers, brokers and agents, manufacturers and retailer's branches, importing and exporting distributors and public institutions (e.g. city and local governments, public food marketing boards, ministry of Agriculture, ministry of transport, ministry of trade) and private associations (e.g. traders, transporters, shopkeepers and consumers). In addition whole new class of internet enabled 'cybermediary' has begun to engage over the last half decades capable of utilizing the web to generate new form of business and radically new approaches to manage the supply chain (David, 2014)

The following are three recommend phases of distribution channel optimization: (Foster and Sullivan, 2010)

- i **Current channel and partner evaluation:** unbiased evaluation of current distribution channel and partners, their effectiveness in reaching customer, and ability to differentiate your organization from competitors.

- ii **New partner evaluation:** systematic identification of high growth opportunities within a market or geographic region, selection of appropriate partners to take advantages of those growth opportunity
- iii **Partner management and monitoring:** assessment of partner's performance, development of sales support and communication materials, planning for partner's conflict resolution.

2.10. Impact of distribution activities on price of products

Typically around half of the price for a product by a customer is absorbed by the activities involved in getting products to the customer (and customer to the products). And this is a proportion that has increased significantly over the past 15 years as production cost have fallen while market have segmented and media and distribution channel multiplied. Very few companies can describe what it cost to sell through a particular route to market whether that be direct, one-tier (Example, supplier to dealer to customer) or two tier (Example, supplier to distributor to retailer to customer) distribution. It has found that wide variation in the costs and profitability of channels and specific intermediaries in every industry and distribution system. companies that have invested in analyzing and understanding the business model of distribution system have been able to take significant costs out of their own business, increasing profitability or reducing prices to gain an edge over the competitors (Julian,2011)

2.11. Retail markets and wholesale distribution

Urban food retail markets in developing countries are receiving increasing attention in the international literature, policy makers and public administrators. This interest seems to be driven by a number of factors (Thomas, Girum, Indra & Bart, 2013)

- First urban food retail is quickly growing in importance in these countries. This is caused by rapid urbanization all over the world. It is estimated that more than half of the world population was living in cities in 2010, up from 30 percent in the 1950's and an increasing number of people are relying on these retail markets to obtain their food. The efficient organization of these markets plays therefore a crucial role in assuring food

security to a growing number of poor people living in urban areas. The growth of these markets is also an increasing source of urban employment in a large number of countries.

- Second, given that food price changes are often a source of unrest and instability, especially in cities as recently seen during the global food price crisis, governments are concerned by the functioning of these urban food markets and often try to intervene in them. As policies might be put in place to assure low food prices to urban constituencies, governments are keen to know how these urban markets function and how interventions should best be implemented, so as to keep food affordable for urban consumers.

Third, modern retail, be it private (supermarkets) or public (fair price shops, cooperatives), is rapidly emerging in developing countries. The emergence of modern retail has often important impacts on prices and quality offered in urban retail markets.

Wholesale distribution strategy and offerings

According to Philip Kotler the following are the most acceptable components any wholesale distributor to reflect in the distribution strategy (Kotler, 2006).

- i. Low cost of value received:** is reducing of price or cost of products through different mechanisms such as direct purchase from the manufacturer and other channel format targeted at cost reduction.
- ii. Improve channel investment:** it is attained through reducing channel investment during the process of delivery of goods to the end user.
- iii. Improved quality:** is the reduction of cost of error such as implementation of total quality management program.
- iv. Channel Simplification:** it is the process of reduction of redundant channel functions.
- v. Improved information:** increased channel connectivity and collaboration through implementing technology enabled system connectivity, integration of internal business function, co-op advertising and marketing program.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Approach

The Researcher applied two types of research approaches, namely qualitative and quantitative approach (Saunders et.al, 2007). Most researchers argue that, the best method to use for a study depends on the purpose of the research, research data and the accompanying research questions. In this regard, the purpose of this research is to assess the challenges of indirect distribution channels in Sugar Corporation; hence the study has employed qualitative and quantitative approach and collecting data through self-developed questionnaire.

3.2. Research Design

Research design refers to a set of methods and procedures that describes research variables. Research can be classified as descriptive, explanatory and predictive research (Saunders, Lewis and Thornhill, 2007). This research has used descriptive type of research since it attempted to assess the challenges of distribution channel in the case of Sugar Corporation.

The research will designed and presented to determine objective of the study under the descriptive research design that helps the researcher on analyzing and finding out the challenges of Sugar Corporation indirect channel distributions through distributors and recommend the way of solution.

3.3. Data Source and Type

There are two types of data, namely primary and secondary data. A researcher might use either both or one of the types of data depends on the research type and data collected by researcher (Saunders et.al, 2007). For this research purpose primary data collected through standardize questionnaire. Primary data are originated by a researcher for the specific purpose of addressing the problem at hand (Malhotra and Birks, 2006). The sources for primary data in the case of this study from Distributors and Employees of Sugar Corporation Marketing Department.

This research used secondary data from journals, company publication and other publicized documents. According to Adams et al. (2007) secondary data is data collected by someone else and there is a great deal available to researcher from books, libraries and on the web. This data also might be serving as reference and guide the focus of clarify research question.

3.4. Population and Sample

3.4.1. Population of the study

The full set of cases from which a sample is taken is called the population (Saunders et.al, 2007). There are distributors, as a general population.

The total target population for the study is 136, which are 128 distributors of sugar in Addis Ababa with in eleven sub cities. Also 8 employees of Sugar Corporation working in the Sugar distribution.

3.4.2. Sampling Techniques and Size

Sampling is related with the selection of a subset of individuals from within a population to estimate the characteristics of whole population. The two main advantages of sampling are the faster data collection and lower cost (Kish, 1965 and Robert, 2004).

A sample is part of the universe of interest. Sampling is used to gain an understanding about some features or attributes of the whole population based on the characteristics of the sample. For this study, the researcher uses simple random (Probability) sampling method to administer questionnaires and to obtain a representative sample. The primary benefit of this method is each unit included in the sample will have certain pre assigned chance of inclusion in the sample. This sampling provides the better estimate of parameters in the studies in comparison to purposive sampling (Singh & Masuku, 2006). The every single individual in the sampling frame has known and equal chance of being selected into the sample. It is the ideal and recognized single stage random sampling.

Determining sample size varies for various types of research designs and there are several approaches in practice. A general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004).

The researcher has taken Zikmund and Babin (2010) sampling technique by determining the sample proportion success and not success based on the experience from previous survey research response rate. Saunders, Lewis and Thornhill (2012) state that the likely response rate shall be reasonable 50% or moderately high, while Patrick (2003) referring Babie (1979), the return or success rate 50% is „adequate“; 60% response rate is „good“ and 70% rate or higher is „very good“. Having this experience, for this research purpose confidence of successfully collect or return rate is expected to 90% because the respondents are located on Addis Ababa and the respective employees and managers of Sugar Corporation will help me in distribution and collection of questionnaires and the remaining defected or non-response, and sample size is determined at 95% confidence level.

Determine the size of the sample size for population (Kothari, 2004):

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

Where:

- z = z score level of confidence of the estimate (in the case of 95% = 1.96);
- e = marginal error, 5%
- P = proportion of the sample successfully collected (p=0.90)
- q = failure of sample (1-0.90= 0.1)
- N = population of the sample (186)

$$n = \frac{1.96^2 * 0.9 * 0.1 * 136}{0.05^2 (136 - 1) + 1.96^2 * 0.9 * 0.1}$$

$$n = 69$$

Therefore, based on the above given information and sample size formula, the sample size for this study is 69.

3.5. Data Collection and Instruments

The primary data for this study is collected by using questionnaires.

3.5.1. Questionnaires

Questionnaire were used by the researcher and it involves age, education level and year of experience. Likert scaled questionnaires has been designed on challenges of Sugar Corporation indirect distributions channel.

Questionnaires prepared in English and translated into Amharic language by the researcher and filled by the randomly selected distributors, sub distributors of Sugar in Addis Ababa and employees of Sugar Corporation.

3.6. Data Collection procedure

Likert scaled questionnaire distributed for randomly selected Addis Ababa distributor, sub distributors and to Sugar Corporation staffs & managements.

The data collection procedures followed a process of (a) making personal contact with the randomly selected Addis Ababa distributor, sub distributors and to Sugar Corporation staffs & managements and (b) check for completeness and collecting the completed questionnaires.

3.7. Data Analysis

Descriptive statistics used to describe the collected data in this study and to accurately characterize the variables and to summarize a study sample.

After the fieldwork done before analysis, all the questionnaires adequately checked for reliability and verification, editing, cleaning, coding, recoding and tabulation were carried out. The results obtained were analyzed and interpreted by using descriptive statistics included use of pie chart, frequencies, means and percentile. The data presented in the form of tables and percentages with description.

3.8. Ethical Considerations

Each discipline should have its own ethical guidelines regarding the treatment of human research participants (Vanderstoep and Johnston, 2009). Research ethics deals with how we treat those who participate in our studies and how we handle the data after collected. The researcher has kept privacy (i.e. leave any personal questions), anonymity (i.e. protecting the identity of specific

individual from being known) and confidentiality (i.e. kept the information in secret) (Saunders et.al, 2007). Besides, the questionnaire will be distributed to voluntary participant, it also have clear introductory and instruction part regarding to the purpose of the research.

3.9. Reliability Test

Reliability refers to the consistent of measurements throughout the entire finding of the study and it is a determination of obtaining the same results with in the sample respondents. Therefore, the reliability checks for internal consistency of variables was done on 69 sample questionnaire using Cronbach’s Alpha coefficient before distributing the entire sample population as shown on table-3.1.

