

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES



**THE EFFECT OF DISTRIBUTION PERFORMANCE ON MARKET SHARE;
COMPARATIVE STUDY IN THE CASE OF HEINEKEN BREWERIES SC
AND BGI ETHIOPIA**

BY
GETU TAYE

MAY 2018

ADDIS ABABA, ETHIOPIA

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ETHIOPIA**

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GETU TAYE

**THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE
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ENDORSEMENT

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Declaration

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Mulatu Takele (Ph.D.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Signature& Date

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List of Abbreviations and Acronyms

HBSC	Heineken Breweries SC
BGI	BGI Ethiopia
IDC	Indirect Channels of Distribution
DC	Direct Channel
ANOVA	Analysis of Variances
IV	Independent Variable
DV	Dependent Variable
SPSS	Statistical Package for Social Sciences
MDC	Micro Distribution Centers
CAA	Central Addis Abeba
EAA	East Addis Abeba
NAA	North Addis Abeba
SAA	South Addis Abeba
WAA	West Addis Abeba
S.C	Share Company

Abstract

The purpose of the study is to emphasize on the effect of distribution performance on Market share; comparatively in the cases of Heineken breweries S.C and BGI Ethiopia in Addis Ababa region by considering order fill rate, planning, stock management, distribution capacity, distribution channel used by competitors, distribution flexibility, support of the company to distributors , coordination between the company and distributors, distribution regulation and communication between the company and distributors. The study was performed in quantitative and qualitative research approaches. To reveal the determinants of market share descriptive and explanatory research design were used. For selecting sample respondents' probability sampling techniques was used for outlets and non-probability sampling techniques was used key informants by purposive and for beer distributors. The data analysis was performed by inferential and descriptive statistics. The total sample size was 231. Major findings of the study indicate that there is positive correlation between market share and distribution performance. However, distribution channel used by competitors have a positively correlated but statistically insignificant with market share. The study revealed that, the value of ($R = 939^a$) and ($R^2 = .881$) obtained under the model summary part was statistically significant. The study concluded that the market share of breweries is significantly determined by those 10 independent factors. The study shows that the extent of distribution performance of BGI Ethiopia is better than Heineken breweries. Thus, Heineken breweries should grant loans with long period repayment for distributors to enhance the financial capacity distributors to invest more on warehouse facilities and trucks and BGI Ethiopia has to make adjustment on distribution policies and procedures which is currently became the major hinders in the flexibility of the distribution process.

Key Words; - distribution, distribution performance, market share.

CHAPTER ONE

INTRODUCTION

This chapter dealt about introductory concepts of the study, background of the study, statement of the problem, basic research questions, research objectives, definition of terms, the research significance, its scope and the entire organization of the study is comprehensively written.

1.1 Background of the Study

Distribution channels are pathways along which products travel from producers and manufacturers to ultimate consumers. They are routs along which products, information and finance flow. While some companies deal directly with their customers, most companies use a distribution channels to take products to consumers. Considerable through, effort and investments are required to create and maintain a distribution channel. Channel margins and the expense of sales efforts in managing channels can form a substantial proportion of total marketing cost, (Rnagan, Kasturi, Menzes and Maier, 2010).

Today, companies are faced with the choice of distribution path or strategy that will make product readily available to potential customers. Also the need for other institutions or intermediaries in the delivery of goods is sometimes questioned, particularly since the profits they make are viewed as adding to the cost of the product. The concept of distribution refers to where and how products and services are to be offered for sale, all essential mechanism and logistical supports for the transfer of goods and service as well as ownership of goods and services to the customers ,(Obaji, 2011)

The firm's performance can be determined by its marketing strategies with its good planning, effective implementation, and evaluation & control mechanisms. In addition to the above facts, the optimum firm outcome can be reached if the marketing strategy formulation and execution can be aligned with the firm's external environments , (Ramaseshan, Ishak, & Kingshott, 2013).

(Jain & Shaakshi, 2009) explained distribution as one of the four aspects of marketing strategies in businesses. Since distribution is the one aspect of marketing strategy, there are different

advantages of usages of multichannel of distribution system as a marketing strategy. (Wallace, Johnson & Umesh, 2009).

(Kotler & Armstrong ,2012) explained the contribution of good distribution strategies as it can create customer value and competitive advantage for a firm. Another benefit of the distribution strategy is the objective of adding value to the process of making products and services available to business and household consumers, (Valos & Vocino, 2006).

According to (Havalder and Cavale, 2007) physical distribution creates value of benefit that has an impact on the company's market share, total costs and Profitability. Moreover, many scholars have been recommended that physical distribution play significant role for the enhancement of market share if and only if efficient. Channels of distribution are of vital importance to all types of firm's producer, wholesaler and retailer. Each type of channel is a link in a distribution network of organizations extends from producer to the end users of products or services, (Valos & Vocino, 2006) On top of that a distribution channel consist of the set of people and firm involved in the transfer of title to a product as the product moves from producer to ultimate customer or a business user. A channel of distribution always includes both the producer and the final customer for the product in its present forms as well as any middlemen such as retailer and wholesaler , (Etezel M. and others, 2004).

Currently the beer industry is the biggest sector of the Alcoholic Beverage industry in Ethiopia. In this competitive market, all the companies are trying to deliver more quality and valuable products to the customer compared to their competitors. This enables distribution management to be more important in the current business environment as distribution performance has a crucial effect in companies' competitiveness. Heineken Breweries S.c is a well-known brew company across the world it has many plants operating throughout the world and Heineken Ethiopia was established in June 2014 with the production capacity of 1.5 million hectoliter and the plant is found near the outskirts of Addis Ababa Kilinto and by now the company has doubled its production capacity to 3.5 million hectoliter. Harar , Bedele, Waliya , Heineken, Harar sofi , sofi malt , bucker and waliya radler are one of the portfolio of the company and company has 35000 workers out of this 344 permanent and others are adhoc workers (source;- Heineken Breweries

S.C published brochure August 2017) and the study focused on the investigation of the major determinants of market share of Heineken breweries within the boundary of Addis Ababa.

1.2 Statement of the Problem

Since Heineken is being distributing and selling its products throughout the country the company has been trying to build a strong relationship among the distribution chain so as to disseminate its products till the boarder edges of Ethiopia. According to (Valos & Vocino, 2006) distribution is thought of as a competitive advantage for those organizations which have built up distribution clout and economies of distribution through sheer size. Distribution plays a vital role in the success of the sales effort by ensuring the availability of the product in the right quantities at the right time and at the right place. (Kotler & Armstrong ,2012) Distribution is a function to distribute or sub- divides the producer's goods on a geographical basis to various specific markets, (Etezel M. and others,2004). According to (Jain & Shaakshi ,2009) distribution is the application of motion to materials as they move from the times, places, forms and conditions where they have no value to the times, places, forms and conditions where they have value distribution refers every seller must decide how to make its goods available to the target market . The two choices are to sell the goods directly or to sell them through middlemen, (kotler ,2003)

Distribution plays a crucial role in creating the accessibility and visibility of company's product at all levels of selling. However, distribution and market share coverage has become a big challenge for the company to overcome those challenge and to enhance the distribution capacity and market share having a solid distribution system is crucial as effective distribution has become a potential valuable way of securing competitive advantage in the market, (Jain & Shaakshi ,2009).

Therefore, the knowledge of proper delivery of goods and monitoring in every stage of distribution activity is a key to lead the organization one step far behind the competitors. Heineken breweries have faced many problems in its distribution activities and its performance becomes reduced continuously and this exposed the brewery to lose market share. Efficiency and effective of distribution performance is a vital for successful achievement of the objective of Heineken Breweries. S.c. However, the Heineken distribution is ineffective and inefficient. This means that there is lack of well-planned and coordination among different departments,

contracted transporters are very less in number and in truck volumes, distributors lacks a capacity in holding ample of stock, the company took longer time to place an order, distributors are place an order after they are out of stock and lacks covering a wide range of the intended market share. Hence, this research was under taken to identify distribution performance on market share coverage.

Heineken Breweries S.c has different competitors but one of its strategic competitors is BGI Ethiopia. there are a lot of brewery companies in Ethiopia such as; - Meta Abo Brewery S.c , Dashen Brewery SC, Habesha Brewery S.C, Raya Brewery S.c and Zebidar Brewery S.c however, compared to Heineken Breweries S.C and BGI Ethiopia they are less capacitated in terms of production and volume sold per year. However, these brewery companies are competing each other to get the upper hand on the market coverage. Therefore, the researcher would compare two brewery companies' i.e. BGI Ethiopia and Heineken breweries to look at in deep the distribution performance effects on market share. The percentage sales of beer in Addis Abeba region are, BGI Ethiopia has gained 43% of total share, Heineken contributes 34% of the volume share, 12 % share is contributed by Habesha brewery SC, 6 % of the volume is contributed by Dashen brewery SC, 5 % is contributed by Meta Abo brewery. (Heineken breweries first quarter sales report 2018)

Heineken Breweries SC has direct and indirect distribution channels. The indirect channel of distribution is being contributing more than 95 % of the company's total sales volume and the other channel of distribution, i.e., direct channel, contributes the remaining total sales of the company. While the Direct channel has 3 shops throughout the country, the indirect channels more than 38 distributors, 436 sub-distributors and 24,746 outlets. Whereas 18 distributors are distributing in Addis Abeba and 14,773 outlets are working on retaining the product to consumers. (Sales report, February 2018). BGI Ethiopia has 32 distributors, 356 sub-distributors and 24,746 outlets. However, 13 distributors are being distributing in Addis Abeba region and 14, 773 outlets are working on retaining the product to consumers (Heineken management meeting memo 2018).

Even if indirect distribution channel contributes the major shares of sales for Heineken, its Market share has got constraints with in different situations. Because of its insufficient and

smooth-less distribution of products and services in most parts of the country, it creates some drawbacks to satisfy the channel's smooth relationship. Hence, to improve the management of both indirect distribution and direct distribution channel and to create smooth relationship between all the distribution chain players, Heineken has been began some promising works but it is not enough and consistent on the other hand BGI is being used Direct and indirect, the indirect distribution contributes 94 % whereas direct distribution channel contributes 6% out of the total volume sold (2017 volume sold report) BGI Ethiopia has been operated in Ethiopia for long period of time and the brewery done more on what distribution strategies and services to use on every sales regions, zones and segment the channel relationship is smooth and it is going well compared to Heineken breweries. However, to overlook issues on distribution chain area, this study investigated the various determinants of distribution provides managerial insights and policy implication on factors affecting the distribution performances in general.

1.3 Research Question

Based on the problem stated on statement of the problem the following questions are addressed by the study:-

- What are the factors affecting distribution performance?
- What are the distribution channels that are used by BGI Ethiopia in relation to that of Heineken Breweries SC in Addis region?
- What is the relationship between various variables which determine distribution performance?

1.4 Objective of the study

This study consists of general and specific objective which is indicated as follows:

1.4.1 General Objective

The main objective of the study is to examine the effect of distribution performance on market share with comparative emphasis on Heineken breweries and BGI Ethiopia's distributors and outlets.

1.4.2 Specific Objective

In line with the above general objective the research study achieve the following

Below Specific objectives:-

- To examine effect of distribution performance on market share in the case of Heineken breweries s.c and BGI Ethiopia
- To assess how distribution influence market share in the case of Heineken breweries s.c and BGI Ethiopia

1.5 Significance of the Study

Distribution is key strategic area requiring significant attention and effective management. It is one of the most expensive activity and improving distribution will have significant impact on company's performance in terms of profitability, customer satisfaction and market share. Because, effective Distribution will help a lot in delivering the right product, in the right quantity, to the right place, at the right time, with the right quality, and in the right cost. Therefore, the findings and recommendations from this study is an interest for brewers. Specifically, the findings are significant in the following aspects.

It helped in diagnosing and evaluates the current market share of the company and focus on distribution performances to be added for further improvement.

It used as an input in designing and implementing effective and efficient distribution strategy that significantly improve company's performance in terms of profitability and covering a large number of buyers

The study contributes potentially for the company distribution strategy makers through giving clear picture about the current performance and adjustment needed in the future.

It creates good opportunity for the researcher to get more practical knowledge about the area of distribution channel.

It helps other as a secondary source of information for further research to be made in the area.

1.6 Scope of the Study

There are nine brewery companies in Ethiopia located at different places such as Dashen brewery SC (located in Gonder and Debrebirhan Amhara region), Meta Abo brewery SC (located in sebeta Oromia region), Raya brewery SC (located in raya Tigray region) , Habesha Brewery SC (located in debrebirahan Amhara region), Zebidar brewery SC (located in wolkite southern nations and nationalities region) , Harar brewery SC (located in harar harari region) and Bedele brewery SC (located in bedele oromia region), Heineken breweries SC (located in kilinto Addis Abeba) and BGI Ethiopia (located in addis abeba) This study focuses on both companies located in Addis Abeba by considering distributors and outlets. Since other brewery companies are located into different regions and geographically dispersed the researcher was not able to compare the entire brewery companies' distribution performance. Hence, the study also deals about the effects of distribution performances and market share for two brewery companies located in Addis Ababa i.e. Heineken breweries and BGI Ethiopia focusing on order fill rate, planning, stock management, distribution flexibility, distribution channel used by competitors, distribution flexibility, support of the company, Coordination between the company and distributors, distribution regulation and Communication between the company and distributors.

1.7 limitation of the Study

This comparative study was limited to the effect of distribution performance on market share in the case of Heineken breweries SC and BGI Ethiopia since the rest breweries are geographically dispersed the researcher cannot able to analyze all breweries. Therefore, the researcher took two breweries located in addis abeba. the study is not include the ultimate customer of the product to figure out the influence of distribution in depth due to time and budgetary constraints and as there is no prior study on this area the researcher was relay on first hand data obtained via interview and questionnaires.

1.8 Operational Definitions of Key Terms

Indirect Channel of Distribution (IDC): It is one kind of channel of distribution when a company uses one or more levels of intermediaries to help bring its products to final buyers, (Kotler & Armstrong ,2012),

Retailers: It is a natural or legal person, which have entered into contractual relations with the Sub Distributor with the goal of selling and promoting a maximum number of beer products in the assigned territory (Heineken Brewery S.C, Indirect Channels Products and Services Distribution Agreement, 2016). : It deals with the activities involved in selling goods and services to ultimate customers. And the buying motive for a retail sale is always personal or family satisfaction stemming from the final consumption of the item being purchased, (Stern, and El-Ansary,1977).

Territory: It's a boundary in which distributors normally expect to receive full credit for all sales in their territories, whether or not they did the selling, (Kotler ,2003).

Direct Channel: It is marketing channel in which products are sold within its own shops for the entire customers of the company,(Kotler ,2003).

Outlets ;- A liquor store is a retail shop that predominantly sells prepackaged alcoholic beverages typically in bottles — intended to be consumed off the store's premises.
(en.wikipedia.org)

Strategic Competitor: is a competitor pursue the same type of marketing strategy, same in terms of product differentiation, promotion, distribution and pricing

(Source;-Heineken marketing strategy)

1.9 Organization of the Study

The research paper was organized in five chapters. The first chapter constitutes the information

Of the study i.e. it includes background of the study with background of the company, statement of the problem, research questions, objectives of the study, and significance of the study, Scope of the study, limitation of the study and operational definition of key terms.