Table - 3.1: Reliability Test Processing Summary.

Case Processing Summary			
		N	%
Cases	Valid	69	100.0
	Excluded ^a	0	0.0
	Total	69	100.0
a. Listwise deletion based on all variables in the procedure.			

Source: Respondents Survey Result, 2015.

According to Joseph and Rosemary (2003), Cronbach’s alpha reliability coefficient (α) normally ranges between 0 and 1. And they further stated that, there is a greater internal consistency of the items if the Cronbach’s alpha coefficient closes to 1.0.

Based on the following rule of thumb of (George and Mallery, 2003, p. 231), if “ $\alpha > 0.9$ – „Excellent“, >0.8 – „Good“, >0.7 – „Acceptable“, >0.6 – „Questionable“, >0.5 – „Poor“, and < 0.5 – „Unacceptable“.”

Since performing internal consistency test makes a greater confidence on the reliability of the entire findings of the research, the survey result indicates in the below table-3.2., that there is “acceptable” and “good” internal consistency of each independent variable’s parameters used. And the study has the sum of the independent variables average Cronbach’s alpha value of ($\alpha = 0.753$) and the reliability test of the study is located on “Acceptable” range.

Table - 3.2: Reliability Test of Variable's Using Cronbach's Alpha

Reliability Statistics			
S.No	Variable Name	Cronbach's Alpha	No of Items
1	Prior Experience	.814	4
2	Distribution challenges	.743	6
3	Channel Exit	.714	3
4	IT Support	.689	4
5	Channel Design	.790	4
6	Regulation and Violation	.736	4
7	Relationship	.861	3
8	Conflict	.677	3
Total/ Average		.753	31

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

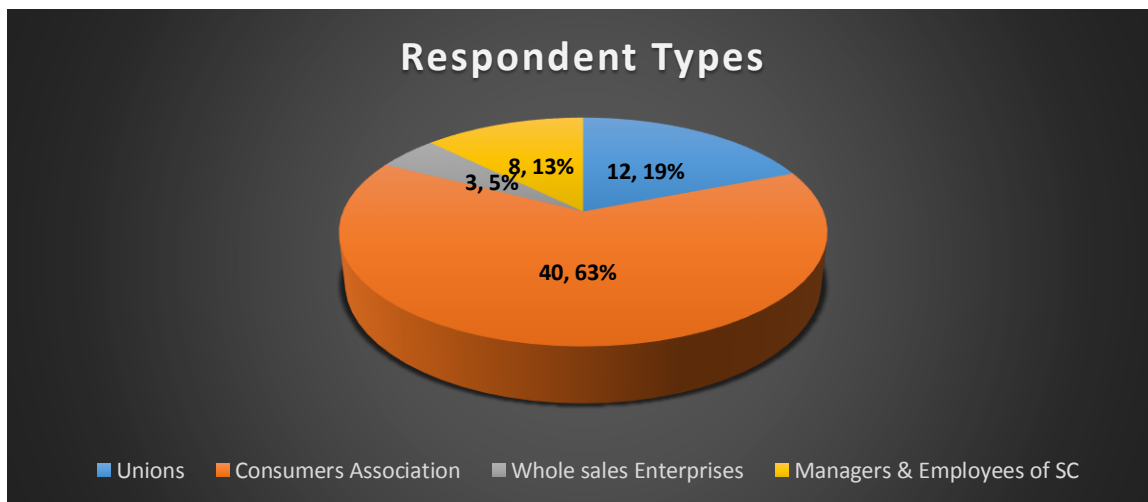
The purpose of this research was to assessing the challenges of indirect distribution channels. This chapter presents the main part of the study. Coded responses were entered into Statistical Package for the Social Sciences (SPSS) version 20, for data analysis.

In this study descriptive statistic was used to analyze the data. The descriptive statistics utilized in this research are used to analyze all data that included frequency, percentages and mean. Analysis of the data is presented below:

4.1. Response Rate

In order to conduct this research a total of 69 questionnaires were distributed for mega distributors, sub-distributors and Sugar Corporation staffs working in the indirect distribution channel and managers of Sugar Corporation working in the marketing division, among these questionnaires 65 are collected and the remaining 4 questionnaires are not returned and from total collected questionnaires 2 of them are not properly filled. Therefore, the analysis is done on the 63 (91.3%) of response rate which is considering sufficient to conduct the study and shown in the figure 4.1 below.

Figure 4.1. Response Rate



4.2. Profile of Respondents

This section provides a profile of respondents who involved in the study and data collection on basic characteristics.

Accordingly, the following variables about the respondents were summarized and described in the following tables. These variables include: educational level, years of experience and age of the respondents.

From below table 4.1, the majority of the Sugar corporation respondents were 1st degree and above level. Such table show that majority of the respondents are adequate to perform the distribution activities. Furthermore, the table also indicates that the questionnaire is completed by professionals and they expected to give valuable response.

Table 4.1. Profile of Employees and Managers of Sugar Corporation

Education level	Frequency	Percent	Cumulative percent
under complete 10/12th	-	-	-
10/12th complete	-	-	-
Certificate/ Diploma	-	-	-
1st Degree and above	8	100	100
Age of the respondents	Frequency	Percent	Cumulative percent
18-30	-	-	-
30-45	3	37.5	37.5
above 45	5	62.5	100
Work experience	Frequency	Percent	Cumulative percent
1 year	-	-	-
2 years	-	-	-
3 years	1	12.5	12.5
4 years and above	7	87.5	100

As table 4.1, 37.5% of the Sugar Corporation respondents were aged between 30 and 45 years and 62.5% respondents were aged above 45 years. This implies that the majority of the Sugar Corporation respondent was young and energetic to perform the work. Thus, it is clear that the

experienced and educated respondents could understand the challenges in distribution related activities and give sufficient and correct information that could contribute through the validity of this study.

As table 4.1. 12.5% of the of Sugar Corporation respondents have 3 years of work experience and the rest 87.5% have 4 years“ and above experience. The data tells about most of Sugar Corporation respondents (100%) have more than three years“ experience which means almost all of respondents have good know how about the research subject matter.

Table 4.2. Profiles of Distributors and Sub distributors Respondents

Education level	Frequency	Percent	Cumulative percent
under complete 10/12th	-	-	-
10/12th complete	12	21.8	21.8
Certificate/ Diploma	24	43.6	65.4
1st Degree and above	19	34.6	100
Age of the respondents	Frequency	Percent	Cumulative percent
18-30	10	18.2	18.2
30-45	29	52.7	70.9
above 45	16	29.1	100
Work experience	Frequency	Percent	Cumulative percent
1 year	4	7.3	7.3
2 years	5	9.1	16.4
3 years	16	29.1	45.5
4 years and above	30	54.5	100

From the table 4.2, the majority of the distributors and sub-distributors respondents was diploma or certificate level and above which is around 43.6%, 34.6% of the distributors and sub-distributors are a degree holder and the remaining 21.8% of the distributors and sub-distributors respondents“ are 10/12th complete. Such tables show that majority of the 10/12th complete are adequate to perform the distribution activities. Furthermore, the table also indicates that the questionnaire is completed by professional staffs and they expected to give valuable response.

As table 4.2, 18.2% of the respondents were aged between 18 and 30 years, 52.7% were aged between 30 and 45 years and 29.1% respondents were aged above 45 years. This implies that the majority of the respondent was young and energetic to perform the work. Thus, it is clear that the experienced and educated respondents could understand the challenges in distribution related activities and give sufficient and correct information that could contribute through the validity of this study.

As table 4.2, 7.3% of the of respondents have 1 year of work experience, 9.1% of the respondents have 2 years of work experience, 29.1% have 3 years of work experience and 54.5% have 4 years and above experience. The data tells about most of respondents (around 83.6%) have more than two years“ experience, and specifically around 54.5% of respondents have four and above years“ experience which means almost most of respondents have good know how about the research subject matter.

4.3. Survey Result

The following descriptive statistical analysis shows the concepts adopted for this study. Particularly, the analysis demonstrates the research questions, which are prior experience of distributing the Sugar, basic challenges that affect the distribution channel in distributing Sugar, the level of conflict of channels in the current distribution and the level of Information technology support for inventory and order management.

To make discussions the study used mean, frequency and percentile. The respondents were asked to indicate the extent to analyze the challenges of Indirect distribution channel in five scales (1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5=strongly agree).

4.3.1. The prior experience of distributing the Sugar on Territory Confined Bases.

The channel of distribution is a system that helps bringing products from manufacturer to final customer (Zikmund & Babin 2010). Companies use distribution channels to ensure that their product will reach customers at the right time and convenient location. Distribution channels involve intermediary organizations that help in a process to deliver products to end customers.

Table 4.3. Is Prior experience of distributing the sugar on territory limited bases is necessary?

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	How Sugar Corporation distribution channel strategy is as good?	Strongly disagree	1	12.5	3	5.5	3.77
		Disagree	2	25	5	9.1	
		Neutral	0	0	11	20	
		Agree	1	12.5	16	29.1	
		Strongly agree	4	50	20	36.3	
2	Is Territory confined/limited sales convenient decision for target achievement?	Strongly disagree	1	12.5	3	5.5	3.87
		Disagree	1	12.5	6	10.9	
		Neutral	1	12.5	6	10.9	
		Agree	2	25	27	49.1	
		Strongly agree	3	37.5	13	23.6	
3	Does the Sales channel strategy complies with overall company vision and aims on distributions?	Strongly disagree	2	25	3	5.5	3.64
		Disagree	1	12.5	11	20	
		Neutral	0	0	7	12.7	
		Agree	2	25	23	41.8	
		Strongly agree	3	37.5	11	20	
4	Is prior experience on distribution is very important?	Strongly disagree	0	0	3	5.5	3.93
		Disagree	1	12.5	8	14.5	
		Neutral	1	12.5	2	3.6	
		Agree	2	25	17	30.9	
		Strongly agree	4	50	25	45.5	

According to table 4.3, 12.5% of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were strongly disagreed as Sugar Corporation distribution channel strategy is as good, 25% of the Sugar Corporation and 9.1% of the distributors and sub-distributors

respondents were disagree, none of Sugar Corporation and 20% of distributors and sub-distributors respondents were neutral, 12.5% of Sugar Corporation and 29.1% of distributors and sub-distributors respondents were agreed and the remaining 50% of Sugar Corporation and 36.3% of distributors and sub-distributors respondents were strongly agreed.

According to table 4.3, 12.5% of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were strongly disagreed as territory confined/limited sales is a convenient decision for target achievement, 12.5% of the Sugar Corporation and 10.9% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 10.9% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 49.1% of distributors and sub-distributors respondents were agreed and the remaining 37.5% of Sugar Corporation and 23.6% of distributors and sub-distributors respondents were strongly agreed.

As summarized in the table 4.3, 25% of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were strongly disagreed as Sales channel strategy complies with overall company vision and aims on distributions, 12.5% of the Sugar Corporation and 20% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 12.7% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 41.8% of distributors and sub-distributors respondents were agreed and the remaining 37.5% of Sugar Corporation and 20% of distributors and sub-distributors respondents were strongly agreed.

As indicated in the table 4.3, none of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were strongly disagreed as prior experience on distribution is very important, 12.5% of the Sugar Corporation and 14.5% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 30.9 % of distributors and sub-distributors respondents were agreed and the remaining 50% of Sugar Corporation and 45.5% of distributors and sub-distributors respondents were strongly agreed.

The respondents indicated that Sugar Corporation distribution channel strategy is as good as sales channel strategy, 62.5% (sum of agree and strongly agree) the respondents from Sugar Corporation and 65.4% (sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 3.77. From 62.5% (sum of agree and strongly agree) of

respondents from Sugar Corporation and 72.7% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, territory confined/limited sale is a convenient decision for target achievement, mean of 3.87. The respondents also agreed that sales channel strategy complies with overall company vision and aims on distributions, from 62.5% (sum of agree and strongly agree) of respondents from Sugar Corporation and 61.8% (sum of agree and strongly agree) the respondents from distributors and sub-distributors, as shown by a mean of 3.64. From 75% (sum of agree and strongly agree) of respondents from Sugar Corporation and 76.4% (sum of agree and strongly agree) the respondents from distributors and sub-distributors distributor/sub distributor prior experience on distribution is very important as shown by mean of 3.83. The mean value 2 and less indicated that low prior experience of distributing the Sugar on Territory confined bases, mean value greater than 2 and less than 3 indicate medium, mean value greater than 3 indicate highly experienced related with distributing the Sugar on Territory confined bases.

In general, from the analysis majority of respondents agreed that prior experience of distributing the Sugar on territory confined bases had a great importance in a process to deliver products to end customers. As shown in the above table the highest mean values indicates that distribution channels have a good prior experience on distribution, hence it is important to distribute Sugar.

4.3.2. Basic challenges that affect the distribution channel in distributing Sugar.

Table 4.4. What Basic challenges do have on the distribution?

No.	Questions	Scale	Sugar Corporation Employees		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	Is the Assignment is over target?	Strongly disagree	5	62.5	35	63.6	2.82
		Disagree	2	25	17	30.9	
		Neutral	1	12.5	1	1.8	
		Agree	0	0	2	3.6	
		Strongly agree	0	0	0	0	

No.	Questions	Scale	Sugar Corporation Employees		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
2	What extent Delay in on-time Distributions and delivery of Sugar from Sugar Corporation?	Strongly disagree	1	12.5	1	1.8	3.92
		Disagree	1	12.5	2	3.6	
		Neutral	0	0	9	16.4	
		Agree	4	50	43	78.2	
		Strongly agree	2	25	0	0	
3	Does Sugar Corporation have lack of capacity in finance, skill and consistency?	Strongly disagree	0	0	8	14.5	3.63
		Disagree	2	25	7	12.7	
		Neutral	0	0	5	9.1	
		Agree	1	12.5	11	20	
		Strongly agree	5	62.5	24	43.6	
4	Is distributors consider that distribution task as a secondary business?	Strongly disagree	0	0	3	5.5	3.72
		Disagree	1	12.5	6	10.9	
		Neutral	1	12.5	3	5.5	
		Agree	1	12.5	5	9.1	
		Strongly agree	5	62.5	38	69.1	
5	Is Sales Price Determination is the challenge?	Strongly disagree	0	0	1	1.8	3.39
		Disagree	1	12.5	6	10.9	
		Neutral	0	0	2	3.6	
		Agree	0	87.5	2	3.6	
		Strongly agree	0	0	44	80	
6.	Distribution channel Controlling Process	Strongly disagree	0	0	0	0	3.36
		Disagree	0	0	13	16.6	
		Neutral	2	25	6	10.9	
		Agree	5	62.5	34	61.8	
		Strongly agree	1	12.5	2	3.6	

According to table 4.4, 62.5% of the Sugar Corporation and 63.6% of the distributors and sub-distributors respondents were strongly disagreed as the Assignment of over target, 25% of the Sugar Corporation and 30.9% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 1.8% of distributors and sub-distributors respondents were neutral, none of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were agreed and none of both Sugar Corporation and distributors and sub-distributors respondents were strongly agreed.

According to table 4.4, 12.5% of the Sugar Corporation and 1.8% of the distributors and sub-distributors respondents were strongly disagreed as delay in on-time distributions and delivery of Sugar from Sugar Corporation to distributors, 12.5% of the Sugar Corporation and 3.6% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 16.4% of distributors and sub-distributors respondents were neutral, 50% of Sugar Corporation and 78.2% of distributors and sub-distributors respondents were agreed and 25% of Sugar Corporation and none of distributors and sub-distributors respondents were strongly agreed.

As summarized in the table 4.4, none of the Sugar Corporation and 14.5% of the distributors and sub-distributors respondents were strongly disagreed as Lack of Sugar Corporation capacity in finance, skill and consistency, 25% of the Sugar Corporation and 12.7% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 5% of distributors and sub-distributors respondents were neutral, 12.5% of Sugar Corporation and 20% of distributors and sub-distributors respondents were agreed and the remaining 62.5% of Sugar Corporation and 43.6% of distributors and sub-distributors respondents were strongly agreed.

As indicated in the table 4.4, none of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were strongly disagreed as Unions/Consumers associations consideration of distribution task as a secondary business, 12.5% of the Sugar Corporation and 10.9% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 5.5% of distributors and sub-distributors respondents were neutral, 12.5% of Sugar Corporation and 9.1% of distributors and sub-distributors respondents were agreed and the remaining 62.5% of Sugar Corporation and 69.1% of distributors and sub-distributors respondents were strongly agreed.

As indicated in the table 4.4, none of the Sugar Corporation and 1.8% of the distributors and sub-distributors respondents were strongly disagreed as Sales Price Determination is the challenge for the distribution, 12.5% of the Sugar Corporation and 10.9% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, 87.5 of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were agreed and none of Sugar Corporation and 80% of distributors and sub-distributors respondents were strongly agreed.

As indicated in the table 4.4, none of both the Sugar Corporation and distributors and sub-distributors of respondents were strongly disagreed as the channel Controlling Process is the challenge for the distribution, none of the Sugar Corporation and 16.6% of the distributors and sub-distributors respondents were disagree, 25% of Sugar Corporation and 10.9% of distributors and sub-distributors respondents were neutral, 62.5% of Sugar Corporation and 61.8% of distributors and sub-distributors respondents were agreed and 12.5% of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were strongly agreed.

The percent and mean of various indicators shown in table 4.4 indicated that the assignment of over target, 87.5% (sum of disagree and strongly disagree) the respondents from Sugar Corporation and 94.5% (sum of disagree and strongly disagree) the respondents from distributors and sub-distributors which had a mean of 2.82, 75% (sum of agree and strongly agree) the respondents from Sugar Corporation and 78.2% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, delay in on-time Distributions and delivery of Sugar from Sugar Corporation to distributors, mean of 3.92. The respondents also agreed that Lack of Sugar Corporation capacity in finance, skill and consistency, from 75% (sum of agree and strongly agree) of respondents from Sugar Corporation and 63.6% (sum of agree and strongly agree) the respondents from distributors and sub-distributors, as shown by a mean of 3.63. From 75% (sum of agree and strongly agree) of respondents from Sugar Corporation and 78.2% (sum of agree and strongly agree) the respondents from distributors and sub-distributors Unions/Consumers associations consideration of distribution task as a secondary business as shown by mean of 3.72. The respondents also agreed that Sales Price Determination is the challenge, 87.5 (sum of agree and strongly agree) of respondents from Sugar Corporation and 83.6% (sum of agree and strongly agree) the respondents from distributors and sub-distributors respond sales price determination is

the challenge of distribution as shown by mean of 3.39. The respondents also agreed that channel Controlling Process is the challenge, 75 (sum of agree and strongly agree) of respondents from Sugar Corporation and 65.4% (sum of agree and strongly agree) the respondents from distributors and sub-distributors respond as shown by mean of 3.36.