The second chapter reviews the related literatures includes theoretical, empirical reviews and conceptual models the third chapter shows the method of study to be used in the preparation of the research paper. Chapter four emphasizes on the results and discussion. Chapter five will be the compilation of summary, conclusions and recommendations of the whole study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Concepts

2.1.1 Definition of Concepts

- **Distribution**

Distribution is the process of making a product or service available for use or consumption by a consumer or business user, using direct means, or using indirect means with intermediaries. Or are the movement of goods and services from the source through a distribution channel, right up to the final customer, consumer or user, and the movement of payment in the opposite direction, right up to the original producer or supplier. An order or pattern formed by the tendency of a sufficiently large number of observations to group themselves around a central value, (Wren, 2007). The familiar bell-shaped curve is an example of nominal distribution in which the largest numbers of observations are distributed in the center, with progressively fewer observations falling evenly on the either side of the center (average) line. See also frequency distribution, nominal distribution, and standard distribution Wren, (2007).

- **Channel**

The channel function concept has already been extensively discussed by academics (Jain & Shaakshi ,2009) argued that functions are considered to be the basic determinants of channel structure. That is, a system designed to carry out necessary tasks. Some researchers have discussed channel structure in terms of the function performed by channel members, (Wren, 2007) the basic idea was that channel functions could be allocated in different combination.

- **Distribution Channel**

(Coughlan et al., 2006) defined a distribution channel as a set of independent organizations involved in the process of making a product or service available for use or consumption. The ultimate goal of a distribution channel is to bridge the gap between producers and consumers by

adding value to products or services, (Wren, 2007). Typically, manufacturers, intermediaries (wholesaler, retailer, specialized) and end users are perceived as the key actors of distribution channel, (Coughlan et al., 2006). Based on these definitions, it is not easy to determine where the distribution channel actually starts, since there might be multiple producers involved in manufacturing the final products at different levels. Some of these producers are close to the end at which raw material is supplied, while others are closer to the end that deals with final buyers or users. among various channel actors depending on the characteristics of the channel (Wren, 2007). Channel functions are categories of activities and services that add value to physical goods as they move from manufacturers to customers (Jain & Shaakshi ,2009)

- **Indirect Distribution Channel**

The indirect channel is used by companies who do not sell their goods directly to consumers. Suppliers and manufacturers typically use indirect channels because they exist early in the supply chain (Aaker, 2001). Depending on the industry and product, direct distribution channels have become more prevalent because of the Internet. Distributors, wholesalers and retailers are the primary indirect channels a company may use when selling its products in the marketplace. Companies choose the indirect channel best suited for their product to obtain the best market share; it also allows them to focus on producing their goods (Aaker, 2001).

- **Direct Distribution Channel**

A direct distribution channel is where a company sells its products direct to consumers. While direct channels were not popular many years ago, the Internet has greatly increased the use of direct channels. Additionally, companies needing to cut costs may use direct channels to avoid middlemen markups on their products. Selling agents and Internet sales are two types of direct distribution channels (Anderson et al, 2006). Selling agents work for the company and market their products directly to consumers through mail order, storefronts or other means. The Internet is an easy distribution channel because of the global availability to consumers (Bakosi et al, 2006).

- **Wholesaling**

Wholesaling includes all activities involved in selling goods or services to who buy for resale or business use. Manufactures use wholesalers because wholesalers can perform function better and more cost effectively than the manufacture can. These functions are not limited to selling and promoting, buying and building bulk barking, warehousing, and transporting financial risk bearing dissemination of marketing information and provision of management services consulting. Like retailers wholesaler must decide on target market, product assortment and services promotion and place (Berman, 1996). The most successful wholesalers are those who adopt their services to meet and target customer's needs, recognizing that existing add value to the channel (Berman, 1996).

- **Retailing**

Retailing includes all the activities involved in selling goods or services directly to find consumer for their personal non-business use. A retailer or retail store is any enterprise which sales volume comes primarily from retailing. All marketer retailers must prepare marketing plans that includes decision on target market. So the marketing channels can be viewed as a set interdependent organization with high potential for conflict. Then why would any business chosen to become part of channel system (Berman, 1996).

- **Market Coverage**

Channel selection depends on Coverage (Market Size).This refers to the intensity of distribution required by the manufacturer. The number of intermediaries required in a specific geographical area influences the market coverage or market exposure strategy. A manufacturer may opt to have intensive distribution, Selective distribution or exclusive distribution coverage for its products or services (Berry, 2010). Intensive Coverage is adopted when many intermediaries are used at each level of the channel. This is typical of consumer convenience goods distribution where as many different outlets as possible are used. Exclusive Coverage refers to a highly selective pattern of distribution where only a single selected intermediary is involved in distributing the goods or services in a specific geographical area. In this situation customers are willing to search for the products or services extensively. Specifically goods are often distributed

in this manner (Borden, 2004). Selective Coverage in between intensive and exclusive Coverage lays Selective coverage which refers to a distribution strategy where a few selected intermediaries are used in this distribution channel. This is typical in the distribution of consumer convenience goods (Borden, 2004).

- **Consumer**

A consumer is a person or group of people who are the final users of products and or services generated within a social system. A consumer may be a person or group, such as a household. The concept of a consumer may vary significantly by context, although a common definition is an individual who buys products or services for personal use and not for manufacture or resale.

2.2 Theoretical Literature

The theories relevant to the study are the Signalling Theory, Efficient Market Hypothesis and the Stake-holders theory.

2.2.1 Signalling Theory

This theory was proposed by Brennan and Copeland (1988). According to the signalling theory, information acted as a means of passing information from managers to stakeholders. The behaviour of two parties that have access to dissimilar information can be described the signalling theory. In this context, one party is the sender and the receiver is the second party. The signal moves from the sender to the receiver who then interprets it accordingly (Kamwenji, 2014).

(Kamwenji, 2014) refers to behavior whose main goal is to convey or signal some information about ourselves to others – regardless of whether it's true or not. This theory is applicable in this context to explain how distribution service performance influences market share through the interchange of information between cement companies and the relevant stakeholders in the distribution network. It is hard to directly perceive most of the things we want to know about each other. Some of them include emotion states like being happy or not, inborn qualities like being smart, and the capacity to play a given role in future, for instance, being a loyal friend. Rather we need to consider signals that are perceivable indicators of these qualities that are not

directly observable. Signalling theory gives a clear picture why some signals are reliable while others are not. It focuses on how a given quality is related to respective signal and the aspects of the surrounding community or signal that increases its reliability.

It's concerned with the outcome of the unreliability of signals, that is, the amount of unreliability than can be accepted in a signal. Competitive environments are prone to signalling. Hardly do the sender's and receiver's interests align exactly, instead they are often misaligned. At times, for instance with prey and predators, the competition can be overt and fierce. Potential prey can send a message to predators that it might be very hard for them to hunt them or they are too poisonous and can fight back really hard. If potential competitors are unevenly matched, then they are likely to signal their strength to each other. As a result, the situation whereby the weaker may lose in the battle and be costly to all of them can be avoided. If the signalling is between agreeable acquaintances, then competition may be subtle. However, conflicts of interest can still arise even with cooperative relationships.

In scenarios that are very competitive, one can benefit from deception. One may avoid to eat a bug which presents itself as poisonous even if in real sense it is not. An individual is likely to secure a job if he presents himself as more competent and experienced than he really is. However, the signal may lose meaning if the deception rate becomes too high. Therefore the rate of deception must be capped for signals to be meaningful and for communication to occur. What keeps the signal reliable is the main concern for the signalling theory.

Reliability of signal depends on its ability to produce truthfully. Costs associated with reliability arise from punishment given when one is caught cheating and production costs. This theory is applicable in this research to explain the level and nature of competition for market share in the brewery industries in Ethiopia.

2.2.2 Efficient Market Theory

According to Fama and Samuelson (1992), the origin of this theory can be traced back to the 1960s. According to efficient market theory, new information is quickly reacted upon by the stock market, and therefore at any instant, the market comprises of views of different investors. A market in which stock prices give a true picture of the available information can be regarded

as an efficient capital market. According to Jain & Shaakshi (2009) the three types of efficiency are: weak, semi-strong and strong efficiencies. According to weak efficiency, 11 today's stock price reflects all the past prices of the very stock. Thus, it is hard to predict and beat a market by use of technical analysis. Semi-strong efficiency claims that the current share price of a stock incorporates all public information. It implies that neither technical nor fundamental assessment can be used to predict a market. Strong efficiency is the most desirable type of market efficiency. It incorporates the entire information of the market regardless of whether it's public or private and the information is integrated in the stock price. It does not favour any investor as it is fair to all. The market movement is random and thus very difficult to predict. This theory is applicable in this context to derive the relationship between distribution service performance and market share. Company valuations at the stock market contribute in the shaping of competition in the industry.

Valuation of firms is evaluated based on the available information regarding its worth. Market capitalization amount can be provided by an effective evaluation because it gives the product of the number of issued shares and the current share price. Nonetheless, the market price is prone to constant changes because of the available information. The investors may decide to buy or sell shares depending on the market trends and it can have an impact on the market price. The market efficiency assumption focus on the way information is processed on a stock market and gives clear insights on how flow of information can impact the valuation process. Based on mobilization of the world and globalization, this assumption holds because information is now flowing much faster and modern technologies have enabled people to have free and more reliable access to information around the world.

2.2.3 Stake Holders Theory

It was initially founded by Fama and Samuelson (1992), This theory focuses on organizational management as well as business ethics. It explains on how an organization is supposed to be managed as per the morals and values. The stakeholder's theory is of the opinion that the effectiveness of an organization is measured by its ability to satisfy both the agents and shareholders who have a stake on the organization. While coming up a strategy, it is imperative for the management to set a clear interface between its competing demands as stipulated by the

strategic goals. The top executives of a firm make choices or decisions that affect the distribution service performance of the company and thus its market share. Kotler (2003) defines a stakeholder an individual or any group that is affected or can affect the achievement of the objectives of a given organization. Stakeholder concept is a basic redefinition of an organization. Basically, the whole idea focus on how the organization needs to be conceptualized. An organization is a collection of stakeholders with a common objective of managing their needs, viewpoints and interests. It is the responsibility of the management team to fulfil this stakeholder management. The administrators should manage the organization in a way that safeguards the rights of stakeholders by ensuring that they are actively involved in the decision making process. The management should also act as the agent of the stakeholders to safeguard the long-term goals and ensure survival of the firm Kotler (2003)

The role of management, character and purpose of organization and the stakeholder's definition are highly contested and very unclear in literature and has undergone serious changes over the years. The founder of stakeholder concept also altered his definition at some point. (Kamwenji, 2014) ,came up with another definition of stakeholder were he regarded a stakeholder as a person or group that is critical survival and success of an organization. A new principle is added by Kotler (2003) and it reflects a new trend as far as stakeholder theory is concerned. The management should always incorporate the stakeholder's perspective in their decision making process. It is regarded as the stakeholder recourse principle. If the directors are failing in their duties, then stakeholders have right to bring action against them (Kamwenji, 2014).

Literature regards the normative stakeholder theory as an integration of principles and thoughts of stakeholder concept. Normative stakeholder theory consists of directives that should be followed by managers and stakeholders to enable them act in line with ethical principles and purpose of organization (Brennan and Copeland,1988). Descriptive stakeholder theory is another theory that elaborates on stakeholder concept. The focus of this theory is on the behaviour of managers and stakeholders and perceptions towards their roles and actions. The instrumental stakeholder theory is concerned with the actions of the managers. For instance, if they want everything in the workplace to favour them. Some literature considers managers' own interest as the interest of the organization. In most cases, such interests are concerned with maximization of profits or value of the shareholder. The implication of this is that stakeholders are treated with

managers as per the stakeholders' concept, then the organization is likely to be more successful in the long term. As put by (Brennan and Copeland ,1988). the whole issues regarding relationship between managers and stakeholders can be wrapped up in these three categories that try to explain the basic stakeholder concept. These three categories have for sure popularized stakeholder concept.

In general, the theory is closely related to the social responsibility theory. This theory fluctuates between two ends: one that lessens the firm's obligation to the achievement or maximization of profits for its shareholders, and another that augments the obligation of the firm to include a wide range of actors with an aim of improving the firm's performance. Although the stakeholder theory can be more appealing when looked at from an ethical perspective, it has been critiqued because it lacks a strong base that would be adequate to various schools of thoughts. However in many instances, it has been accepted on the argument that the Stakeholders theory is based on notion of the common good and the mutual satisfaction of the all the players in an industry. This theory is adopted for this study.

2.3 Marketing Channels of Distribution

2.3.1 Historical Perspectives of Marketing Channels Development

The notion about the origin of marketing channels was started historically from the classes of businessmen and a distribution intermediary service of middlemen's, according to (Moller & Wilemon ,1971). As Moller and Wilemon (1971) further stated on their book, the development of marketing channel starts by the existence of intermediaries in the process of exchange. And the structure of marketing channels is a reflection of the society's sociological and economic fabric. The next evolution of exchange was continued by the operation of centralized exchange which is called a dealer. And then the now historical development and arrangement of marketing channels was started (Bowersox, and Copper, 2004) with an arrangement of an independent business as; retailers, wholesalers and manufacturers for successful and efficient marketing activities.

2.3.2 Meanings and Types of Distribution Channels

2.3.2.1 Meanings of Distribution Channels

The meaning of distribution channels are defined in different literatures and books. To show some of the definitions; Stern & El-Ansary (1977) defined distribution channels as “A marketing or distribution channel is a inter organizational system comprised of a set of interdependent institutions and agencies involved with the task of moving anything of value from its point of conception, extraction, or production to points of consumption.” Mehta, Rosenbloom and Anderson (2000) also defined it as “the external contractual organization which firms operate to achieve their distribution objectives.”

According to Kotler (2003) “a distribution system is a key external resource. Normally it takes years to build, and it is not easily changed. It ranks in importance with key internal resources such as manufacturing, research, engineering, and field sales personnel and facilities. It represents a significant corporate commitment to large numbers of independent companies whose business is distribution- and to the particular markets they serve. It represents, as well, a commitment to a set of policies and practices that constitute the basic fabric on which is woven an extensive set of long-term relationships.”

2.3.2.2 Types of Distribution Channels

a) Multichannel Marketing

It is a form of a single firm uses two or more marketing channels to reach one or more customer segments (Kotler, 2003). Even if two or more channels are called as “multichannel”, Stern and El-Ansary (1977) described it as “dual distribution marketing” by which a manufacturer or a wholesaler reaches its final markets with two or more different types of channels for the same basic products.

b) Direct Marketing

Jobber and Lancaster (2003) describes direct marketing as a distribution channel which attempts to distribute products, information and promotional benefits without an intermediary and using

methods like; direct mail, telemarketing, direct response advertising, electronic media, catalogue marketing, inserts, door-to-door leafleting and text messaging.

c) Indirect Channel

It is a kind of a distribution network of independent intermediaries, such as; brokers, agents, wholesalers, retailers to sell their products effectively to other channel members and/or ultimately to the end users (Stern and El-Ansary, 1977).

d) Electronic Commerce and Online Channels

Electronic commerce is defined as “the process of buying, selling, transferring or exchanging products, services, and/or information via computer networks, mostly through the internet and intranets” (Makame, Kang and Park, 2014). The types of electronic commerce are the following; Business-to-consumer (B2C), e-banking, business-to-business (B2B), consumer-to-consumer (C2C), peer-to-peer (P2P), and mobile commerce.