The mean value 2 and less indicated that there are low challenges on distributing the Sugar mean value greater than 2 and less than 3 indicate moderate and mean value greater than 3 indicate that there are high challenges related with distributing the Sugar on territory confined bases. Thus in the table 4.4 the mean value for all variable is greater than 3. This indicates that the a majority of respondents agreed that delay in on-time distributions and delivery of Sugar from Sugar Corporation to distributors, lack of distributors capacity in finance, skill and consistency of sugar corporation, distributors consideration of distribution task as a secondary business, Sales Price Determination is the challenge and Distribution channel Controlling Process were the challenges of the whole distribution system.

4.3.3. What reasons do have that Unions/Consumers associations are out of the distribution system?

Table 4.5 Reason for terminating distribution agreement related response summary

No.	Questions	Scale	Sugar Corporation Employees		distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	Lesser profit gain from sugar sales.	Strongly disagree	0	0	0	0	3.3
		Disagree	0	0	11	20	
		Neutral	2	25	1	1.8	
		Agree	2	25	24	43.6	
		Strongly agree	4	50	19	34.5	
2	High target of sugar sales based on allocation of the quota	Strongly disagree	0	0	0	0	3.9
		Disagree	0	0	0	0	
		Neutral	0	0	2	3.6	

No.	Questions	Scale	Sugar Corporation Employees		distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
		Agree	6	75	34	61.8	
		Strongly agree	2	25	19	34.5	
3	Strict agreement & Controlling with the trade bureaus.	Strongly disagree	0	0	0	0	3.5
		Disagree	0	0	0	0	
		Neutral	0	0	9	16.4	
		Agree	2	25	14	25.4	
		Strongly agree	6	75	32	58.2	

According to table 4.5, none of the Sugar Corporation and none of the distributors and sub-distributors respondents were strongly disagreed as Lesser commission paid by company to distributors, none% of the Sugar Corporation and 20% of the distributors and sub-distributors respondents were disagree, 25% of Sugar Corporation and 1.8% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 43.6% of distributors and sub-distributors respondents were agreed and the remaining 50% of Sugar Corporation and 34.5% of distributors and sub-distributors respondents were strongly agreed.

As shown in the table 4.5, none of the Sugar Corporation and distributors and sub-distributors respondents were strongly disagreed as high target of Sugar sales based on allocation of Sugar, none of the Sugar Corporation and distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, 75% of Sugar Corporation and 61.8% of distributors and sub-distributors respondents were agreed and the remaining 25% of Sugar Corporation and 34.5% of distributors and sub-distributors respondents were strongly agreed.

According to table 4.5, none of the Sugar Corporation and distributors and sub-distributors respondents were strongly disagreed as Strict agreement & Controlling with the trade bureaus, none of the Sugar Corporation and distributors and sub-distributors respondents were disagree,

none of Sugar Corporation and 16.4% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 25.4% of distributors and sub-distributors respondents were agreed and the remaining 75% of Sugar Corporation and 58.2% of distributors and sub-distributors respondents were strongly agreed.

The respondents indicated that Lesser profit gain from sugar sales, 75% (sum of agree and strongly agree) the respondents from Sugar Corporation and 78.1%(Sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 3.3, 100% (sum of agree and strongly agree) the respondents from Sugar Corporation and 96.4% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated the High target of sugar sales based on allocation of the quota as shown by a mean of 3.9. From 100% (sum of agree and strongly agree) of respondents from Sugar Corporation and 83.6% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, Strict agreement & Controlling with the trade bureaus, mean of 3.5.

The mean value 2 and less indicates that higher profit gain by distributors, the high target of sugar sales based on allocation quota, strict agreement and controlling by trade bureaus, mean value greater than 2 and less than 3 indicate moderate and mean value greater than 3 indicate high impact on distributors out of the system.

Thus in the table 4.5 the mean value for all variable is greater than 3. This indicates that the majority of respondents agreed that the reason that Unions/Consumers associations are out of the distribution system were lesser profit, the high target of sugar sales based on the allocation quota, strict agreement & controlling with the trade bureaus.

4.3.4. How is the level of Information technology support for inventory and order management?

Table 4.6. Information technology support for inventory and order management.

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	Currently there is system support from Sugar Corporation for Unions/Consumers associations/customers to manage their orders	Strongly disagree	6	75	47	85.5	2.77
		Disagree	2	25	5	9.1	
		Neutral	0	0	2	3.6	
		Agree	0	0	1	1.8	
		Strongly agree	0	0	0	0	
2	The system to support Unions/Consumers associations/customers is fully implemented	Strongly disagree	8	100	39	70.9	2.6
		Disagree	0	0	14	25.4	
		Neutral	0	0	2	3.6	
		Agree	0	0	0	0	
		Strongly agree	0	0	0	0	
3	System order handling is better than manual order handling; the system efficiency & effectiveness is high	Strongly disagree	0	0	1	1.8	3.64
		Disagree	0	0	2	3.6	
		Neutral	0	0	2	3.6	
		Agree	2	25	39	70.9	
		Strongly agree	6	75	11	20	
4	The level of IT knowledge of Unions/Consumers associations/customers is high to implement the system	Strongly disagree	2	25	27	49.1	2.78
		Disagree	2	25	13	23.6	
		Neutral	1	12.5	3	5.5	
		Agree	3	37.5	10	18.2	
		Strongly agree	0	0	2	3.6	

According to table 4.6, 75% of the Sugar Corporation and 85.5% of the distributors and sub-distributors respondents were strongly disagreed as Currently there is system support from Sugar

Corporation for distributors to manage their orders, 25% of the Sugar Corporation and 9.1% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, none of Sugar Corporation and 1.8% of distributors and sub-distributors respondents were agreed and the remaining none of both Sugar Corporation and distributors and sub-distributors respondents were strongly agreed.

According to table 4.6, 100% of the Sugar Corporation and 70.9% of the distributors and sub-distributors respondents were strongly disagreed as the system to support Unions/Consumers associations/customers is fully implemented, none of the Sugar Corporation and 25.4% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, none of both Sugar Corporation and distributors and sub-distributors respondents were agreed also none of both Sugar Corporation and distributors and sub-distributors respondents were strongly agreed.

As shown in the table 4.6, none of the Sugar Corporation and 1.8% of the distributors and sub-distributors respondents were strongly disagreed as System order handling is better than manual order handling; the system efficiency & effectiveness is high, none of the Sugar Corporation and 3.6% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 70.9% of distributors and sub-distributors respondents were agreed and the remaining 75% of Sugar Corporation and 20% of distributors and sub-distributors respondents were strongly agreed.

As summarized in the table 4.6, 25% of the Sugar Corporation and 49.1% of the distributors and sub-distributors respondents were strongly disagreed as The level of IT knowledge of Unions/Consumers associations/customers is high to implement the system, 25% of the Sugar Corporation and 23.6% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 5.5% of distributors and sub-distributors respondents were neutral, 37.5% of Sugar Corporation and 18.2% of distributors and sub-distributors respondents were agreed and the remaining 3.6 of distributors and sub-distributors respondents were strongly agreed.

The respondents indicated that Currently there is system support from Sugar Corporation for Unions/Consumers associations/customers to manage their orders, none (sum of disagree and

strongly disagree) the respondents from Sugar Corporation and 1.8% (sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 2.7, none (sum of agree and strongly agree) the respondents from Sugar Corporation and none of (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated the system to support Unions/Consumers associations/customers is fully implemented which had a mean of 2.6, 100% (sum of agree and strongly agree) the respondents from Sugar Corporation and 90.9% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated the System order handling is better than manual order handling; the system efficiency & effectiveness is high which had a mean of 3.64. The level of IT knowledge of Unions/Consumers associations/customers is high to implement the system, from 37.5% (sum of agree and strongly agree) of respondents from Sugar Corporation and 21.8% (sum of agree and strongly agree) the respondents from distributors and sub-distributors, as shown by a mean of 2.78.

In the table mean value greater than 2 and less indicate that currently there is system support from Sugar Corporation for distributors to manage their orders, the implementation of the system to support distributors and the level of IT knowledge of distributors is moderate. Whereas, the mean value greater than 3 for System order handling is better than manual order handling; the system efficiency & effectiveness.

4.3.5. How is the Distribution Channel Design?

Table 4.7. Distribution channel design

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	Sugar Corporation employed the right channel length (level). (Sugar Corporation- Distributors – Sub distributors – Retailers- End users)	Strongly disagree	0	0	1	1.8	3.77
		Disagree	2	25	5	9.1	
		Neutral	1	12.5	5	9.1	
		Agree	4	50	30	54.5	
		Strongly agree	1	12.5	14	25.4	
2		Strongly disagree	0	0	10	18.2	

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
	Sugar Corporation has the right channel breadth/intensity (136 distributors) for Addis Ababa	Disagree	2	2	12	21.8	3.01
		Neutral	1	12.5	5	9.1	
		Agree	4	50	23	41.8	
		Strongly agree	0	0	5	9.1	
3	Sugar Corporation employed the right channel depth (Mix of channel intermediary types).	Strongly disagree	0	0	1	1.8	3.64
		Disagree	1	12.5	2	3.6	
		Neutral	1	12.5	2	3.6	
		Agree	5	62.5	39	70.9	
		Strongly agree	1	12.5	11	20	
4	Design of the current distribution channel is the best of all other alternatives.	Strongly disagree	0	0	3	5.5	3.93
		Disagree	0	0	8	14.5	
		Neutral	1	12.5	3	5.5	
		Agree	2	25	13	23.6	
		Strongly agree	5	62.5	28	50.9	

According to table 4.7, none of the Sugar Corporation and 1.8% of the distributors and sub-distributors' respondents were strongly disagreed as Sugar Corporation employed the right channel length (level). (Sugar Corporation-Distributors – Sub distributors – Retailers- End users), 25% of the Sugar Corporation and 9.1% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 9.1% of distributors and sub-distributors respondents were neutral, 50% of Sugar Corporation and 54.5% of distributors and sub-distributors respondents were agreed and the remaining 12.5% of Sugar Corporation and 25.4% of distributors and sub-distributors respondents were strongly agreed.