According to Bang, Lee, Han, Hwang and Ahn (2013), in electronics commerce & online channels products are not able to touch and has no face-to-face communication with the retailer. This is because both channels are electronic media for which product search and transactions can be undertaken remotely without geographic distance problem.

2.3.2.3 The Levels of Channels of Distribution

While undertaking marketing activities there are a number of intermediary levels to designate the length of channels (Kotler, 2003);

- A zero level channel or direct marketing consists of a manufacturer selling directly to the final customer. It can be door-to-door, home parties, mail order, telemarketing, TV selling, internet selling and manufacturer owned stores.
- A one-level channel contains one selling intermediary, such as retailer
- A two- level channel contains two intermediaries. In consumer market, these are typically a wholesaler and a retailer.
- A three- level channels contains three intermediaries

2.3.2.4 Why is it necessary to use Indirect Marketing Channels

Different researchers stated the importance of distribution channels on their works. An arguments stated in (Parrish, 1995) paper as “a manufacturing firm cannot be successful without incorporating channel partner into both their strategic and product planning processes”.

Bowersox, and Copper (2004) explained distribution channel as a motivational factor for functional performance, reduction of complexity and specialization. Wallace et al., (2009) further stated the importance from researchers as it can create channel synergies, competitive parity, dependence balancing, greater market coverage, and ultimately better firm performance through greater sales.

According to Michael (2008), multichannel marketing is “more prevalent and offers many opportunities to organizations”. Since, Indirect marketing channel is one parts of multichannel of marketing, for better understanding, it is good to explain the importance of indirect channels of marketing from different books and journals, as follows;

Kotler and Kevin (2006) stated the below functions and roles of channels as a marketing strategy;

- Many producers may lack the financial resources to carry out direct marketing.
- It can overcome the time, place and possession gap that separate a goods and services from those who need or want them.
- In some cases direct marketing simply is not feasible. And it can be easier to work through the extensive network of privately owned network of distribution organizations.
- Producers who do establish their own channels can often earn a greater return by increasing their investment in their main business. If a company earns a 20% rate of return on manufacturing and only a 10% return on retailing, it does not make sense to undertake its own retailing. (specialization)
- They gather information about potential and current customers, competitors and other actors and forces in the marketing environment.

- They develop and disseminate persuasive communication to stimulate purchasing.
- They reach agreements on price and other terms so that transfer of ownership or possession can be affected.
- They place order with manufacturers.
- They acquire the funds to finance inventories at different levels of the marketing channels,
- They assume risks connected with carrying out channel work.
- They provide for the successive storage and movement of physical products.
- They provide for buyers' payment of their bills through banks and other financial institutions.

Parrish (1995) also tried to explain the benefits of manufacturing firm partnering with channels as it adds value while cutting costs and increases delivery speed. And also added another benefits as follows:

- Channel partners assist end users by providing increased product availability through rapid response and customization.
- They serve as consultants by advising end users on how to use products.
- Through the term and conditions of their partnering contracts they are empowered to provide select warranty and guarantee services.
- They decrease customer search costs through multi-vendor offerings.

3. Measurements of Performance

In the book of Jobber and Lancaster, (2003) the measurement of firm' performance classified, to the same, as follows;

Table 2.1 Measurements of performance

a) Quantitative measures of performance	
Specific Output Measures	Measures Relates to Inputs
- Sales revenue achieved	- Number of calls made
- Profit generated	- Calls per potential account
- Percentage gross profit margin achieved	- Call per active accounts
- Sales per potential account	- Number of calls on prospects
- Sales per active account	
- Sales revenue as a percentage of sales potential	
- Number of orders	
- Sales to new customers	
- Number of new customers	
b) Qualitative measures of performance	
- Sales skill	
- Customer relationship	
- Self-organization	
- Product knowledge	
- Cooperation and attitude	

Chang and Wang (2008) used the qualitative and quantitative channel performance of international enterprises as a measurement tool. In quantitative analysis: actual and forecast sales performance, inventory levels, cost and wastage rate, quality of service, and sales ability was used. And in qualitative analysis: level of satisfaction, cooperation, contribution, commitment, service quality, and sales ability was used.

2.3.3.1 Performance Measurements of Sales

Valos and Vocino (2006) defined performance as “the sum of all processes that will lead managers to taking appropriate actions in the present that will create a performing organization

in the future” or in other words, “doing today what will lead to measured value outcomes tomorrow”. They further explained the importance of performance measurement as: strategy formulation and clarification, management information, vertical communication, horizontal communication, decision-making and prioritizing, coordination and alignment, motivation and learning.

Sales performance is defined by (Johnston and Marshall, 2006) as “behavior evaluated in terms of its contribution to the goals of the organization”. And they further explained, in their study, by separating performance with two areas of sales performance constructs as “relationship performance” and “outcome based performance”.

To explain the two areas of constructs in a detail concepts, first, they expand the importance of relationship marketing as six key constructs i.e., (i) mutual trust between parties; (ii) Commitment towards mutual benefits; (iii) Empathy towards all parties; (iv) Maintenance of relationships; (v) Provisions of favors to parties; and (vi) full reciprocation of favors. Second, outcome-based sales performance measures are an important aspect in measuring salesperson performance (Johnston and Marshall 2006).

Whereas (Ahearne, Lam, Hayati, & Kraus, 2013) defined salesperson performance measurement as “Sales as a percentage of quota (i.e., sales quota achievement), which is calculated as dollar sales in a given month divided by the period's sales quota, to measure each salesperson's performance”. Johnston and Marshall (2006) added another outcome based sales performance, i.e., quota achievement, growth in average billing size, increases in sales productivity, and overall revenue gain.

Mukherjee (2013) also described five sales performance measurements. That is; Meeting budgeted sales volume, distribution network expansion, reduce outstanding in the market, reduce slow moving inventory from the sales channel and galvanize the sales team by making them competent and confident.

Overall, in the above channel literatures, the sales performance measurements were tried to assess and the next part of the review explains integration of theories by relating with the channel determining variables

2.4. Physical Distribution

According to N. Kumar and R. Mittal (2001) describe physical distribution system involves the actual movements of goods and services from the shop floor to the ultimate consumers and therefore cannot be avoided at any cost. It thus provides the time, place and possession utilities and the transfer of legal ownership. Moreover, Scherlekar (2004) explains the marketing process is not complete simply by creating a superb product and by creating a customer by aggressive salesmanship. Delivering the product to the customer at the right time and place is an equally important function in marketing. In the process of marketing this vital function is called physical distribution. In simple language, physical distribution involves management (planning action and control) of the physical flows of raw materials and finished products. From the points of origin to the points of use consumption to meet the customer needs at a profit. It covers all activities in the flow of goods between producer and consumer.

2.4.1 Physical Distribution Management

Also, Grouchtt, Leadley and Forsyth (2004) explains physical distribution management is the term describing the integration of two or more activities for the purpose of planning, implementing and controlling the efficient flow for raw materials in process inventory and finished goods for point of origin to point of sale and consumption.

2.4.2. Components of Physical Distribution

As an integrated management activity physical distribution consist of various activities. These activities include: transportation, warehousing, material handling, packaging, inventory management, and order processing and customer service.

2.4.3 Transportation

Transportation is an essential and one of the most important components of physical distribution. Its importance is illustrated when a strike in the railways, an airline or road transport paralyses a country. Not only does the movement of raw materials but also of finished products come to a halt, and various industries and public face hardships. (Khanna, 2002).

2.4.3.1. Functions and Principles of Transportation

Bowersox and Closs (2003) pointed out that transportation functionality provides two major functions: product movement and product storage.

Product movement: refers to whether the product is in the form of material, components assemblies, work in process or finished goods transportation is necessary to move it to its next stage of the manufacturing process or physically closer to the ultimate customer. Bowersox and Closs (2003)

Product storage: refers to less common transportation function which products are temporarily stored on vehicles until they reach their final destination. Also, Bowersox and Closs (2003) explain that there are two fundamental principles guiding transportation management and operations. These guidelines are: economics of scarp and economic of distance.

Economical scale: refers to the characteristic that transportation cost per unit of weight decrease when the size of the shipment increases. This is because fixed expenses associated with moving a load can be spread over the load's weight. As much a heavier load allows costs to be "spread out" thereby decreasing costs per unit of weight. Bowersox and Closs (2003)

2.4.3.2. Distribution Strategy-Key for Logistics Effectiveness

According to Bowersox and Closs (2003) distribution is a very key element of the logistics process and the supply chain which runs from vendors through to you to your customers. It involves the movement of product, service/speed and cost which are three of the five key issues of effective logistics. It also impacts with the other two logistics movement of information and integration within and among suppliers, customers and carriers. A transportation strategy, to be effective in supply chain management, is not playing one carrier off against another. It is not beating down rates. Rather it is a way to respond to the dynamics of your business, its customers suppliers and operations. The strategy, regardless of whether you are involved with domestics or international is much more and should recognize-

Customer requirements: the supply chain involves continuous and efficient movement of product from vendor to company to customer. Therefore the transportation program must reflect

and meet the customer needs. The time and service aspects of transportation are vital. Bowersox and Closs (2003)

Shipments must move timely: customers demand their shipments to be delivered as they require-on the data needed, by the carrier preferred, in the proper shipping packaging method and complete, both shipped complete and delivered complete and in good order. Being able to have a transportation program with can do this provides customer satisfaction and can give your company a competitive advantage. Bowersox and Closs (2003)

Mode selection: how will you move your product, by air versus surface? What roles do transit time play in your supply chain? How will the inventory and service impacts be measured as compared to the freight charges? Bowersox and Closs (2003)

Carrier relationship: volume creates carrier/forwarder attention. Even if you have no strategy, the number of carriers trying to meet with you will make you develop one. Infrequent shipping dictates another approach. Bowersox and Closs (2003)

Measuring/benchmarking: you need to know how well your strategy and your carriers are performing. This takes two approaches. One is measuring. Measuring means comparing performance versus standards, Jain & Shaakshi (2009).

Regulatory impact: Regulatory changes can change, for better or worse, your strategy. The recent demise of the Interstate Commerce Commission eliminated a safety net for shippers, especially for small shippers, shippers now need to work with carriers with whom they can develop contractual relationship which reflect the new transport world as to liability, freight class, rate change, accessorial and other needs. Bowersox and Closs (2003)

Carrier mergers and alliances and closings: this is an important and difficult issue. In the fifteen years or so since motor carrier deregulation, there have been significant changes. Many carriers went out of business others changes their focus from truckload to LTL. New truckload carriers came into being Maritime has its issues. Large steamship lines in the trans-Pacific and trans-Atlantic trade formed alliance. Now with the recent merger of P&O and Nedolloyd, mergers are beginning to occur. Bowersox and Closs (2003)

Flexibility: change is happening. It is not a question of whether or not it happens. The only question is how quickly it occurs. Your strategy has to be ready to change. New customers, new products, new business, new suppliers, new corporate emphasis. Each of these can dramatically change your strategy.

Recognize that change will occur. Keep an open ear and mind to other modes and carriers. The times they are a changing and so will your strategy, Bowersox and Closs (2003)

2.5. Order Processing

Order processing is considered as the key to customer service and satisfaction. Order processing includes receiving, recording, filling and assembling of products for dispatch. The amount of time required from the date of receipt of an order up to the date of dispatch of goods must be reasonable and as short as possible. Marketers are now using computer system to speed up order handlingn(Sherlerker, 2004).

2.5.1 Functions of Order Processing

According to Agrawal (2003) the major functions of order processing is order entry, credit checking, inventory availability check, order acknowledge, order editing and modification, order pricing order status inquiry, price and discount extension, back order processing raiser invoice, prepare transportation and shipping advice, shipping scheduling, reserve shipment, and return processing in case of defective delivery. The function of order processing can also be discussed more systematically in five steps, namely order planning, order transmittal, order handling, order picking and assembly and delivery.

Order planning: refers to designing an efficient order handling system. i.e. it determine how a customer order is received and by whom, what technique should be adopted (centralized, decentralized) order are generally placed by customer to visiting sales people of the company or by telephone, fax, mail order, email or EOI directly to the dispatching point /controlling office/ head office. Agrawal (2003)

Order transmittal: refers to a series of events that occur between the times a customer places an order or send an order and the seller receives the order. Agrawal (2003)

Order handling: order process handling which includes activities such as the checking for completeness and accuracy of the order, a credit check by the credit departments recording of transaction by the accounting department, allocation of products by inventory department and advices to pick the shipment and updates the firm's master inventory file, and transportation of shipment from the warehouse by the traffic department. Agrawal (2003)

Order picking and assembly: function of order processing involves giving instruction to a specific warehouse to assemble a given order for a customer. In other words, it is a written document given order for a warehouse and its employee indicating the item to be assembled as per the list of the customer order. The order picking and assembly function includes all the activities from the time the warehouse receives an order to the ship items until goods are loaded on out-bound carriers. Agrawal (2003)

Order delivery: the last function of order processing is order delivery. The time from when a carrier picks the shipment until it is delivered to the customers receiving dock, i.e., transit time.

This transit time has a direct and major impact on sellers total order cycle time or customer's replenishment cycle time. Hence, proper load planning fleet management are essential functions of total order processing. Agrawal (2003)

2.5.2. Factors that Affect Order Time in Order Processing

Every year business and individuals place orders over the telephone or through the internet. Although ordering is convenient for sellers and buyers, there is still a waiting time for order to be processed. While most orders are processed quickly and efficiently, a number of factors sometimes cause orders to be processed more slowly. Agrawal (2003)

Credit Card Approval: while processing order, one of the biggest factors that affect order times is waiting for the credit card to be approved. The process begins with a credit request by the seller. The credit company has to review the request and then approve the transfer of the money. The wait for approval is anywhere from a few minutes to a day or two. Agrawal (2003)

Business Day: orders that are taken by automatic systems depend on workers to package and distribute the goods. Typically, processing the order occurs during the work week, when there

are employees at the place of business who can verify and complete the order process. If the order is taken late on a Friday, then it will less likely be processed until after the weekend on the following Monday. That's why most businesses explain that it sometimes takes two to three business days to process an order. Agrawal (2003)

Out of Stock: in most cases when ordering a product, the major factor determining the order time is the availability of the item. Sometimes there are low stocks or the item is not in stock at all. In this case, the customer is forced to wait until stocks are relending before having the order request processed. Without the item ready to be distributed, both the seller and buyer have to wait until the distributor can send more units. Agrawal (2003)

2.5.3. Three Factors that Affect the Planning Process

The three classic factors that affect the planning process in business are inputs, processes and outcomes. Inputs are raw materials, resources, knowledge and anything else brought to the planning process. Processes are what you do to the inputs to create outcomes. Outcomes are partly profits, but also jobs created for employees, and the use and pleasure that customers receive from finished products or services. Brennan and Copeland (1988).