As shown in the table 4.7, none of the Sugar Corporation and 18.2% of the distributors and sub-distributors respondents were strongly disagreed as Sugar Corporation has the right channel breadth/intensity, 2% of the Sugar Corporation and 21.8% of the distributors and sub-distributors

respondents were disagree, 12.5% of Sugar Corporation and 9.1% of distributors and sub-distributors respondents were neutral, 50% of Sugar Corporation and 41.8% of distributors and sub-distributors respondents were agreed and the remaining 9.1% of distributors and sub-distributors respondents were strongly agreed.

As shown in the table 4.7, none of the Sugar Corporation and 1.8% of the distributors and sub-distributor's respondents were strongly disagreed as Sugar Corporation employed the right channel depth (Mix of channel intermediary types), 12.5% of the Sugar Corporation and 3.6% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, 62.5% of Sugar Corporation and 70.9% of distributors and sub-distributors respondents were agreed and the remaining 12.5% of Sugar Corporation and 20% of distributors and sub-distributors respondents were strongly agreed.

According to table 4.7, none of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were strongly disagreed as Design of the current distribution channel of Sugar Corporation is the best of all other alternatives, none of the Sugar Corporation and 14.5% of the distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 5.5% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 23.6% of distributors and sub-distributors respondents were agreed and the remaining 62.5% of Sugar Corporation and 50.9% of distributors and sub-distributors respondents were strongly agreed.

The respondents indicated that Sugar Corporation employed the right channel length, 62.5% (sum of agree and strongly agree) the respondents from Sugar Corporation and 79.9% (sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 3.77, 50% (sum of agree and strongly agree) the respondents from Sugar Corporation and 51% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated the Sugar Corporation has the right channel breadth/intensity as shown by a mean of 3.01. From 75% (sum of agree and strongly agree) of respondents from Sugar Corporation and 90.9% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, Sugar Corporation employed the right channel depth by a mean of 3.64. From 87.5% (sum of agree and strongly agree) of respondents from Sugar Corporation and 74.5% (sum of agree and strongly

agree) the respondents from distributors and sub-distributors indicated, Design of the current distribution channel of Sugar Corporation is the best of all other alternatives, mean of 3.93. The mean value 2 and less indicated that the Distribution Channel Design is not satisfactory, mean value greater than 2 and less than 3 indicate moderately satisfactory, mean value greater than 3 indicate Sugar Corporation employed the right channel length that the Distribution Channel Design is good.

4.3.6. How is the Channel regulation and violation?

Table 4.8. Channel Regulation and violation.

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	The regulation of the channel bind both Parties i.e. Sugar Corporation and distributors.	Strongly disagree	0	0	1	1.8	3.77
		Disagree	0	0	3	5.5	
		Neutral	0	0	10	18.2	
		Agree	2	25	36	65.5	
		Strongly agree	6	75	5	9.1	
2	Penalty on violation of supply consistency is applied only on Unions/Consumers associations/customer s but not on Sugar Corporation.	Strongly disagree	0	0	9	16.4	2.4
		Disagree	6	75	37	67.3	
		Neutral	2	25	1	1.8	
		Agree	0	0	8	14.5	
		Strongly agree	0	0	0	0	
3	The violations are due to under/over price Sales.	Strongly disagree	0	0	0	0	3.91
		Disagree	0	0	0	0	
		Neutral	1	12.5	2	3.6	
		Agree	6	75	10	18.2	
		Strongly agree	1	12.5	43	78.2	
		Strongly disagree	0	0	0	0	
		Disagree	1	12.5	9	16.4	

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
4	The violations are due to territory	Neutral	5	62.5	3	5.5	2.6
		Agree	2	25	36	65.5	
		Strongly agree	0	0	8	14.5	

According to table 4.8, none of the Sugar Corporation and 1.8% of the distributors and sub-distributors respondents were strongly disagreed as The regulation of the channel bind both parties, none of the Sugar Corporation and 5.5% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 18.2% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 65.5% of distributors and sub-distributors respondents were agreed and the remaining 75% of Sugar Corporation and 9.1% of distributors and sub-distributors respondents were strongly agreed.

As shown in the table 4.8, none of the Sugar Corporation and 16.4% of the distributors and sub-distributors respondents were strongly disagreed as Penalty on violation of supply consistency is applied only on Unions/Consumers associations/customers but not on Sugar Corporation, 75% of the Sugar Corporation and 67.3% of the distributors and sub-distributors respondents were disagree, 25% of Sugar Corporation and 1.8% of distributors and sub-distributors respondents were neutral, 14.5% of distributors and sub-distributors respondents were agreed.

According to table 4.8, none of both Sugar Corporation and distributors and sub-distributors respondents were strongly disagreed as The violations are due to under/over price sales, none of both Sugar Corporation and distributors and sub-distributors respondents were disagree, 12.5% of Sugar Corporation and 3.6% of distributors and sub-distributors respondents were neutral, 75% of Sugar Corporation and 18.2% of distributors and sub-distributors respondents were agreed and the remaining 12.5% of Sugar Corporation and 78.2% of distributors and sub-distributors respondents were strongly agreed.

As summarized in the table 4.8, none of both Sugar Corporation and distributors and sub-distributors respondents were strongly disagreed as the violations are due to territory, 12.5% of the

Sugar Corporation and 16.4% of the distributors and sub-distributors respondents were disagree, 62.5% of Sugar Corporation and 5.5% of distributors and sub-distributors respondents were neutral, 25% of Sugar Corporation and 65.5% of distributors and sub-distributors respondents were agreed and the remaining none of Sugar Corporation and 14.5% of distributors and sub-distributors respondents were strongly agreed.

The respondents indicated that the regulation of the channel bind both parties, 100% (sum of agree and strongly agree) the respondents from Sugar Corporation and 74.6% (sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 3.77, None of (sum of agree and strongly agree) the respondents from Sugar Corporation and 14.5% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated Penalty on violation of supply consistency is applied only on Unions/Consumers associations/customers but not on Sugar Corporation as shown by a mean of 2.4. From 87.5% (sum of agree and strongly agree) of respondents from Sugar Corporation and 96.4% (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, The violations are due to under/over price sales, mean of 3.91. The respondents also agreed that the violations are due to territory, from 25% (sum of agree and strongly agree) of respondents from Sugar Corporation and 80% (sum of agree and strongly agree) the respondents from distributors and sub-distributors, as shown by a mean of 2.6. The mean value 2 and less indicated that low level of Channel regulation and violation, mean value greater than 2 and less than 3 indicate medium, mean value greater than 3 indicate high level of Channel regulation and violation.

As indicated in the table 4.8 the mean value for the regulation of the channel bind both parties i.e. Sugar Corporation and distributors. If the mean value is between 2 and 3, it implies that the regulation of the channel is moderately binding both parties (Sugar Corporation and distributors). However, the mean value for Penalty on violation of supply consistency is applied only on Unions/Consumers associations/customers but not on Sugar Corporation is 2.4, it implies that the penalty applies both Sugar Corporation and the distributors. the violations are due to under/over price sales is greater than 3 this indicates that penalty on contract violation is applied only on distributors but not on Sugar Corporation, the violations are due to under/over price sales. The violations are due to territory is the mean value is 2.6 which implies that territory violations are not penalized strictly.

4.3.7. How is the Customers relationship management?

Table 4.9. Channel member's relationships.

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	The top management of the Corporation as well as Sales team are in contact with the Consumers on a continuous basis to understand the distributors as well as customers' needs.	Strongly disagree	0	0	1	1.8	4.32
		Disagree	0	0	2	3.6	
		Neutral	0	0	1	1.8	
		Agree	6	75	34	61.8	
		Strongly agree	2	25	17	30.9	
2	There are persuasions, training and delivery of products knowledge from Sugar Corporation to its channel distributors.	Strongly disagree	2	25	17	30.9	2.41
		Disagree	6	75	35	63.6	
		Neutral	0	0	3	5.5	
		Agree	0	0	0	0	
		Strongly agree	0	0	0	0	
3	There are motivation and support from Sugar Corporation to its channel members.	Strongly disagree	6	75	46	83.6	2.45
		Disagree	2	25	9	16.4	
		Neutral	0	0	0	0	
		Agree	0	0	0	0	
		Strongly agree	0	0	0	0	

According to table 4.9, none of the Sugar Corporation and 1.8% of the distributors and sub-distributors respondents were strongly disagreed as The top management of the Corporation as well as Sales team are in contact with the Unions/Consumers associations/customers on a continuous basis to understand the distributors as well as customers' needs, none of the Sugar Corporation and 3.6% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 1.8% of distributors and sub-distributors respondents were neutral, 75% of

Sugar Corporation and 61.8% of distributors and sub-distributors respondents were agreed and the remaining 25% of Sugar Corporation and 30.9% of distributors and sub-distributors respondents were strongly agreed.

As shown in the table 4.9, 25% of the Sugar Corporation and 30.9% of the distributors and sub-distributors respondents were strongly disagreed as there are persuasions, training and delivery of products knowledge from Sugar Corporation to its channel distributors, 75% of the Sugar Corporation and 63.6% of the distributors and sub-distributors respondents were disagree, none of Sugar Corporation and 5.5% of distributors and sub-distributors respondents were neutral, none of both Sugar Corporation and distributors and sub-distributors respondents were agreed and strongly agreed.