Planning Process: the efficient way to plan and organize a business is to work backwards from the end products. Consider your desired outcomes, and the processes and inputs needed to get there. It's helpful to consider concepts such as mission statement, goals or benefits. How do you want to compensate your employees? How will you implement quality control? How long can you go before you turn a profit. Brennan and Copeland (1988)

Processes: processes are the way inputs are processed into outcomes. You should consider affordability, practicality and efficiency. Specific responsibilities are assigned to put processes in motion. Deadlines for specific task and larger assignments are put in place and successes, while expected, are rewarded. Brennan and Copeland (1988)

Inputs: inputs are the raw materials you bring to the business. This includes not just material resources which may be nothing but also knowledge, ideas, and entrepreneurial and employee skill. Financing is always crucial and your investors may expect you to turn a profit in a few years. Brennan and Copeland (1988)

Implementation: once the planning process is worked out, it can be implemented. You should now have a list of your inputs, the specific ways each, Brennan and Copeland (1988)

2.6. Stock Management

Stock management is an important element of activity in the distribution of goods, from raw materials and work in progress through to finished products .It is integral part to the supply chain network within which it operates and as such its roles and objectives should synchronize with the objectives of the supply chain.

It is not a ‘Stand-alone’ element of activity and it must not be a weak link in the whole supply chain network. Warehousing is costly in terms of human resources and of the facilities and equipments required, and its performance will affect directly on overall supply chain performance. Inadequate design or managing of warehouse systems will jeopardize the achievement of required customer service levels and the maintenance of stock integrity, and result in unnecessarily high costs. The recent trends and pressures on supply chain / logistics- forever increasing customer service levels, inventory optimization, time compression and cost minimization –have inevitably changed the structure of supply chains and the location and working of warehouses within the supply chains network. Mohan, (2010).

2.6.1. Need for Stock Management

Mohan, (2010) points out that stock management is necessary due to the following reasons.

Seasonal Production- You know that agricultural commodities are harvested during certain seasons, but their consumption or use takes place throughout the year. Therefore, there is a need for proper storage or warehousing for these commodities, from where they can be supplied as and when required, Mohan (2010).

Seasonal Demand- There are certain goods, which are demanded seasonally, like woolen garments in winters or umbrellas in the rainy season. The production of these goods takes place throughout the year to meet the seasonal demand. So there is a need to store these goods in a warehouse to make them available at the time of need, Mohan (2010).

Quick Supply - Both industrial as well as agricultural goods are produced at some specific places but consumed throughout the country. Therefore, it is essential to stock these goods near the place of consumption, so that without making any delay these goods are made available to the consumers at the time of their need, Mohan (2010).

Continuous Production- Continuous production of goods in factories requires adequate supply of raw materials. So there is a need to keep sufficient quantity of stock of raw material in the warehouse to ensure continuous production, Mohan (2010).

Price Stabilization- To maintain a reasonable level of the price of the goods in the market there is a need to keep sufficient stock in the warehouses. Scarcity in supply of goods may increase their price in the market. Again, excess production and supply may also lead to fall in prices of the product by maintaining a balance of supply of goods, warehousing leads to price stabilization, Mohan (2010).

2.7 Evaluation of Channel Efficiency and Effectiveness

According to Anderson C. and Vincze J. (2000) Marketers must constantly assess the efficiency and effectiveness of individual channel intermediaries as well as the entire channel. In general, channel members must achieve the goals set out for them in their arrangement with the goals set out for them in their arrangement with the supplier and must satisfy the criteria established for their selection. Several broad measures are discussed below: market coverage, economic performance, marketing effectiveness and overall ability to add value.

2.7.1 Market Coverage

Effective distribution is obtained when the supplier has achieved the desired level of coverage in the designated target markets. This way include having enough retail intermediaries to reach a substantial numbers of consumers and enough wholesalers, agents, brokers, or other middlemen to reach desired organizational customers. Other coverage measures include a proactive and well- informed sales force, product inventories that are available when and where needed by final customers, and sufficient attention given by the intermediary to marketing the supplier's

product (i.e.evidence that the intermediary considers it important), Anderson C. and Vincze J. (2000).

2.7.2 Economic Performance

Cost of distribution at each channel level and with each intermediary can be determined ad a percentage of sales, unit costs, operating profits, contribution margins, marketing program costs, and return on dollars spent for reseller support. Economic measures can be applied to each level of reseller to assess their contribution to strategic channel goals, Anderson C. and Vincze J. (2000).

2.7.3 .Marketing Effectiveness

Marketing program elements are assessed for their effectiveness in accomplishing sales objectives, with particular emphasis on the communications mix. For instance, personal selling can be evaluated on ability to meet sales objectives. Advertising other communication efforts can be evaluated on sales and other measures of audience response. Pricing strategies can be reviewed relative to demand elasticity and market characteristics ,Anderson C. and Vincze J. (2000).

2.7.4. Overall Ability to Add Value

Some ways that channel members can add value to the distribution process include the ability to adapt to changing market conditions, to provide market data, and to deliver high quality customers service. Value also is added through timely and accurate market feedback (eg. Sales trends, customer preferences, competitive actions). Level of commitment to customers can be determined from indicators of high quality customer service, determined from customer satisfaction surveys, complaints and level of commitment to training the sales force and service personnel. Anderson C. and Vincze J. (200

2.8. Distribution Channel System

Most distribution channels middlemen, but some do not a channel consisting only of producer and final customer, with no middlemen providing assistance is called direct distribution. In

contrasts, a channel of producer, final customer, and at least one level of middlemen represents indirect distribution, Stanton *and other* (1991)

According to Perreault and others (2000), channel system is classified in to direct and indirect. Many firms prefer to distribute directly to the final customer or consumer. One reason it that they want complot control over the marketing job. They may think that they can serve target customers at a lower cost or do the work more effectively than intermediaries. If a firm is indirect contact with its customers it is more aware of changes in customer attitudes. Direct distribution usually requires a significant investment in facilities and people. Even if a producer wants to handle the whole distribution job, sometimes it is simply not possible. Customers often have established buying patterns. Similarly, consumers are spread throughout many geographic areas and often prefer to shop for certain product at specific pleases. However, the most important reason for using indirect channels of distribution is that intermediaries can often help producers to serve customer needs better and at lowest cost. Perreault and others (2000).

2.8.1 Channel Dynamics

Distribution channels do not stand still new wholesaling and retailing institutions emerge, and new channel system evolve. We will look at the recent growth of vertical, horizontal and multi channel marketing systems, Perreault and others (2000).

2.8.2 Vertical Marketing Systems

One of the most significant recent channel developments is the rise of vertical marketing systems. A conventional marketing channel comprises an independent producer, wholesaler (s), and retailer (s). Each is separate business seeking to maximize its own profits, even if this goal reduces profit for the system as a whole A vertical marketing system, by contrast, comprises the produces, whole sales and retailer acting as a unifies systems(Kotler .2003)

2.8.3 Horizontal Marketing System

It is a system by which two or more unrelated companies put together resources or programs to exploit and emerging marketing opportunity. The companies might work with each other on a temporary or permanent basis or create a joint venture company. (Kotler .2003)

2.8.4 Multi-Channel Marketing Systems

Lately, firms have been realizing that one single system or channel system is not always able to deliver the desired results. A single distribution system alone cannot meet this opportunity. Even if it does, the cost of distribution will become highly prohibitive and hence the growth of the multi-channel marketing system. Here, the firm uses two or more channels to reach on or more market segments. *Saxena (2008)*

2.8.5. Channel Selection

According to Saxena (2008) The most fundamental factor for channel choice and channel management is economic criteria, cost and profit criteria, profit organizations are primary interested in cost minimization in distributions and decisions are not made entirely on the basis of rational economic analysis. We have to consider a numbers of factors such as the nature of the product, market tends, competition outlook, pricing policies, typical consumer needs, as well as needs of the manufacture himself. The following are other critical factors.

2.8.5.1. Product

If a commodity is perishable or fragile, a producer prefers few and controlled levels of distribution. For perishable goods speedy movement need shorter channel or route of distribution. For available and standardized goods longer and diversified channel necessary. For custom made product direct distribution to consumer or industrial uses may be desirable. Systems approach needs package deal and short channel series the purpose for technical product requiring specialized selling and serving talents, we have the shortest channel. Products of high unit value are sold directly by traveling sales force and not through middlemen. *Saxena (2008)*

2.8.5.2 Market

For consumer market, retailer is essential, whereas in industrial market we can eliminate retailer. If the market size is large, we have many channels, where as in a small market direct selling may be profitable. For highly concentrated market, direct selling may be profitable. For highly concentrated markets, direct selling is enough but for widely scattered and diffused markets, we must have many channels. Size and average frequency of customer's orders also influence the

channel decision. In the sales of food products, we need both wholesalers and retailers. Saxena (2008)

2.8.5.3. Middlemen

The middlemen, who is able to offer a good facility of storage maybe considered. The channel which facilitates maximum sales must be referred. The cost of each attractive channel maybe estimated on the bases of unit sale. The best type of channel which gives a low unit cost of marketing maybe considered. Saxena (2008)

2.9. Determinants of Dependent Variables

2.9.1. Distribution Performance

Due to global competition, organizations have been forced to improve their distribution. Instead of competing as individual entities they prefer competing as demand chains as it gives them an upper hand against their rivals through provision of high customer service levels by forging relationships with customers and suppliers while ensuring that ordering costs are minimized. Another strategic measure taken by distributors and manufacturers is the establishment of holistic cooperation between themselves and transportation organizations to facilitate effective communication, alignment of incentives and synchronization of decisions in order to enhance distribution service performance and gain competitive advantage in the global market. (Venus, et al. 2009). According to Rabinovich and Bailey, (2004), Distributon Service Quality comprises of an array of logistics that ranges from customer needs and marketing to delivery of finished products to customers. They claim that an effective physical distribution system is that which is reliable and ensures that products reach customers in a timely manner. Shan and Norm, 2007; Stephen, (1997) resolved that the poor road network in Uganda has created more challenges in the transport and warehousing segment. They show that ineffectiveness of Distribution Service performance can be minimized or eliminated through vertical collaboration. This is where manufacturers and the distributors downstream collaborate for common good. Service performance helps in evaluating the ability of the provider to unfailingly deliver products within the stipulated time frame at a cost that is acceptable. Factors such as product quality, product availability, reliable delivery and other elements like timely responsiveness and effective

communication have a positive relationship with customer satisfaction. Recurring purchases of products that represent augmented expenditure between business partners come as a result of customer's burning desire to maintain a healthy and constructive relationship with the supplier (Bowersox, et.al, 2002).

There is a relationship between service performance and customer satisfaction and the intention to buy again. Customer satisfaction may be evaluated depending on the consumption experience and total purchase of a given commodity or service over a period of time. The assessment may be performed based on confirmation or disconfirmation of purchase of commodity or service. Increased customer satisfaction has been associated with improvement in economic returns of a company, including profitability and market share. Customer satisfaction can be increased by improving the quality of service (Zeithaml, 2000).

2.9.2 Market share

Market share can be defined as fraction of an industry that a company controls. It is also the overall sales of a market that a particular company earns in a given period of time. To obtain the percentage value of market share, simply divide the company's sales in a given period by the sum of the industry's sales over the same period. (Bianchi, 2012). Market share is the most imperative aspect that can be used by marketers rate the effectiveness of marketing initiatives like advertising campaign, branding initiative, CRM programs and any other revenue generation program. This aspect is used to gauge how the company is performing on the market in relation to competitors. Dyer and Blair (2012) established that the overall production of cement has been rising at an average of 11.6% per annum. They further noted that this has been as a result of entry of new cement producers in the industry and overproduction by the existing firms to cushion themselves against rising competition. All these parameters have been attributed to the scramble for market share by the players in this industry.

2.9.3. Determinants of independent variables

The factors that will have an impact on market share can be varying between countries, cultures, societies and in the international standards. And so many literatures were done on the international level so as to examine the relationships based on the similarities and differences of

factors within and across countries. Valos and Vocino, (2006) said that research in distribution channels has highlighted a “channel performance metric paradox” because of the fact that different systems and different channels necessitate particular channel performance measurement. Here below the related literatures with regard to distribution channel and market share are compiled.

A. Order fill rate

Is the fraction of orders that are filled from available inventory? Order fill rate should also be measured over a specified number of orders rather than time. In a multiproduct scenario, an order is filled from inventory only if all produces in the order can be supplied from the available inventory and response time or amount of time it takes for a customer to receive an order. Product variety is the number of different product/ configuration that are offered by the distribution network. Product availability is the probability of having a product in stock when a customer orders arrived. Peter Meindl and Sunil Chopra (2007)

B. Planning

Demand for many products, however, changes frequently from period to period, often because of a predictable influences. These influences include seasonal factors that affect product as well as non-seasonal factor (eg. Promotions or product adoption rates) that may cause large, predictable increase and declines in sales. Peter Meindl and Sunil Chopra (2007). Demand forecasts from the basis of all supply chain planning. Consider the Push/Pull view of the supply chain. All push process in the supply chain are performed in anticipation of customers demand, whereas, all pull processes are performed in response to customers demand. For push process, a manager must plan the level of activity, be it production, transportation, or any other planned activity. For pull process, a manager must plan the level of available capacity and inventory but not the actual amount to be executed. In both instances, the first step a manager must take is to forecast what customer demand will be. Peter Meindl and Sunil Chopra (2007).

C. Stock management

Stock management is carried to satisfy demand that exceeds the amount forecasted for a given period. Stock count is carried because demand is uncertain and a product shortage may result if actual demand exceeds the forecast demand. Peter Meindl and Sunil Chopra (2007).

D. Distributor capacity

Is a potential strength of distributor to distribute products as the expectation of the producing company and distributor capacity is vow thought financial strength, fixed and moveable assets can enhance market share across territory. (Heineken unpublished brochure)

E. Distribution channel used by competitors

Selecting a transportation mode is both a planning and an operational decision in a supply chain. The decision regarding carriers with which a company contracts is a planning decision, whereas the choice of transportation mode for a particular shipment is an operational decision. For both decisions, a shipper must balance transportation and inventory cost. The mode of transportation that results in the lowest transportation cost does not necessarily lower total cost for a supply chain. Cheaper modes of transportation typically have longer lead times and larger minimum shipment quantities, both of which results in higher levels of inventory in the supply chain. Peter Meindl and Sunil Chopra (2007).

F. Distribution flexibility:

Yu et al., (2013) explained distribution flexibility as it is composed of logistics and relationship flexibility. According to (Samaha et al., 2011) channel member flexibility refers to a willingness to be adaptive or adjust (to create, extend, or modify its own resource base, in addition to its partners' resources) in response to changing conditions so as to generate competitive benefits and performance enhancements. On the same way (Yu et al., 2013) define relationship flexibility with three facets: "a bilateral expectation of willingness to make adaptation, a type of coordinative modification, and an ability to cope with changing circumstances."

Whereas, logistics flexibility involves material and information flow and demands agility in activities such as warehousing and ongoing transportation (Samaha et al., 2011) and (Yu et al.,

2013) explained logistic flexibility the same as; flexibility in storage, delivery, transportation, and inventory. Therefore, logistic flexibility directly affects the supply or distribution ability of the market and influence downstream distributors' operations, the focal firm will meet downstream product delivery expectations.

Thus, the higher the level of logistics flexibility, the higher the level of channel member satisfaction with the relationship will be, with additional influences on purchasing loyalty intentions as indicated in the satisfaction-profit chain. Logistics flexibility will have a significant positive effect on relationship satisfaction. Relationship satisfaction will have a significant positive effect on long term relationship orientation. Therefore, Logistics flexibility and Relationship flexibility have positive impact on distribution performance (Yu et al., 2013). Channel member cooperation and flexibility significantly enhanced channel member performance (Samaha et al., 2011).

G. Support of the company to distributors

According to Shoham et al., (2008), support types are described as the following; "providing technical guidance, promotion materials or advertising, training, and visits by headquarters" personnel, free samples, finance and trade allowance". Sufficient level of support determines performance; to the contrary, insufficient and adapted level of support might be hindering the performance of distribution channel firms.

They founded that positive significant outcome on the impact of standardized representatives' support on performance and it has a significant outcome with cooperation, esprit-de corps and commitment (Shoham et al., 2008).

H. Coordination between the company and distributors

According to Samaha et al., (2011) discussion of others literatures, "Cooperation is defined as the degree to which the firm and its representatives jointly put forth effort and collaborate toward the achievement of their specific and joint goals. And the actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time."

Chang and Wang (2008) studied that, mutual trust and reciprocity has a positive relation with cooperation between channel member and market dominance, sales service and also with sales performance. There is also a positive association of centralization, communication, and interaction with sales performance. Channel member cooperation significantly enhanced channel member performance (Samaha et al., 2011).

I. Distribution regulation

Mehta, et.al, (2000) described channel management, or the process of analyzing, planning, organizing, and controlling (Dong et al., 2010) a firm's marketing channels includes seven key decision areas: (1) formulating channel strategy, (2) designing marketing channels, (3) selecting channel members, (4) motivating channel members (Dong et al., 2010), (5) coordinating channel strategy with channel members (Kotler 2003), (6) evaluating channel member performance, and (7) managing conflict. Management control is thus recognized as an important performance indicator (Rajagopal, Pitt and Price, 2010). As Ramaseshan et al., (2013) discussed about the controlling mechanism, it can enable effective implementation of marketing strategies and control for deviations before they take place. They further proved that, effective evaluation and control mechanism could have a positive financial and strategic performance in a given company. Monitoring practices such as frequent site visits and phone contact with customers develop the firm's channel tracking capabilities, allowing managers to better monitor downstream activities (Wallace et al., 2009), alleviate information asymmetry, detect future violations in the network and strengthen the observer effects of punishment (Wang, Gu and Dong, 2013). Dong et al., (2010) said that when the governance strategies fit the distributors' roles, positive channel outcomes, such as increased collaboration, greater relationship satisfaction, and better exchange performance, should result. The key to effective channel governance is to design mechanisms that successfully enhance the firm's own performance as well as motivate distributors to cooperate and stabilize channel relationships. When distributors are satisfied with their relationship with the manufacturer, they are willing to assume long-term channel commitment, and superior channel performance is ensured. Ughes & Ahearne (2010), goals, plans, and control systems of manufacturers will have a marked impact, whereas Rajagopal et al., (2010) added that higher market share can be gained by developing strong and effective controls in sales activities. Standardized representatives' control with performance was

also partially supported. All significant links (for the three behavioral outcomes, i.e. cooperation, esprit de corps and commitment) were positive and significant relationship between controls. Additionally, the behavioral control (proactive monitoring, directing and evaluating salespeople by the managers; $\beta= 0.11$) is a consistent predictor of the performance of sales personnel and the effectiveness of the sales units (Shoham et al., 2008).

J. Communication between the company and distributors

Communication is a key component for successful distribution. However, complete and timely information is a catalyst for fostering associations and long-term relationships which drive channel equity (Mathur, 2013). Michman and Lynn said well-constructed communication creates smooth relations, and also it creates harmonious relationships with clearer, open, and systematic exchange of information” (Shoham et al., 2008). Positive social tenor of interactions can be established using informational and relational communication whereas explicit communication produces quicker and more efficient agreements (Srivastava and Chakravarti, 2009). Strong ties are positively and significantly related to access to rich information and knowledge transfer (Yu et al, 2013). Communication frequency and bidirectional communication had direct positive effects on the final outcome variable, joint action and on the two mediators, trust and satisfaction, respectively (Johnston, Khalil, Jain, and Cheng, 2012). Chang and Wang (2008) found that communication and interaction on e-business activity is positively related with sales performance and (Shoham et al., 2008) added a relationship between standardized communications with representatives to performance. Additionally, Shoham et al., (2008) concluded that communication impacts were positive and significant for all three behavioral outcomes cooperation, esprit de corps and commitments

2.3. Empirical Review

2.3.1. Distribution Network Practices 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 2.2: 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.

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)

According to Serkadis (2010), on the study in which emphasis distribution channel selection practice in Meta Abo Brewery Company The condition of the company about receiving and handling the information is low. 37.78% and 40 % of retailers rated as medium and low respectively and around 22.22% of them said it’s very low. Whereas, 13.33% and 40% of wholesalers rated as very high and medium respectively. However, 46.67% of them said it is low. The above figure witness that the company did not build and maintain good and formal communication with distributors especially with retailers.

2.5. Conceptual Model

The conceptual framework of the study was constructed based on interrelation ship between distribution and market share because if distribution pre-requisites are fulfilled and exercised as per the demand of distributor’s market share will increase and the reverse is true. This is because of the fact that, the study tries to see the determinants used to enhanced distribution performance which is causative variables can have impacts and contributes to the market share of the company can be answered with the help of interrelation ship diagram as shown below.

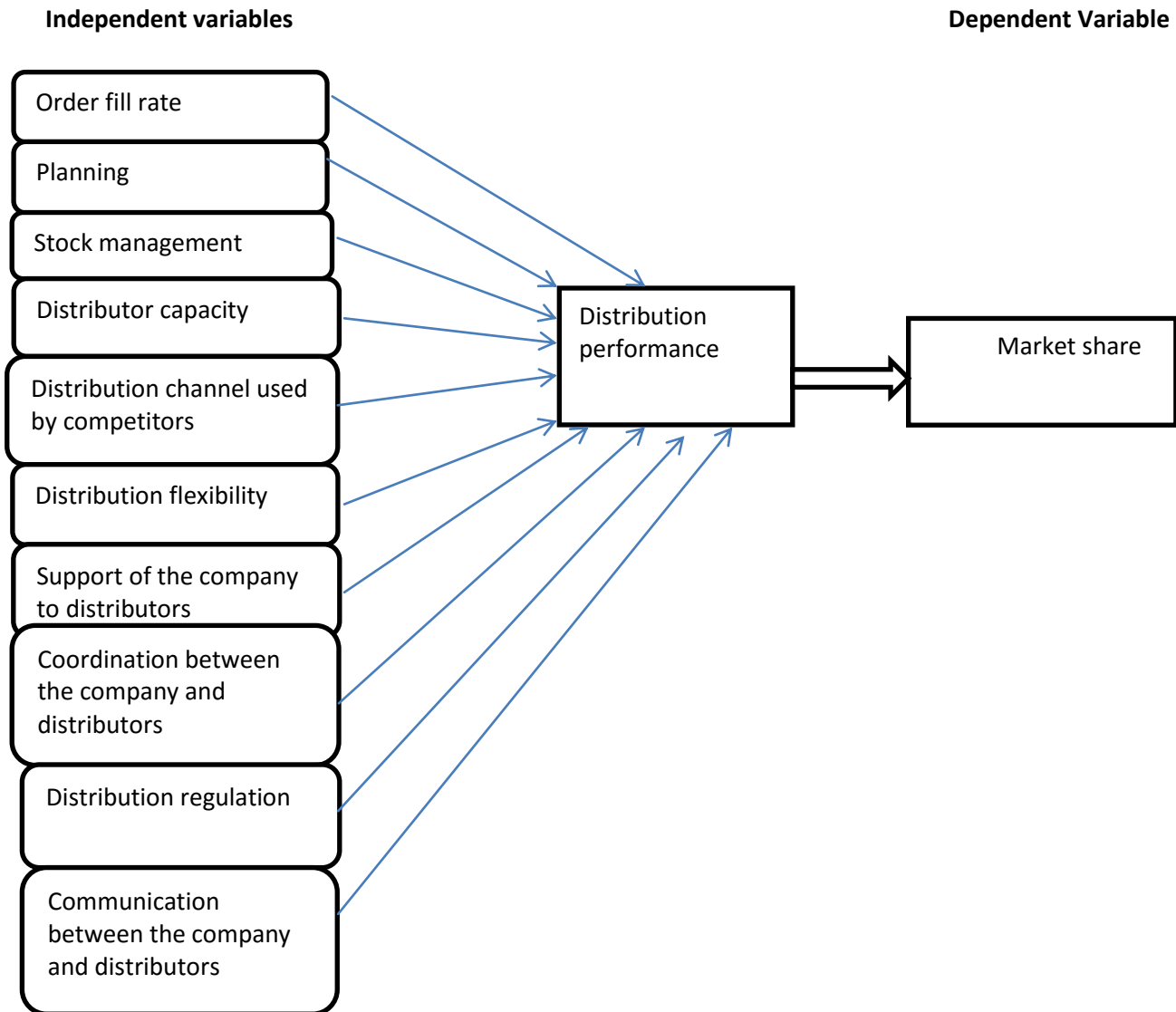


Figure 2.1: Conceptual frame work

Distribution service performance defined in this study as the degree of efficiency achieved by brewery companies in making their products available to consumers punctually, adequately and at affordable prices (Dyer & Blair, 2012). Distribution efficiency has an overall effect on the market share. Order fill rate, planning, stock management, distributor capacity, distribution channel used by competitor, Distribution flexibility, support of the company to distributors, cooperation between channel member of the company, Distribution regulation and Communication between the company and distributors are factors that affect the distribution efficiency in availing products to consumer’s hence influencing market share of brewery companies.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Under the research methodologies section, the points described are the research types, approaches, sampling techniques, samples, procedures, instruments, methods and design that are needed to undertake the entire study. Additionally, the research validity and reliabilities as well as the ethical considerations are indicated.

3.1. Research Design

The researcher used mixed research approach whereas quantitative research approach was used so as to make use of statistical analysis for questionnaires' by applying systematic measurements and statistics. The qualitative research approach also used to elaborate and convert the interview information from respective stockholders without depending on the numerical measurements.

This study used descriptive and explanatory research design to reveal the effects of distribution performance. The descriptive type of research was used to describe the data collected; to examine the relationship and impacts between the distribution performance and market share variables. The explanatory studies are used because it establishes causal relationship between variables. As Saunders et al., (2009) explained with the same as to concepts of this study, the emphasis here is on studying a situation or a problem in order to explain the relationships between variables

3.2. Sample and Sampling Design

3.2.1 Target Population

There are nine brewery companies in the country such as Dashen brewery SC, Meta Abo brewery SC, Raya brewery SC, Habesha Brewery SC, Zebidar brewery SC, Harar brewery SC and Bedele brewery SC, Heineken breweries SC and BGI Ethiopia. The target populations of this study were Heineken breweries SC and BGI Ethiopia. As target population is a subset of a large population that has similar characteristics of which general conclusion of the study can be drawn (Mugenda & Mugenda, 2003). The study is on the effects distribution performance on market

share on two Brewery industries in Ethiopia. Therefore, the research was carried out on Heineken Brewery SC and BGI Ethiopia

Table 3.1: Total number of indirect distribution chain; Addis Ababa

Sr.no	Territorial distribution	Distributors		Outlets
		Heineken	BGI	
1	CAA	5	3	3886
2	EAA	5	2	2743
3	NAA	4	5	2209
4	SAA	2	1	2939
5	EAA	2	2	2996
Total target population		18	13	14773

Source: Heineken and BGI customer data base 2018

Hence, since the numbers of outlets are the same for BGI Ethiopia and Heineken breweries SC the researcher took samples of outlets by their number of volume generated and financial capability and experiences i.e all of the outlet taken as population are generating large volume for Heineken breweries and BGI Ethiopia as well so, This is the method the researcher applies to take representative sample.

3.2.2 Sampling techniques

In this research the sampling techniques used was probabilistic and non-probability technique Probabilistic sampling techniques was used for outlets because there is chances of a member of population being selected for the sample are known or there is an equal chance of being included On the other hand non-probability sampling techniques were used to select key informants for Heineken and BGI distribution managers and distributors for BGI Ethiopia and Heineken breweries.

3.2.3 Sample and Sample Size Determination

Table 3.2: Sample size determination for indirect distribution chain; Addis Ababa

Sr.no	Territorial distribution	Distributors		Outlets	Outlets operating with high financial capital	Outlets generating high volume	Sample taken
		HBSC	BGI				
1	CAA	5	3	3886	2059	234	78
2	EAA	5	2	2746	1426	123	41
3	NAA	4	5	2209	1082	89	30
4	SAA	2	1	2939	1616	91	30
5	WAA	2	2	2996	1677	62	21
	TOTAL	18	113	14773	7862	599	200

Source: Heineken and BGI customer data base 2018

To determine the sample size of the study, as Polonia, (2013) used the sample size on the analysis of customer survey and Israel (2013) explains on different sample size formula, Taro Yemane's (1967) simplified sample size determination formula was used by assuming a 95% confidence level and P = 5% are assumed as follows;

$$n = \frac{N}{1+N(e)^2}$$

population,

Where: n is the sample size drawn from the entire

:N is the population size = 599

:e is the level of sampling error = (0.05)

$$n = 199 \approx 200 \text{ sample respondents}$$

Based on above formula the sample size of this study was compounded us 200 and this size was distributed proportionately to the area of sales regions. On top of that two key informants were participated on the study these were BGI Ethiopia and Heineken breweries SC distribution managers.

3.2.4. Types, Source & Methods of Data Collection

3.2.4.1. Methods of Data Collection and Tools Used

The primary data's were gathered through structured questionnaires from the distributor and outlets who are managers, coordinator, cashers, waiters and owners. On the other side, semi-structured interview was done with Heineken Breweries and BGI Ethiopia's managers of distribution to clarify the content of some of the questionnaire results. This is done because it tries and determines if there has been a proper interpretation of the collected data.

3.2.4.2 Types and sources of data

Data sources were Primary and secondary these were utilized so as to get valuable information regarding the distribution and its actual performance that might affect the market share of the company.

Since the study was performed in quantitative and qualitative ways, structured likert questionnaires and semi-structured interview were the primary sources of data collection and the secondary sources of data was gathered mainly from Heineken Breweries S.C and BGI Ethiopia distribution department, residential sales division, website of the company and in its intermediaries i.e., main distributors and outlets past and recent data which are exist via report forms, published and unpublished ways. And additionally articles, books, journals and websites based references are used as secondary sources of data while the theoretical, the conceptual and the empirical information about the main issues under literature review of the research report was written.

3.2.4.3. Method of data collection

3.2.4.3.1 Procedures of Data Collection

➤ Questionnaire

Because questionnaire is a major one method of collecting large amount of data from a sample population in an economical ways (Saunders et al., 2009), the researcher distributed likert questions to the individuals who are responsible for distribution and retailing. After preparation of questionnaire, by adopting and adapting from related studies; formats, sequences and instruments was evaluated by academic advisor prior to the data collection so as to maintain the validity of the instruments. On the data collection time, questionnaire was delivered by hand to each respondent.

➤ Semi-Structured Interview

The semi-structured interview plan was made between the distribution managers of Heineken Breweries and BGI Ethiopia as those key informants were distribution managers with full understanding of problem explored in distribution chains. To undertake the interview, the researcher has sent the consent form and interview plan to the respondents via e-mail, so as to appoint the date and location of interview. It was constructed by an open-ended question which was taken an average time of 45 minutes questioning and answering session for both managers.