As summarized in the table 4.9, 75% of the Sugar Corporation and 83.6% of the distributors and sub-distributors respondents were strongly disagreed as there are motivation and support from Sugar Corporation to its channel dealers, 25% of the Sugar Corporation and 16.4% of the distributors and sub-distributors respondents were disagree.

The respondents indicated that the top management of the Corporation as well as Sales team are in contact with the Unions/Consumers associations/customers on a continuous basis to understand the distributors as well as customers' needs, 100% (sum of agree and strongly agree) the respondents from Sugar Corporation and 92.7% (sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 4.32, none of (sum of agree and strongly agree) the respondents from Sugar Corporation and none of (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated there are there are persuasions, training and delivery of products knowledge from Sugar Corporation to its channel distributors as shown by a mean of 2.41. From none (sum of agree and strongly agree) of respondents from Sugar Corporation and none (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, There are motivation and support from Sugar Corporation to its channel members, as shown by a mean of 2.45. The mean value 2 and less indicated that Sugar Corporation and Distributors have low relationship, mean value greater than 2 and less than 3 indicate moderate relationship, mean value greater than 3 indicate high/strong relationship between Sugar Corporation and Distributors.

As summarized in the table 4.9 the mean value for the top management of the Corporation as well as Sales team are in contact with the Unions/Consumers associations/customers on a continuous basis to understand the distributors as well as customers' needs, mean value greater than 3 indicates that there is strong relationship between sugar corporation and its customers. Whereas, the mean value for both persuasions, training and delivery of products knowledge from Sugar Corporation to its channel distributors and motivation and support from Sugar Corporation to its channel members, is between 2 and 3 this implies that training and delivery of products knowledge from Sugar corporation to its channel distributors and motivation and support from Sugar Corporation to its channel dealers is moderate.

4.3.8. When Distributions Channel conflicts arises?

Table 4.10. Distribution channel conflicts.

No.	Questions	Scale	Sugar Corporation Employee		Distributors and sub-distributors		Mean
			Frequency	Percentile	Frequency	Percentile	
1	There is a special treatment for Regional Distributors/Unions and Industry Customers.	Strongly disagree	8	100	50	90.9	2.2
		Disagree	0	0	5	9.1	
		Neutral	0	0	0	0	
		Agree	0	0	0	0	
		Strongly agree	0	0	0	0	
2	Lack of enough demand in own territory	Strongly disagree	8	100	55	100	2.1
		Disagree	0	0	0	0	
		Neutral	0	0	0	0	
		Agree	0	0	0	0	
		Strongly agree	0	0	0	0	
3	Preference to earn target commission over target achievement	Strongly disagree	8	100	55	100	2.1
		Disagree	0	0	0	0	
		Neutral	0	0	0	0	
		Agree	0	0	0	0	
		Strongly agree	0	0	0	0	

According to table 4.10, 100% of the Sugar Corporation and 90.9% of the distributors and sub-distributors respondents were strongly disagreed as there is a special treatment for Regional Distributors/Unions and Industry Customers, none of the Sugar Corporation and 9.1% of the distributors and sub-distributors respondents were disagree. None of both Sugar Corporation and distributors and sub-distributors respondents were neutral, agreed or strongly disagreed.

As shown in the table 4.10, 100% of the Sugar Corporation and 100% of the distributors and sub-distributors respondents were strongly disagreed as Lack of enough demand in own territory, None of both Sugar Corporation and distributors and sub-distributors respondents were disagree, neutral, agreed or strongly disagreed.

According to table 4.10, 100% of the Sugar Corporation and 100% of the distributors and sub-distributors respondents were strongly disagreed as Preference to earn target commission over target achievement over target achievement, none of both Sugar Corporation and distributors and sub-distributors respondents were disagree, neutral, agreed or strongly disagreed.

The respondents indicated that there is a special treatment for Regional Distributors/Unions and Industry Customers, none of (sum of agree and strongly agree) the respondents from Sugar Corporation and none of (sum of agree and strongly agree) the respondents from distributors and sub-distributors which had a mean of 2.2, none of (sum of agree and strongly agree) the respondents from Sugar Corporation and none of (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated the Lack of enough demand in own territory as shown by a mean of 2.1. None (sum of agree and strongly agree) of respondents from Sugar Corporation and none of (sum of agree and strongly agree) the respondents from distributors and sub-distributors indicated, Preference to earn target commission over target achievement over target achievement, mean of 2.1. The mean value 2 and less indicated that low level of distributions channel conflicts, mean value greater than 2 and less than 3 indicate medium, mean value greater than 3 indicate high level of distributions channel conflicts.

In general, from the analysis the mean value for all variables is less than 3 and greater than 2 have moderate distribution channel conflict.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of the findings, conclusions and recommendations made to help and improve distribution channel. This chapter deals with the summary of challenges of indirect distribution channels.

6.1. Summary of Findings

The channel of distribution is a system that helps bringing products from manufacturer to final customer (Zikmund & Babin 2010). Companies use distribution channels to ensure that their product is distributed to customers at the right time and convenient location. Distribution channels involve intermediary organizations that help in a process to deliver products to end customers

Generally, this study has tried to identify the following challenges that affecting indirect distribution channels.

- ❖ The overall average reliability statistics for distribution channel management variables Prior experience, Distribution challenges, channel exit, IT support, Channel design, Regulation and Violation, Relation Ship and distribution channel conflict management on 31 items the Cronbach's alpha value is ($\alpha = 0.753$) and the reliability test of the study is Acceptable.
- ❖ Total sample was designed for the survey, from Sugar Corporation 8 and 61 from distributors, from the survey result we see that 8(100%) of them are from Sugar Corporation staffs and 55(90.2%) of them are from distributors filled the questionnaire, 4 (6.6%) questionnaires are not returned by Distributors and from total collected questionnaires from Distributors 2 of them are not properly filled.
- ❖ According to age group 10(15.9%) of the respondents are in the age category of between 18-30 Years, 32(52.5%) of them are in the age group of 30-45 years and 21(34.4%) of the respondents are in the age category of above 45 years.
- ❖ Concerning the educational level of 63 sample respondents the data indicates that 12(19%) of them are high school (10th or 12th) graduate, 24(38.1%) of the respondents are Certificate/Diploma holders and the rest 24(42.9%) are First Degree and above holders.

- ❖ Majority of respondents agreed that prior experience of distributing the Sugar on territory confined bases had a great importance in a process to deliver products to end customers.
- ❖ Respondents agreed that delay in on-time distributions and delivery of Sugar from Sugar Corporation to distributors, lack of distributors capacity in finance, skill and consistency of sugar corporation, distributors consideration of distribution task as a secondary business, Sales Price Determination is the challenge and Distribution channel Controlling Process.
- ❖ The majority of respondents agreed that the reason that Unions/Consumers associations are out of the distribution system is lesser profit, the high target of sugar sales based on the allocation quota, strict agreement & controlling with the trade bureaus.
- ❖ The majority of respondents agreed that there is system support from Sugar Corporation for distributors to manage their orders, the implementation of the system to support distributors and the level of IT knowledge of distributors is moderate. Whereas, the mean value greater than 3 indicates for System order handling is better than manual order handling; the system efficiency & effectiveness.
- ❖ The majority of respondents agreed that Sugar Corporation employed the right channel length, breadth/intensity and the channel depth are the right channel selection. So, the Distribution Channel Design is good.
- ❖ Respondents agreed that the regulation to control the system is good and also it have a good mechanisms to control violations. However the penalty on any violations applied only on distributors but not Sugar Corporation.
- ❖ The top management of the Corporation as well as Sales team are in contact with the distributors on a continuous basis to understand the distributors as well as customers' needs. Whereas, both persuasions, training and delivery of products knowledge from Sugar Corporation to its channel distributors and motivation and support from Sugar Corporation to its channel members, is moderate.
- ❖ The majority of respondents agreed that the conflict arises between Sugar Corporation and distributors were moderate.

6.2. Conclusions

In this research, the Challenges of indirect distribution Channels were assessed. The researcher has tried to investigate opinions from Sugar Corporation and opinions from distributors and sub-distributors were gathered.

The following conclusions are drawn based on the assessment made on Challenges of indirect distribution Channels based on information gathered through questionnaires from Sugar Corporation employees, Distributors and sub distributors.

5.2.1 Conclusions about prior experience of distributing Sugar on territory confined bases:

According to the findings, Prior experience of distributing sugar on territory confined bases has a great challenge in a process to deliver products to end customers.

5.2.2 Conclusions about basic challenges of distribution channel in distributing sugar and meeting their targets in sugar Sales:

As per the findings, delay in on-time distributions and delivery of Sugar from Sugar Corporation to distributors, lack of distributor's capacity in finance and skill, consideration of sugar distribution task as a secondary business are basic challenges of distribution channel in distributing sugar and meeting their targets in sugar sales.

5.2.3 Conclusions about terminating of distribution agreement:

As per the findings, Lesser profit gain from sugar sales, High target of sugar sales based on allocation of the quota, restrictive agreement & Controlling mechanisms used by trade bureaus are the reasons for terminating sugar distribution agreement.

5.2.4 Conclusions about the level of conflicts of channels in the distribution activities:

According to finding Sugar Corporation employed the right channel length (Sugar Corporation- Distributors – Sub distributors – Retailers- End users), design of the current distribution channel of Sugar Corporation is the best of all other alternatives, Penalty on channel regulation and violation is applied on distributors but not on Sugar Corporation, the violations are due to under/over price sales, training and delivery of products knowledge from distributors to its Sub-

distributors and motivation and support from Sugar Corporation to its channel dealers is not sufficient, in Sugar Corporation there is no special treatment for regional distributors/Unions and industrial customers, high level of preference to earn target profit over target achievement and there is no lack of enough demand in own territory.