3.3. Methods of Data Analysis

Inferential statics and descriptive statistical techniques have been used to analyze the data collected with the use of questionnaires with the aid of Statistical Package for Social Sciences (SPSS) version 24 software. In addition the collected data was analyzed trough correlation because in this research i Investigate the relationship between the independent variable i.e. distribution performance with its effect on the dependent variable competitiveness on the market. The study also used tables, frequencies, and percentages to analyze the demographic data.

3.3.1. Descriptive Statistical Analysis

After the data collection, the collected data was analyzed and the final report was produced through central tendency measurements, figures and tabular explanations are used to present the result.

3.3.2. Inferential Statistical Analysis

In inferential statistical analysis; ANOVA, correlation and multiple linear regression method were utilized using statistical package for social sciences (SPSS) software version 24 software. These statistical tools usage and methods of presentation are described as follows.

A) ANOVA

Analysis of Variance (ANOVA) is used to see if there exists a difference between those 10 determinants of distribution performance variables.

B) Correlation

Correlation (r) has used to describe the degree of relationship among two variables. Since all variables are measured as an interval level, Pearson product moment correlation was used. Correlation “r” outputs are always lies between -1.0 and +1.0 and if “r” is negative, there exists a negative relationship between the variables; if it's positive, the relationship is positive. While computing a correlation, the significance level shall be set at 95% with alpha value of 0.05 or a chance of occurrence of odd correlation is 5 out of 100.

c) Multiple Regression Analysis

Multiple regression analysis is a major statistical tool for predicting the unknown value of a variable from the known value of two or more variables. And it is about finding a relationship between variables and forming a model. The Model was developed using 10 explanatory variables or predictors, which have influences on a Market share.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + \epsilon$$

Where Y is the response and the independent variables are those which explain the response ranges from X₁ to X₁₀.

Table 3.3: Model Specification of Variables.

Sr.no	Predictor Variable (X)	Beta Coefficient (β)	Predictor X-Value Assigned
1	Order fill rate	B₁	X₁
2	Planning	B₂	X₂
3	Stock management	B₃	X₃
4	Distributor capacity	B₄	X₄
5	Distribution channel used by competitors	B₅	X₅
6	Distribution flexibility	B₆	X₆
7	Support of the company to distributors	B₇	X₇
8	Cooperation between channel member and the company	B₈	X₈
9	Distribution regulation	B₉	X₉
10	Communication between the company and distributors	B₁₀	X₁₀
11	Market share		Y

3.4. Validity Test and Reliability

3.4.1. Validity Test

Since validity of a research study is a conceptual and scientific soundness, the test focused on eliminating or minimizing the effect of extraneous influences, variables and explanations that

might detract the accuracy of the ultimate findings. After the researcher has constructed the questionnaire, pre-testing was done with persons who have knowledge of the area by allowing them to read it. These persons provided comments on Amharic translated questions on its ambiguities, the length, the structure and wording. This is done to ensure that the questionnaire is clear to respondents and can be completed in useful way (Adam et al., 2007). Then, the instrument was evaluated by academic advisor prior to the data collection so as to maintain its validity and to increase the accuracy and usefulness of the findings in which it allows greater confidences of the study.

3.4.2. 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 45 sample questionnaire using Cronbach’s Alpha coefficient before distributing the entire 200 sample population as shown on table-

Table 3.4: Reliability Test Processing Summary.

Case processing summary			
		N	%
Case	Valid	45	100
	Excluded	0	0
	Total	45	100
a. List wise deletion based on all variables in the procedure.			

Source: Respondents Survey Result, 2018

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-3.7., 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 ($\alpha = 0.783$) and the reliability test of the study is located on “Acceptable” range.

Table 3.5: Reliability Test of Variable’s Using Cronbach’s Alpha

Reliability Statistics					
Sr. no	Variables descriptions	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items	(α) reliability ranges
1	Order fill rate	.819	.832	3	good
2	Planning	.840	.849	3	good
3	Stock management	.767	.774	3	Acceptable
4	Distributor capacity	.784	.797	4	acceptable
5	Distribution channel used by competitors	.987	.987	2	excellent
6	Distribution flexibility	.841	.850	3	good
7	Support of the company to distributors	.837	.846	3	good
8	Cooperation between channel member and the company	.722	.773	3	acceptable
9	Distribution regulation	.843	.852	3	good
10	Communication between the company and distributors	.827	.839	3	good
	Total/ Average	.931	.925	30	good

Source: respondents survey test result 2018.

3.5. Measurement Instruments

Since the study employed structured questionnaire, it includes contents with general information and Likert scale. The general information includes; age, gender, years of experience on distribution, type of distribution, education status and work position of the respondents.

Five point Likert scales was used to the independent and dependent variables, which ranges from Strongly-Agree (5) to Strongly-Disagree (1) level of agreement, in all cases.

3.6. Ethical Considerations

Subsequently writing this study required a collection of data, the data collection techniques was interview with distribution managers and survey over questionnaires. Therefore, the following are ethical issues that were considered while writing the entire research.

The data collected from the interview for supporting the study and the participants of survey over the questionnaire i.e., distribution managers and their organizations are protected with trust. The trust and credibility was established between the researchers and the participants by convincing the purpose and benefits of the study without misusing the results to the advantages of the researcher or any other company.

CHAPTER FOUR

FINDINGS AND DISCUSSION

This chapter deals about, discussion of the study, interpretation & analysis of results, empirical reviews of other scholars, questionnaires and interview results were used so as to substantiate the main research areas called “distribution performance on market share comparatively study with the case of Heineken breweries SC and BGI Ethiopia.

4.1. Response rate of respondents

4.1.1. Distribution Chain Level of the Respondents

Table 4.1: Distribution Chain Level of the Respondents

	Respondents	Frequency for Heineken	Valid Percent	Frequency for BGI Ethiopia	Valid Percent
Valid	Outlets	193	86.2%	193	86.2%
	Distributors	18	100%	13	100%
	Total	211		206	

Source: Respondents survey test result 2018

As shown on table 4.1 above out of 218 questionnaires distributed to Heineken breweries distribution channel members (outlets and distributors) 86.2% (193) were returned from questionnaires distributed to outlets and 100% (18) were returned from the questionnaires distributed to product distributors. Whereas out of 213 questionnaires distributed to BGI Ethiopia distribution channel members (outlets and distributors) 86.2% (193) were returned from questionnaires' distributed to outlets and 100 % (13) were returned from the questionnaires distributed to product distributors.

4.2. Background Information of Respondents

Table 4.2: Demographic Factors of Respondents

No	Factors	categories	Frequency for HBSC & BGI	Percent
1	Gender	Male	193	86.2
		Female	31	13.8
Valid Total			224	100
2	Age	18-30	23	10.3
		31-40	84	37.5
		41-50	88	39.3
		Above	29	12.9
Valid Total			224	100
3	Educational back group	below grade 10 and grade 10 completed	71	31.7
		Grade 12 completed	43	19.2
		TVET completed	89	39.7
		Diploma	7	3.1
		Degree	13	5.8
		Above degree	1	0.4
Valid Total			224	100
4	Experience of distributors	1 -3	11	4.9
		3-6	97	43.3
		6-10	60	26.8
		Above 10 years	56	25.0
Valid Total			224	100
5	Work position of distributors	Manager	21	67.7
		Distribution coordinator	6	19.4
		Distribution manager	4	12.9
Valid Total			31	100
6	Work position of outlets	manager	143	74.1
		Coordinator	15	7.8
		Waiter and Waitress	29	15
		cashier	6	3.1
Valid Total			193	100

Source: Respondents survey test result 2018

Regarding Gender as shown in **table 4.1** above out of 224 respondents, 86.2 % (193) of them were males whereas the remaining 13.8% (31 respondents) were Females. This figure shows that, generally, such types of businesses are run by Males than Females.

Concerning Age as shown in **table 4.1** above the higher frequency of age of the respondents were accounted with in the ranges of 41-50 years as 88 (39.3 %) of the total 224 respondents. Between 18-30 years of age was reported 23 (10.3%), the next 31-40, above 51 ages was 84 (37.5 %) and 29(12.9%) respectively. Therefore, distribution activities have been mainly conducted by those respondents with the age of 41-50 followed by respondents with age category between 31-40 years. From this we understand that the largest majority of the respondents age falls at an age category of below 50 and above 31 years accounted for the cumulative percentage of 87% and such types of businesses are run by these oldest and middle aged persons.

Concerning education status of the respondents as shown in **table 4.1**, 71 (31.7 %) of the respondents educational status was grade 10 and below and 43 (19%) of the total respondents was high school graduated and 7 (3.1%) attended College diploma. The next is 89 (39.7%) TVET graduates, 13(5.8%) degree and 1 (0.04%) respondent are above degree. Hence, from the total population 50.9 % of the respondents are attended only high school.

Concerning experiences of distributors as shown in **table 4.1**, 4.9 % (11) of them have an experience of 1 to 3 years, 43.3% (97) of them have an experience of 3 to 6 years, and 28.8% (60) of the respondents with experience of 6 to 10 years & 25 % (56) of the respondents were with experiences of above 10 years. Hence, from these data we learnt that there are no outlets below three years of experience and it validates that the sampling techniques prior applied was correct.

Regarding job position of distributors as shown in **table 4.1** above, managers, distribution coordinators and distribution managers have filled the entire 31 questionnaires prepared particularly for distributors. The lion-shares of the response go to the 21 managers of the chain (67.7%) and 19.4 % (6) Distribution coordinator and 12.9 % (4) were filled by distribution managers. Hence, the majority of the respondents were managers.

Concerning job position of outlets as shown in **table 4.1** above, managers, coordinators and waiter and cashier have filled the entire 193 questionnaires particularly prepared for outlets. The

highest response go to the managers response accounts 142 of the chain (74.1%) and 7.8 % (15) coordinator and 115% (29) were filled by waiters and 3.1 % (6) of the respondents were cashers. Hence, the majority of the respondents were managers.

4.3 The Analysis of the Relationship between Independent and Dependent Variables

Correlation shows how the strength or the magnitude and direction of the variable relationship with each other's. The linear relationship between variables can be measured by correlation coefficient (r), which is commonly called as *Pearson product moment correlation*. Person's " r " mainly measures the data from the interval or ratio level and used to measure based on the deviation from the mean (Muluadam, 2015). The below table- 4.2 shows the measures of association and descriptive adjectives between the predictors variables, which was originally developed by MacEachron (1982).

Table 4.3: Measures of Associations and Descriptive Adjectives

Measure of Association	Descriptive Adjective
> 0.00 to 0.20 ; < -0.00 to - 0.20	Very weak or very low
> 0.20 to 0.40; < -0.20 to - 0.40	Weak or low
> 0.40 to 0.60; < -0.40 to - 0.60	Moderate
> 0.60 to 0.80; < -0.60 to - 0.80	Strong or high
> 0.80 to 1.0; < -0.80 to - 1.0	Very high or very strong

Source: (MacEachron, 1982)

Therefore, using the above table 4.3 and the SPSS output of the survey, the below results of the dependent and the independent variables is going to be discussed in detail basis.

4.4. Correlation between Variable

Table 4.4 Correlation

Correlation											
	IVs variables	1	2	3	4	5	6	7	8	9	10
1	Market share	1									
2	order fill rate	.678**	1								
3	Planning	.625**	.578**	1							
4	Stock management	.869*	.834*	.678*	1						
5	Distributor capacity	.704*	.687*	.597*	.697*	1					
6	Distributor channel used by competitor's	.075*	.067*	-.064*	.045*	.087*	1				
7	Distribution flexibility	.741*	.678*	.643*	.376*	.470*	.378*	1			
8	Support of the company to distributors	.647*	.567*	.370*	.619*	.465*	.278*	.478*	1		
9	Coordination between the outlets and distributors	.629*	.618*	.578*	.398*	.308*	.418*	.578*	.238*	1	
10	Distribution regulations	.874*	.696*	.671*	.778*	.608*	.471*	.568*	.370*	.178*	
11	Communication between the outlets and distributors	.965*	.923*	.808*	.848*	.678*	.478*	.778*	.578*	.478*	1
**. Correlation is significant at the 0.01 level (2-tailed).											
*. Correlation is significant at the 0.05 level (2-tailed).											
c. List wise N=417											

4.4.1. Order Fill Rate and Market Share

Based on the survey results, the correlation between *market share and order fill rate* is positive and they are significantly correlated at ($R = .678^{**}$), ($P < 0.01$). According to MacEachron (1982) magnitude of correlation the relationship between the two variables was strong.

In the emperical study of Panyako Fredrick (2016) order fill rate was positive and statistically significant on actual performance of channels with ($R = .829^{**}$), and ($R = .993$), respectively. Therefore, as mentioned above, the correlation between these two variables is again tested and founded here as a statistically significant.

4.4.2. Planning and Market Share

Based on the survey results, the correlation between market share and planning is positive and they are significantly correlated at ($R = .625^{**}$), ($P < 0.01$). According to MacEachron (1982) magnitude of correlation the relationship between the two variables was strong.

In the emperical study of maina b. joel kariuki (2011) planning was positive and statistically significant on actual performance of channels with ($R = 0.54^{**}$), and ($R = .775$), respectively. Therefore, as mentioned above, the correlation between these two variables is again tested and founded here as a statistically significant.

4.4.3. Stock Managements and Market Share

Based on the survey results, the correlation between market share and stock management is positive and they are significantly correlated at ($R = .869^{**}$), ($P < 0.01$). According to MacEachron (1982) magnitude of correlation the relationship between the two variables was strong. In the emperical study of Susan W maina b. joel kariuki (2011) stock management was positive and statistically significant on actual performance of channels with ($R = .513^{**}$), and ($R = .775$), respectively. Therefore, as mentioned above, the correlation between these two variables is again tested and founded here as a statistically significant.

4.4.4. Distributor Capacity and Market Share

Based on the survey results, the correlation between market share and market share is positive and they are significantly correlated at ($R = .749^{**}$), ($P < 0.01$). According to MacEachron (1982) magnitude of correlation the relationship between the two variables was strong.

In the emperical study of Emmanuel M. laswai Distribution capacity was and statistically significant on actual performance of channels with ($R = .480^{**}$), and ($R = .65$), respectively. Therefore, as mentioned above, the correlation between these two variables is again tested and founded here as a statistically significant.

4.4.5. Distribution Channel Used by Competitor's and Market Share

Based on the survey results, the correlation between market share and *distribution channel used by competitors* is positive and they are significantly correlated at ($R = .075^{**}$), ($P < 0.01$) and it is statistically insignificant According to MacEachron (1982), if the r value lies between $> \pm 0.00$ to ± 0.20 , it is referred as "Very weak or very low correlation" In the emperical study of Emmanuel M. laswai Distribution channel used by competitors was and statistically significant on actual performance of channels with ($R = 0.80^{**}$), and ($R = .65$), respectively. Therefore, as mentioned above, the correlation between these two variables is again tested and founded here as a statistically insignificant.

4.4.6. Distribution Flexibility and Market Share

The correlation between market share and distribution flexibility was founded as ($R = .741^{**}$), ($P < 0.01$) and it has a positive statistical significance. And according to MacEachron (1982), there exist a strong relationship between the two variables. To the same, Samaha et al., (2011) founded that, the channel member flexibility was significantly correlated with channel members performance ($R = .32$), ($P < 0.01$).