5.2.5 Conclusions about Information system support the distributors:

As per the findings, System order handling is better than manual order handling; the system efficiency & effectiveness is high. However, Sugar Corporation system does not support for distributors to manage their orders and the system to support distributors is not fully implemented and has low level of IT knowledge of distributors to implement the system.

6.3. Recommendations

The objective of this research was to generate findings from the problems addressed in the literature review through questionnaire. In addition the ultimate objective of this thesis was to forward recommendations based on the findings of the study. Therefore, the recommendations are focused on addressing the major problems identified through the research process.

- ❖ Sugar Corporation has to maintain automated distribution system in order to reduce delay on distributions and delivery of Sugar to distributors
- ❖ Sugar Corporation has to provide training on distribution in order to improve the distributors' capacity in finance and skill.
- ❖ Distributors have to consider the distribution task as a primary business as result increases the distribution efficiency.
- ❖ The sugar sales price is set by ministry of trade, so the ministry has to see an option on adjustment on profit for distributors/sub distributors in order to minimize termination of distribution agreement.
- ❖ Sugar Corporation has to provide IT support for distributors to manage their orders in order to maintain smooth relationship and increase the capacity of the distributors
- ❖ Distributors have provide the IT system training for their employees and their sub distributors to improve IT knowledge in implement the system
- ❖ Sugar Corporation has to consider the design of the current distribution channel in order to facilitate distribution process.
- ❖ In order to minimize the level of conflicts of channels in the distribution activities penalty procedures has to apply.

6.4. Directions for Further Studies

The research has more rooms for improvements to assess the challenges of indirect distribution.

So the researcher recommends the below points:

- Further research could be conducted by the determination of distribution channel and/or chain only decided by Ministry of Trade.
- Further research could be also conducted by the relationship between indirect distributions with price determination.
- Expanding the current study to other basic commodities distribution practices.

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APPENDIX I



St. Mary's University

Master of Business Administration

Questionnaire on (Assessing the challenges of indirect distribution channels: The case of Sugar Corporation.

Dear Respondents,

This questionnaire is designed to assess the challenges of indirect distribution channels: The case of Sugar Corporation in Addis Ababa. This study is conducted in partial fulfillment of the requirements for the Master's degree in Masters of Business Administration at St. Mary's University. Its main objective is to assess the challenges of indirect distribution channels: the case of Sugar Corporation specifically in Addis Ababa.

Your response is vital to the outcome of the study and you are kindly requested to completely and objectively answer all questions. The research is going to be carried out based on your responses and other relevant data that could support it.

Your cooperation to respond genuinely is very important to this study. Please answer all questions. Space is provided at the end of the questionnaire for you to add further explanations or comments. I would promise that all information you provide would be strictly confidential.

Please tick (✓) or provide your own response where applicable.

Thank you in advance for your indispensable cooperation to spare invaluable time and energy to complete these questionnaires.

Name: Birhanu Wolde Dereje

MA student at St. Marry University

Thank You!!

Part I: Demographics of respondents

1. Age
 - a. 18-30
 - b. 31 – 45
 - c. above 45

2. Level of Education
 - a. under complete
 - b. 10/12th complete
 - c. Certificate/Diploma
 - d. First Degree and above.

3. How long you are working with Sugar Corporation on distribution of its Products (Sugar)?
 - a) 1 year
 - b) 2 years
 - c) 3 years
 - d) 4 years and above

The following statements are concerned about the challenges of indirect distribution channel in Sugar Corporation Addis Ababa. You are required to rate the items in the instrument on the basis of a five (5) point scale. Please rate to what extent you agree on the following. Please indicate the extent of your agreement with each statement by ticking (□) a number from 1 to 5.

Note that: - Select only one among the options given below

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, 5 = Strongly Agree.

Part II

S.no	Questions	Options				
		5 (Strongly Agree)	4 (Agree)	3 (Not Sure)	2 (Disagree)	1 (Strongly Disagree)
1	What is the prior experience of distributing the Sugar on Territory Confined Bases?					

S.no	Questions	Options				
		5 (Strongly Agree)	4 (Agree)	3 (Not Sure)	2 (Disagree)	1 (Strongly Disagree)
1.1	Sugar Corporation distribution channel strategy is as good.					
1.2	Territory confined/limited sales is a convenient decision for target achievement					
1.3	Sales channel strategy complies with overall company vision and aims on distributions					
1.4	To be a distributor/sub distributor prior experience on distribution is very important					
2	What are the basic challenges that affect the distribution channel in distributing Sugar?					
2.1	The Assignment of over target					
2.2	Delay in on-time Distributions and delivery of Sugar from Sugar Corporation.					
2.3	Lack of Sugar Corporation capacity in finance, skill and consistency					
2.4	Unions/Consumers associations consideration of distribution task as a secondary business					
2.5	Sales Price Determination					
2.6	Distribution channel Controlling Process					
3	What is the main reason that Unions/Consumers associations are out of the distribution system?					
3.1	Lesser profit gain from sugar sales.					
3.2	High target of sugar sales and lack of demand based allocation of the quota					
3.3	Strict agreement & Controlling with the trade bureaus.					
4	What is the level of Information technology support for inventory and order management					
4.1	Currently there is system support from Sugar Corporation for Unions/Consumers associations/customers to manage their orders					

S.no	Questions	Options				
		5 (Strongly Agree)	4 (Agree)	3 (Not Sure)	2 (Disagree)	1 (Strongly Disagree)
4.2	The system to support Unions/Consumers associations/customers is fully implemented					
4.3	System order handling is better than manual order handling; the system efficiency & effectiveness is high					
4.4	The level of IT knowledge of Unions/Consumers associations/customers is high to implement the system					
5	Distribution Channel Design					
5.1	Sugar Corporation employed the right channel length (level). (Sugar Corporation-Distributors – Sub distributors – Retailers- End users)					
5.2	Sugar Corporation has the right channel breadth/intensity (136 distributors) for Addis Ababa					
5.3	Sugar Corporation employed the right channel depth (Mix of channel intermediary types).					
5.4	Design of the current distribution channel is the best of all other alternatives.					
6	Channel regulation and violation					
6.1	The regulation of the channel bind both parties i.e. Sugar Corporation and distributors					
6.2	Penalty on violation of supply consistency is applied only on Unions/Consumers associations/customers but not on Sugar Corporation.					
6.3	The violations are due to under/over price Sales.					
6.4	The violations are due to territory					
7	Sugar Corporation to Unions/Consumers associations/customers relation ship					

S.no	Questions	Options				
		5 (Strongly Agree)	4 (Agree)	3 (Not Sure)	2 (Disagree)	1 (Strongly Disagree)
7.1	The top management of the Corporation as well as Sales team are in contact with the Unions/Consumers associations/customers on a continuous basis to understand the distributors as well as customers' needs.					
7.2	There are persuasions, training and delivery of products knowledge from Sugar Corporation to its channel distributors.					
7.3	There are motivation and support from Sugar Corporation to its channel members.					
8	Distributions Channel conflicts arises when;					
8.1	There is a special treatment for Regional Distributors/Unions and Industry Customers.					
8.2	Lack of enough demand in own territory					
8.3	Preference to earn target commission over target achievement					

Please state any more reason that results in the channel conflict.

9. If you have any additional concerns on Questions stated here above (Question 1-8) and any unmentioned issue related to Sugar Corporation end to end distribution activities, please state here under:

Thank You Very Much!!



St. Marry University
ቅድስተ ማሪያም ዩኒቨርሲቲ

በቢዝነስ አስተዳደር ሁለተኛ ዲግሪ ማሟያ ጥናታዊ ፅሁፍ ለመስራት የተዘጋጀ መጠይቅ

ይህ መጠይቅ የተዘጋጀው በስኳር ኮርፖሬሽን የስኳር ምርት ስርጭት ላይ ያለውን ቀጥተኛ ያልሆነ የስርጭት ሰንሰለት ያለበትን ማነቆዎች እና በስርጭት ሰንሰለቱ ውስጥ የሚሳተፉ አካላት ያላቸውን የሥራ ግንኙነት ለማጥናት የተዘጋጀ መጠይቅ ነው። የጥናቱ ዋና አላማ ቀጥተኛ ባልሆነ የስርጭት ሰንሰለት ላይ ያሉ ዋነኛ ማነቆዎችን ማጥናት እና በጥናቱ ለሚለዩ ችግሮች የመፍትሄ አቅጣጫ ማመላከት ነው።

በመሆኑም የእርስዎ ምላሽ በጥናቱ ለሚገኘው ውጤት ወሳኝ በመሆኑ የተዘጋጀውን መጠይቅ በጥንቃቄ በማንበብ እና የሚያመጣውን ውጤት ታሳቢ በማድረግ መጠይቆቹን እንዲሞሉ እየጠየኩ፤ ከጥናቱ የሚገኘው ውጤት እርስዎ በሚሰጡት ምላሽ እና በሌሎች ተያያዥ መረጃዎች ላይ የሚመሰረት ይሆናል።

ስለሆነም መጠይቁን በቀናነት በግልፅነትና ከምላሹ የሚገኘው ውጤት ለጥናቱ እጅግ ጠቃሚ መሆኑን በመረዳት ምላሽዎች እንዲሰጡ እጠይቃለሁ። ተጨማሪ ማብራሪያ እና አስተያየት መስጠት እንዲችሉ ከመጠይቁ መጨረሻ ላይ ባለው ባዶ ቦታ የተዘጋጀ መሆኑን እየገለፅኩ፤ የሚሰጡት መረጃ ሙሉ በሙሉ ሚስጥራዊነቱ የተጠበቀ እንዲሁም ለዚህ ጥናት ግብዓት ብቻ የሚውል መሆኑን አረጋግጣለሁ።

ምላሽዎን ለመስጠት (X ወይም ✓) ምልክት ይጠቀሙ፤

ውድ ጊዜዎትን እና ጉልበትዎን ሰውተው መጠይቁን ለመሙላት ለሚያደርጉት ትብብር በቅድሚያ አመሰግናለሁ።

ብርሃኑ ወልዴ ደረጀ

ቅድስተ ማሪያም ዩኒቨርሲቲ

አመሰግናለሁ!