4.4.7. Support of the Company to Distributors and Market Share

The correlation between market share and support of the company was fall at moderate stage of magnitude with a positive statistical significant levels as ($R = .647^{**}$), ($P < 0.01$). In Empirical

survey of Samaha et al., (2008), the correlation of standardized support was positive and significant on actual performance of channels ($R = .54$) and same result was supported the result of the present study.

4.4.8. Coordination between Outlets and Distributors and Market Share

The correlation between market share and coordination was founded as ($R = .629^{**}$), ($P < 0.01$). According to the MacEachron (1982) magnitude of correlation, the relationship between the two variables is moderate with a positive significance. Empirically, Shoham et al., (2008) founded that the correlation of standardized coordination was positive and significant on actual performance of channels ($R = .73$). From this we can understand that, the result of this empirical study is found to be consistent with the present study.

4.4.9. Regulation and Market Share

The correlation between market share and regulation was founded as positively and statistically significant at ($R = .874^{**}$), ($P < 0.01$). The same levels of association between the two variables are categorized under a moderate level of association based on MacEachron (1982) magnitude of correlation. Empirically, Shoham et al., (2008) founded that the correlation of standardized control was positive and significant on actual performance of channels ($R = .70$). This showed that, the result of the present study was consistent with this empirical evidence cited.

4.4.10. Communication and Market Share

According to the outputs of survey, the correlation between market share and communication is positive and they are significantly correlated at ($R = .965^{**}$), ($P < 0.01$). Based on the MacEachron (1982) measure of association the magnitude of relationship between the two variables was moderate.

Empirically, the study of Chang and Wang (2008) found that communication and interaction on e-business activity is positively related with sales performance ($R = 0.275$). Shoham et al., (2008) founded that the correlation of standardized communication was positive and significant on actual performance of channels ($R = .65$).

Summary: based on the above 10 correlation analysis, the basic research question is called “**what is the nature of relationship among various variables that determines market share?**” can be answered. Therefore, all of 9 determinant factors of distribution performance have a positive correlation with market share. Whereas 1 variables of distribution performance has (**Distribution channel used by competitors**) have very weak level of correlation. With regard to the magnitude of the correlation, 9 all of them of are **strong correlation**.

4.5. Multiple Regression Assumption Test

Prior to conducting multiple regression analysis, the researcher performed test of five assumptions of multiple regression and the data was proven against those assumptions.

Assumption 1 - Normality Distribution

Multiple regressions require the independent variables to be normally distributed. The normal distribution of the data can be described by the skewness and kurtosis statistics. According to Smith and Wells (2006) kurtosis is defined as “a property of a distribution that describes the thickness of the tails. The thickness of the tail comes from the amount of scores falling at the extremes relative to the Gaussian distribution”. Whereas skewness is a measure of symmetry, or more precisely, the lack of symmetry. A distribution, or data set, is symmetric if it looks the same to the left and right of the center point.

In order to test the first assumptions of normality of distribution, skewness and kurtosis statistics was computed from the data obtained on the survey, in the below table - 4.11. All the skewness and kurtosis statistics needed to be within the acceptable ranges of ± 1.0 . In the present study since all the values of skewness and kurtosis for each variable are within an acceptable range, the data is said to be normally distributed

Table 4.5: Measures of descriptive statics

Descriptive statics					
	N	Skewness		Kurtosis	
	Statics	Statics	Std. Error	Statistic	Std.Error
order fill rate	417	0.7050	0.120	0.406	.238
Planning	417	0.0911	0.120	0.598	.238
Stock management	417	0.2686	0.120	0.993	.238
Distributor capacity	417	0.0887	0.120	0.774	.238
Distributor channel used by competitor's	417	0.2590	0.120	0.227	.238
Distribution flexibility	417	0.3022	0.120	0.119	.238
Support of the company to distributors	417	0.7146	0.120	0.412	.238
Coordination between the outlets and distributors	417	0.5468	0.120	0.932	.238
Distribution regulations	417	0.5779	0.120	0.475	.238
Communication between the outlets and distributors	417	0.6547	0.120	0.440	.238
Valid N (listwise)	417				

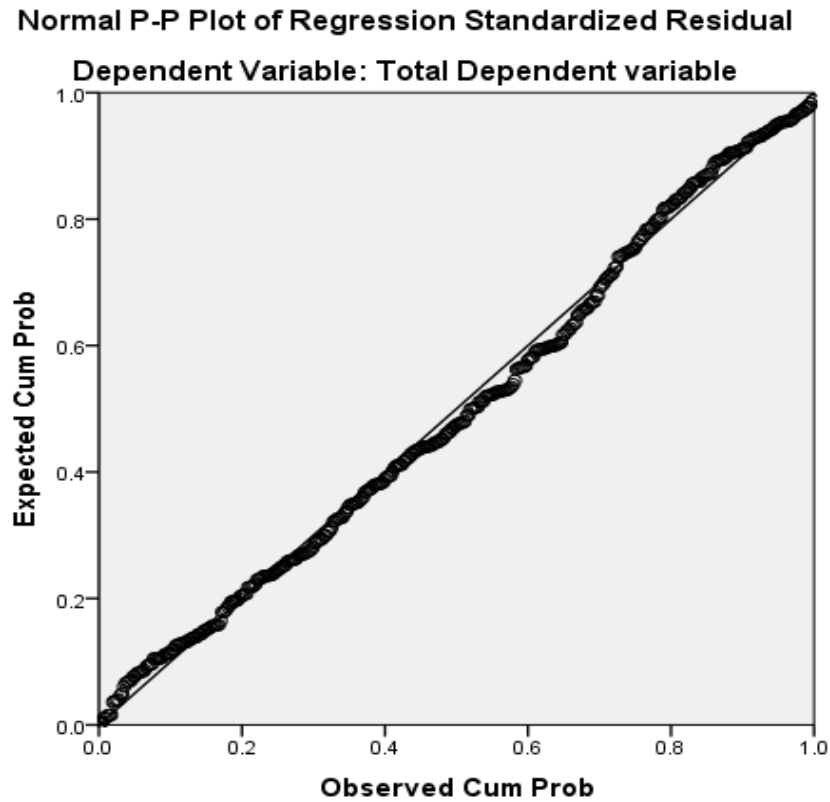
Source: SPSS output of the questionnaire survey, 2018

Assumption 2 - Linearity Relationship

The second assumption for computing multiple regressions is testing of the linear relationships between dependent and the independent variables. As depicted in the below scatter plot, figure - 4.1, the visual inspections of the scatter plot shows there exists a linear relationship between the predictors (*Distribution performance*) and the predicted variable (market share).

This means that, a unit increase of the one or all predictors causes respective increments for the market share.

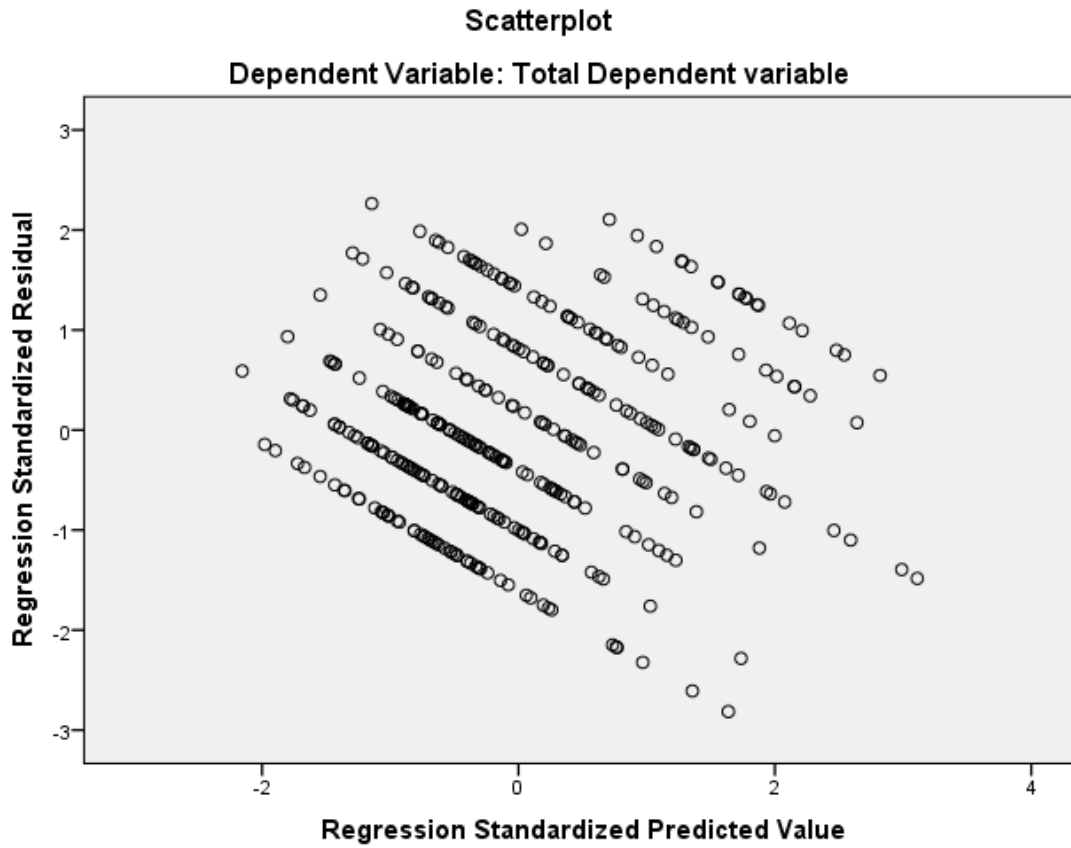
Figure 4.1: Scatter Plot Linearity Assumption Measures



Assumption 3 - Homoscedasticity (Equal Variance)

The homogeneity of the variance (equal variance) is the third assumption for computing multiple regressions in which the model errors are generally assumed to have an unknown but finite variance that is constant across all levels of the predictor variables. This assumption can be checked by visual examination of a plot of the standardized residuals (the errors) by the regressions standardized predicted value. From the below scatter plot (figure - 4.2) the visual inspection of the average results of the dependent variable market share and its determinants is constructed. The first matrix row of the 10 independent variables constructs was proved in this particular study. It means simply that, the variance of market share for each value of independent variable is constant in the population and hence homoscedasticity is not really a pressing problem of this particular study.

Figure 4.2: Scatter Plot Homoscedasticity Measures



Assumption 4 - Multicollinearity of the Regressor Variables

Similar to the multiple regression assumption tests of the above, the fourth assumption is related to the multicollinearity of the independent variables. Multicollinearity can be measured either by correlation matrix or VIF and degree of tolerance. VIF and the degree of tolerance assumption were also met.

Table 4.6: Multicollinearity Test – Tolerance and VIF

Variables	Collinearity Statistics	
	Tolerance	VIF
order fill rate	.964	1.037
Planning	.968	1.033
Stock management	.971	1.030
Distributor capacity	.969	1.032
Distributor channel used by competitor's	.979	1.022
Distribution flexibility	.982	1.018
Support of the company to distributors	.587	1.704
Coordination between the outlets and distributors	.983	1.017
Distribution regulations	.682	1.466
Communication between the outlets and distributors	.817	1.224

Source: SPSS respondent survey test output 2018

Assumption 5 - Independence of Residuals

The last assumption for multiple regressions is the independence of residuals. The independence of the residuals can be measured by Durbin-Watson statistics. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are independent (not correlated from one observation to the other one) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). For this study Table- 4.13, the output value of Durbin-Watson is **2.062**; approximate to 2, indicating that there is no correlation among the residuals.

Table 4.7: Durbin-Watson Statistics for Independence of Residuals

Model Summary b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.939 ^a	.881	.875	.2954	2.062
a. Predictors: (Constant), Communication between the outlets and distributors, Distribution regulations , order fill rate, Coordination between the outlets and distributors, Distributor capacity , Stock management, Support of the company to distributors, planning, Distributor channel used by competitor's , Distribution flexibility					
b. Dependent Variable: Dependent variable					

Source: SPSS respondent survey test output 2018

Summary: As it is clearly stated in the above, the five step-by-step model fitting assumption tests were found to be satisfactory. Since those five assumptions of multiple regressions were met, the next step is to process the output of multiple regressions. Those outputs are; the model summary (R and R²), the model fit (ANOVA), and the beta coefficient (standardized and unstandardized beta).

4.6. Multiple Linear Regression Analysis

Under multiple regression analysis, the following methods of analysis are used. The first task of multiple regressions was performed above with the help of the five assumptions and the next was producing output relating to Model Summary, ANOVA and Beta coefficient. So that the model can be developed and the relative importance of the determinants of distribution performance can be identified, the researcher relied on unstandardized and standardized beta coefficients respectively

4.6.1 Model Summary

In the below model summary table – 4:14,

- The multiple correlation coefficients, **R**, indicate a *very strong correlation* of **.939** between Market share and the 10 explanatory variables, by recalling the rule of thumb of the strength of relationship.

- From the R square (**R²** = .881, F= 29.54) value (*coefficient of determination*) the model fits accounts 70.46% of the variation in the market share explained by the fitted model linear combination of all the (predictors) determinants of market share.

Table 4.8: Model Summary

Model Summary b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.939 ^a	.881	.875	.2954	2.062
a. Predictors: (Constant), Communication between the outlets and distributors, Distribution regulations , order fill rate, Coordination between the outlets and distributors, Distributor capacity , Stock management, Support of the company to distributors, planning, Distributor channel used by competitor's , Distribution flexibility					
b. Dependent Variable: Dependent variable					

Source: SPSS respondent survey test output 2018

4.6.2. ANOVA Model Fit

The regression model overall fit can be examined with the help of ANOVA table- 4.15 of this study. In doing so, the ANOVA table determined the relationship between the independent variable and the dependent variable (Muluadam, 2015). As shown in the below table, the value of **R** and **R²** obtained under the model summary part was statistically significant at (F=29.54), (P<0.001) and it can be said that there is a relationship between market share and the predictors (determinant factors of distribution performance).

Table 4.9: ANOVA Model Fit

ANOVAa						
Model		Sum Of Squares	df	Mean Square	F	Sig.
1	Regression	81.279	14	5.806	29.54	.000 ^b
	Residual	31.241	208	.150		
	Total	112.521	222			
b. Dependent Variable: Dependent variable						
a. Predictors: (Constant), Communication between the outlets and distributors, Distribution regulations , order fill rate, Coordination between the outlets and distributors, Distributor capacity , Stock management, Support of the company to distributors, planning, Distributor channel used by competitor's , Distribution flexibility						

Source: SPSS respondent survey test output 2018

The value of **R²** obtained under the model summary part was statistically significant at 88.1 % and it can be said that the independent variables has expressed the dependent variable by 88.1 % and other 11.9 % will expressed by other variables.