ክፍል አንድ

የመልስ ሰጪዎች አጠቃላይ መረጃ

1. የእድሜ ክልል

U/ ከ18 – 30

ለ/ ከ31 – 45

ሐ/ ከ45 ዓመት በላይ

2. የትምህርት ደረጃ

U/ ከ10ኛ ክፍል በታች

ለ/ 10 ወይም 12ተኛ ክፍል ያጠናቀቀ/ች

ሐ/ ሰርተፍኬት ወይም ዲፕሎማ

መ/ የመጀመሪያ ዲግሪ እና ከዛ በላይ

3. ከስኳር ኮርፖሬሽን ስኳር ገዝታችሁ በማሰራጨት ለምን ያህል ጊዜ ሰርታችኋል?

U/ ለአንድ ዓመት

ለ/ ለሁለት ዓመት

ሐ/ ለሦስት ዓመት

መ/ አራት ዓመት እና ከዛ በላይ

ክፍል ሁለት

የሚከተሉት ጥያቄዎች በስኳር ኮርፖሬሽን እና ምርት በሚያሰራጨ አካላት መካከል ያለውን ግንኙነት እና በስርጭት ሂደቱ ላይ ያሉ ማነቆዎችን የሚመለከቱ ናቸው። እባክዎ በእያንዳንዱ ጥያቄ ላይ ምን ያህል እንደሚስማሙ መልስዎን ከ5 እስከ 1 በተዘረዘሩት አማራጮች ላይ በአንዱ የ X ወይም \surd ምልክት በማኖር ያመልክቱ።

5 = እጅግ በጣም እስማማለሁ፤ 4 = እስማማለሁ፤ 3 = እርግጠኛ አይደለሁም፤ 2 = አልስማማም፤ 1 = እጅግ በጣም አልስማማም

ተ.ቁ	ጥያቄዎች	እጅግ በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	እጅግ በጣም አልስማማም
1	በተወሰነልዎ አካባቢ ስኬት ከማሰራጨት አንፃር ምን ያህል የቀደመ ልምድ አለ?					
1.1	የስኬት ኮርፖሬሽን የስርጭት ሂደቱ ጥሩ ነው፤					
1.2	በተወሰነ አካባቢ ብቻ ተወስኖ ስኬት ማሰራጨት ዕቅዳችሁን ለማሳካት ምቹ ነው፤					
1.3	የሽያጭ ሰንሰለት ሂደቱ ከኮርፖሬሽኑ ተልዕኮ እና ዓላማ አንፃር የተጣጣመ ነው፤					
1.4	ስኬት አሰራጭ/አከፋፋይ መሆን የቀደመ ልምድ ያስፈልጋል፤					
2	የስኬት ስርጭት ሂደቱ ላይ ተፅዕኖ የሚፈጥሩ ዋነኛ ችግሮች ምንድን ናቸው?					
2.1	እንድታሰራጩ የተሰጣችሁ መጠን በጣም ከፍተኛ ነው፤					
2.2	የስኬት አቅርቦት መዘግየት እና አቅርቦት አለመኖር					
2.3	የስኬት ኮርፖሬሽን የፋይናንስ ችግር ፣ የወጥነት አለመኖር እና የህህሎት ክፍተቶች መኖራቸው					
2.4	በሽማቻ ማህበራትና ዩኒቨርሲቲዎች በኩል ስኬት ማሰራጨት እንደሁለተኛ ሥራ ወይም ቢዝነስ መመልከት፤					
2.5	የመሸጫ ዋጋ ተመን፤					
2.6	የስርጭት ቁጥጥር ሂደት፤					
3.	ስኬት የሚያሰራጩ ሸማቾች ማህበራትና ዩኒቨርሲቲዎች ከስርጭት ሰንሰለቱ/ሂደት ለመውጣታቸው ዋነኛ ምክንያቶች ምንድን ናቸው?					
3.1	ከስኬት ሸያጭ የሚገኘው ትርፍ አነስተኛ መሆን፤					
3.2	ከፍተኛ የሸያጭ ዕቅድ መያዝና የገበያ ፍላጎት አለመኖር፤					
3.3	ከንግድ ቢሮዎች ጋር የሚደረግ ስምምነትና ቁጥጥር ጠንካራ መሆን፤					

ተ.ቁ	ጥያቄዎች	እጅግ በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	እጅግ በጣም አልስማማም
4	የግዥ ትዕዛዝ ለመስጠት እና ክምችትን ለማወቅ ያለው የኢንፎርሜሽን ቴክኖሎጂ ድጋፍ ምን ይመስላል?					
4.1	ስኪር ኮርፖሬሽን የግዥ ትዕዛዝ ለመቀበል የሚያስችል በቴክኖሎጂ የታገዘ ስርዓት አለው፤					
4.2	ደንበኞችን ለማስተናገድ የተሰራ የቴክኖሎጂ ስርዓት ተግባራዊ ተደርጓል፤					
4.3	የተዘረጋው ቴክኖሎጂ (ካለ) ብቃትና አፈፃፀም ከፍተኛ መሆን፤					
4.4	የሽማግሌ ማህበራት እና ዩኒቨርሲቲዎች ኢንፎርሜሽን ቴክኖሎጂ መጠቀም የሚያስችል ከፍተኛ አቅም አላቸው፤					
5.	የስርጭት ሰንሰለት ቅርፅ፤					
5.1	ስኪር ኮርፖሬሽን የሚከተለው የስርጭት ስርዓት ትክክል ነው።					
5.2	በአዲስ አበባ በቂ የስኪር አሰራጭ ማህበራት አሉ፤					
5.3	ስኪር ኮርፖሬሽን የተለያዩ/የተቀላቀለ የስኪር ስርጭት ሂደትን ይከተላል፤					
5.4	አሁን ያለው የስኪር ስርጭት ሰንሰለት ከሁሉም አማራጮች የተሻለና ምርጥ ነው፤					
6.	የስርጭት ሰንሰለት ህግ እና የህግ ጥሰት					
6.1	የስርጭት ሰንሰለት ህጉ ሁለቱንም ወገኖች የሚገዛ ነው፤ (ስኪር ኮርፖሬሽንን እና ሽማግሌ ማህበራትን/ዩኒቨርሲቲን)					
6.2	የስርጭት ሰንሰለት ላይ የተቀመጡ መመሪያዎችን መጣስ ሽማግሌ ማህበራትን ብቻ የሚያስቀጣ ነው፤					
6.3	ቅጣቱ በከፍተኛ ወይም በአነስተኛ የመሸጫ ዋጋ መሸጥ ነው፤					
6.4	ቅጣቱ የማሰራጨ ወሰንን ወይም አካባቢን በመጣስ የሚመጣ ነው፤					

ተ.ቁ	ጥያቄዎች	እጅግ በጣም እስማማለሁ	እስማማለሁ	እርግጠኛ አይደለሁም	አልስማማም	እጅግ በጣም አልስማማም
7	በስኪር ኮርፖሬሽን እና በማህበራትና ዩኒቨርሲቲ መካከል ያለ ግንኙነት፤					
7.1	የስኪር ኮርፖሬሽን ከፍተኛ አመራር እንዲሁም የሽያጭ ቡድኑ/ክፍሉ ከደንበኞች ጋር ቀጣይነት ያለው ግንኙነት አለው፤ የደንበኞችን ፍላጎት ከማወቅ አንፃር					
7.2	ስለስኪሩ ሁኔታ እና የአቅርቦት ሂደት በስርጭቱ ለሚሳተፉ ሸማች ማህበራትና ዩኒቨርሲቲ ከኮርፖሬሽን ስልጠና ይሰጣል፤					
7.3	በስርጭት ሂደቱ ለሚሳተፉ አካላት (ሸማች/ዩኒቨርሲቲ) ስኪር ኮርፖሬሽን የማበረታቻ ስልጠናዎችን ይሰጣል፤					
8	በስርጭት ሰንሰለቱ ላይ ግጭቶች የሚነሱት መቼ ነው?					
8.1	ለክልል ዩኒቨርሲቲ ወይም ለኢንዱስትሪዎች የተለየ መስተንግዶ ይደረጋል፤					
8.2	እንዲያሰራጩ በተፈቀደላቸው አካባቢ አነስተኛ የስኪር ፍላጎት ነው ያለው፤					
8.3	በዕቅድ የያዙትን መጠን ካሰራጩ የኮሚሽን ክፍያ ይፈልጋሉ					

እባክዎ በስኪር ስርጭት ላይ የሚነሱ ግጭቶችን እና የሚያስከትሉትን ውጤት በዝርዝር ይግለጹ?

9. ከላይ ከቀረቡት ጥያቄዎች በተጨማሪ በስኪር ምርት ስርጭት ላይ የሚነሱ ማንኛውም አስተያየቶችና የሚታዩ ችግሮች በዝርዝር ይግለጹ?

እጅግ በጣም አመሰግናለሁ!!!