4.6.3. Beta Coefficient

Table 4.10: beta coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t
		β	Std. Error	Beta	
1	(Constant)	.018	.180		.100
	order fill rate(X1)	.097	.048	.011	214
	Planning(X2)	.085	.053	.003	.051
	Stock management(X3)	.046	.044	.158	3.130
	Distributor capacity(X4)	.095	.042	.022	.431
	Distributor channel used by competitor's(X5)	.086	.061	.066	1.322
	Distribution flexibility(X6)	.095	.054	.113	2.251
	Support of the company to distributors(X7)	.092	.075	.086	1.326
	Coordination between the outlets and distributors(X8)	.056	.060	.005	.092
	Distribution regulations(X9)	.120	.060	.107	1.780
	Communication between the outlets and distributors(X10)	.061	.046	.128	2.330

Source: SPSS respondent survey result output 2018

➤ **Unstandardized Beta Coefficient (β)**

By recalling the model specifications of the variables from the chapter three of methodology part, it was said that, the unstandardized coefficients (β_1 up to β_{10}) are the coefficients of the estimated regression model. The model variable's specifications were written in line with each model, as it is now rewritten in the above table - 4.18. Hence, the model of market share can be written by including error term (ϵ), in the below form.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + \epsilon$$

$$Y = 0.18 + .97 X_1 + .85 X_2 + .46 X_3 + .095 X_4 - .086 X_5 + .095 X_6 + .092 X_7 + .056 X_8 + .120 X_9 + .061 X_{10} + 0.05$$

The intercept (β_0) is the point on the vertical axis where the regression line crosses the Y axis. And in here, it gives the expected value of sales performance (Y) as **0.18** where all the 10 predictor's variables of market share. Beta's can be obtained and interpreted from the above beta coefficient table-4.18 as follows.

Keeping all other variables constant;

- For every one unit increment on order fill rate of the distribution, the % of market share increases by 9.7%.
- For every one unit increment on planning of the company's distribution, the % of market share increases by 8.5%.
- For every one unit increment on stock management on the distribution, the % of market share increase by 4.6%.
- For every one unit increment on distributor capacity of the distribution chain members, the % of sales performance increased by 9.5%.
- For every one unit increment on distributor channel used by competitors of the company's distribution, the % of market share decreases by 8.6%.
- For every one unit increment on distribution flexibility of the distribution and of the company's distribution, the % of market share increases by 9.5%.
- For every one unit increment on support of the company to distributors of the distribution chain members, the % of market share increases by 9.2%.
- For every one unit increment on coordination among the distribution chain members, the % of market share increases by 5.6%.

- For every one unit increment on distribution regulation on the distribution chain members, the % of market share increases by 12%.
- For every one unit increment on communication on the distribution chain members, the % of market share increases by 6.1 %.

4.7. The analysis of the relationship between IVs and DV for Heineken breweries S.c and BGI Ethiopia

Correlation shows how the strength or the magnitude and direction of the variable relationship with each other's. The linear relationship between variables can be measured by correlation coefficient (r), which is commonly called as *Pearson product moment correlation*. Person's "r" mainly measures the data from the interval or ratio level and used to measure based on the deviation from the mean (Muluadam, 2015). The below table- 4.9 shows the measures of association and descriptive adjectives between the predictors variables, which was originally developed by MacEachron (1982).

Table 4.11: Measures of Associations and Descriptive Adjectives

Measure of Association	Descriptive Adjective
> 0.00 to 0.20 ; < -0.00 to - 0.20	Very weak or very low
> 0.20 to 0.40; < -0.20 to - 0.40	Weak or low
> 0.40 to 0.60; < -0.40 to - 0.60	Moderate
> 0.60 to 0.80; < -0.60 to - 0.80	Strong or high
> 0.80 to 1.0; < -0.80 to - 1.0	Very high or very strong

Source: (MacEachron, 1982)

Therefore, using the above table 4.11 and the SPSS output of the survey, the below results of the dependent and the independent variables is going to be discussed in detail basis

4.7.1 Order Fill Rate

As per the survey results obtained from Heineken breweries respondent's , the correlation between market share and order fill rate is positive and they are significantly correlated at (R = .635**), (P< 0.01). According to MacEachron (1982) measure of association the magnitude of

relationship between the two variables was strong. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and order fill rate is $R = .671^{**}$, ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.2. Planning

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and planning is positive and they are significantly correlated at ($R = .619^{**}$ ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was Moderate. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and order fill rate is ($R = .614^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.3. Stock Managements

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and stock management is positive and they are significantly correlated at ($R = .846^{**}$ ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong. Whereas on the survey result obtained from BGI Ethiopia respondent's, the correlation between market share and stock management is positive and they are significantly correlated at ($R = .859^{**}$ ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.4. Distributor Capacity

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and distributor capacity is positive and they are significantly correlated at ($R = .736^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong Whereas, on the survey result obtained from BGI Ethiopia the correlation between market share and stock management is ($R = .748^{**}$),

($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.5. Distribution Channel Used by Competitors

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and *distribution channel used by competitors* is positively correlated at ($R = .056^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was very weak. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and distribution channel used by competitors is ($R = .068^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was very weak.

4.7.6. Distribution Flexibility

As per the survey results obtained from Heineken breweries respondent's the correlation between market share and distribution flexibility was founded as ($R = .740^{**}$), ($P < 0.01$) According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and distribution flexibility is ($R = .735^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.7. Support of the Company to Distributors

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and *support of the company* is positively correlated at ($R = .627^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and support of the company is ($R = .639^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.8. Coordination between Outlets and Distributors

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and *coordination between outlets and distributors* are positively correlated at ($R = .625$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong .Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and coordination between outlets and distributors is also positively correlated ($R = .619$),($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was strong.

4.7.9. Distribution Regulation

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and distribution *regulation* are positively correlated at ($R = .867^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was Very strong. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and distribution regulation is also positively correlated ($R = .857^{**}$),($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was Very strong.

4.7.10. Communication

As per the survey results obtained from Heineken breweries respondent's, the correlation between market share and distribution *regulation* are positively correlated at ($R = .962^{**}$), ($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was Very strong. Whereas on the survey result obtained from BGI Ethiopia the correlation between market share and distribution regulation is also negatively correlated ($R = .958^{**}$),($P < 0.01$). According to MacEachron (1982) measure of association the magnitude of relationship between the two variables was Very strong.

4.8. Discussion of the Study

Till now, all the above analysis showed the statistical and quantitative explanations of the unknown and the known variables with a specific emphasis on the title called “distribution performance on market share on outlets and distributors actors in Addis Ababa.

Here under, the major discussion part is going to incorporate existing theories and empirical literatures of scholars, the frequencies and means of each predictor’s variables questions, the statistical significances, and the relative importance weights of each variable and the interview results obtained from Heineken breweries and BGI Ethiopia distribution managers.

Table 4.11: mean of dependent variables

Sr.no	Independent variables	Mean (Heineken)	Mean (BGI)
1	order fill rate	2.919	2.883
2	Planning	3.289	2.853
3	stock management	3.412	3.434
4	distributor capacity	3.270	3.087
5	distribution channel used by competitor	3.592	3.600
6	Distribution flexibility	2.949	2.885
7	support of the company to distributors	2.885	2.926
8	Coordination between the company and distributors	3.501	3.531
9	Distribution regulation	2.856	2.862
10	Communication between the company and distributors	2.902	2.911

Source: SPSS respondent survey result output 2018

4.8.1 Order Fill Rate, Planning, and Stock Management Distribution Channel Members

The results also show that ordering contributes positively to distribution service performance. These results conforms to observations by Liu et al. (2007) who argued that service performance is

measured in different ways that include order visibility, customer experience, availability, returnability, product variety and response time. Liu (2007) recommended that companies that target clients who can withstand longer response time need some locations that are not very close to the clients and can dwell much on increasing capacity of such locations. Companies that target clients with short response time, on the other hand need to be close to their clients. Therefore, as response time reduces, serves to increase the customers' desire and in turn the facilities in the network also needs to increase.

Distribution performance was strongly and positively correlated to market share. The changes in distribution can be attributed to market share which was in turn influenced by efficiency in representation and ordering. The results are in agreement with Lambert D. M., ed. (2010), who considered models where retailers have fixed order intervals. Bowersox, Donald J., David J. Closs, and M. Bixby Cooper (2002), argue that planning assists in providing direction so organization members know where the organization is heading and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends. Lambert D. M., ed. (2010), note that a company's strategy provides a central purpose and direction to the activities of the organization and to the people who work in it. Adding to this argument, Kotter (2003) contends that the primary goal of planning is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same. According to Kotter (2003) Organizations use inventory control to minimize idle time caused by shortage of inventory and non-availability of inventories as per requirement to keep down capital investment in inventory.

The interview was conducted with BGI Distribution managers to explain the order fill rate, stock management and planning. As he replied on the order fill rate of the company, the order fill rate of the company is faster than any brewery selling in Addis Ababa market because the brewery plant is operating in the heart of Addis and wherever there is an order from the customers it can replenish quicker than others, to explain about the company planning he replied that the company has planning staff their main position are to monitor the anticipated and unanticipated demand and they are also closely working with distributors to assist distributors in planning and distribution execution whenever they need planning professionals assistant, to explain about stock management of the company he has replied that the company is always focusing on

producing beers and it doesn't only focus on S&OP (sales and operating plan) yearly plan and the daily production plan is 15% bigger than S&OP to tackle the unanticipated plan.

Order fill rate is the *first* independent variable with the percentage contribution of 9.7%, the distribution channel members were asked the following;

- BGI Ethiopia's order fill rate is fast.
- BGI Ethiopia is delivering the order we placed within reasonable time.
- Our firm faced out of stock due to the inefficient order fill rate of BGI Ethiopia.

According to the mean values of each cases under the order fill rate variable of market share, the negative variance (strongly disagree and disagreement) were, 42.7% & 33.5%, 38%&42.7% and 28%&47.6% respectively. Hence, since the contribution of order fill rate is positive variance to market share giving emphasis on these parts is good.

Planning is the *second* independent variable with the percentage contribution of 8.5%, the distribution channel members were asked the following;

- Our firm has planning staff that monitor consumption and an expected demand.
- We faced unexpected demand in which we are not able to satisfy.
- BGI Ethiopia is helping us in planning and monitor product stock position to tackle product shortage.

According to the mean values of each cases under the planning variable of market share, the negative variance (strongly disagree and disagreement) were, .5% & 49%, 0%&49% and 27%&28.6% respectively. Hence, since the contribution of planning is positive variance to market share giving maximum weight to this is advisable for channel members.

Stock management is the *third* independent variables with the percentage contribution of 4.6% the distribution channel members were asked the following;

- Our firm monitors stock position at all points and including outlet levels.

-BGI Ethiopia produces' and stocks an ample of product to sell immediately up on demand

-Our firm keeps enough products in the store so as to tackle out of stock.

According to the mean values of each cases under the stock management variable of market share, the negative variance (strongly disagree and disagreement) were, .9.2% & 2.4%, 56.3%&33% and 9.2%&18.4% respectively. Hence, since the contribution of stock management is positive variance to market share giving maximum weight to this is better.

The interview was conducted with Heineken breweries distribution managers to explain the order fill rate, stock management and planning he replied on the relation to order fill rate of the company, the order fill rate of the company is good and he told me that every order placed through customers is replenished after a day and distributors are aware of that the order placement is require 24 hours and they will react as per the schedule given by the company.

Order fill rate is the *first* independent variable with the percentage contribution of 9.7% the distribution channel members was asked the following;

-Heineken's order fill rate is fast.

-Heineken is delivering the order we placed within reasonable time.

-Our firm faced out of stock due to the inefficient order fill rate of Heineken.

According to the mean values of each cases under the order fill rate variable of market share, the negative variance (strongly disagree and disagreement) were, 52.6% & 43.1%, 47%&56 % and 36%&39.1% respectively. Hence, since the contribution of order fill rate is positive variance to market share giving emphasis on these parts is good.

Planning is the *second* independent variable with the percentage contribution of 8.5% the distribution channel members was asked the following;

-Our firm has planning staff that monitor consumption and an expected demand.

-We faced unexpected demand in which we are not able to satisfy.

-Heineken Breweries is helping us in planning and monitor product stock position to tackle product shortage.

According to the mean values of each cases under the planning variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 12.6%, 0%&12.6% and 31.1%&28.2% respectively. Hence, since the contribution of planning is positive variance to market share giving maximum weight to these is better from the channel members in general.

Stock management is the *third* independent variables with the percentage contribution of 4.6% the distribution channel members were asked the following;

-Our firm monitors stock position at all points and including outlet levels.

-BGI Ethiopia produces' and stocks an ample of product to sell immediately up on demand

-Our firm keeps enough products in the store so as to tackle out of stock.

According to the mean values of each cases under the stock management variable of market share, the negative variance (strongly disagree and disagreement) were, .28.2% & 27.2%, 33.5%&50% and 39.3%&11.2% respectively. Hence, since the contribution of stock management is positive variance to market share giving maximum weight to these is better from the channel member's side.

4.8.2. Capacity of Distribution Chain Members

Kotler (2003) defined a market as the set of actual and potential buyers of a special product. This market consists of a set of marketing channels through which the commodity is transferred from producers to consumers. The marketing channel links producers and final consumers. According to mathur, m. (2013)., "Marketing channels can be viewed as sets of interdependent organizations involved in the process of making a product or service available for consumption or use". Kotler (2003) defined marketing channels as "alternative routes of product flows from producers to consumers". The performance of a marketing channel is related to its structure and the strategies (conduct) of the actors operating in these channels. The effectiveness of the marketing channel is assessed by examining how well these channels respond to consumers and

producers demand for services in relation to their preferences. In a properly functioning market, marketing channels have to guarantee that consumers can buy and that producers can sell their products at reasonable prices in the market place; they have to balance supply and demand in each market segment at any time, Kotler (2003)

In this study, the distribution Capacity of marketing channels was assessed in relation to the different services that the channels have offered in the market in order to maximize consumer satisfaction. In broad categorization, these functions include: distribution (exchange functions, credit facility); storage, transport (physical functions); financing (facilitating functions) etc. All these functions are aimed at creating consumer convenience in terms of time, form and place. Consumers usually prefer to deal with a marketing channel that provides a higher level of spatial, time and/or form convenience. These are related to three major functions: transport, storage, and finance, Kotler (2003)

The interview was conducted with BGI Distribution managers to explain the distributor capacity. He replied on the relational distributors capacity who are engaged in distribution the products of the brewery, BGI distributors are capable enough to distribute as they have long period experience in distribution the products and they have accumulated huge wealth in the business as most of them was engaged in this business before two decades and most of them have wide square meter warehouse facilities in the city which is potentially fit to their sales territory and the conclusion was BGI distributors are fit in all aspects of distributor capacity such as warehouse facility, credit facility and in adequate number of truck as per the requirement of sales territory and the market.

Distributor capacity is the *fourth* independent variable with the percentage contribution of 9.5% the distribution channel members was asked the following;

-The distributor has enough financial capacity to distribute the products as per the requirement of the market situation on the ground.

-The sales territory the distributor currently serving are fit with our potential to serve.

-The warehouse facility the distributors have is enough for our sales territory.

-The distributor has enough numbers of trucks to distribute the products.

According to the mean values of each cases under the distributor capacity variable of market share, the negative variance (strongly disagree and disagreement) were, 46.6% & 35%, 31.6%&24.8%, 43.2%&12.6% and 46.6&16% respectively. Hence, since the contribution of

Distribution capacity is positive variance to market share giving maximum weight to these is better from the channel member's side.

The interview was conducted with Heineken breweries Distribution managers to explain the distributor capacity. He replied on the relation to distributors capacity who are engaged in distribution the products of the brewery, Heineken breweries distributors are financial capable and when they were engaged with the company the first criteria was financial asset and other than financial asset other fixed asset like warehouse was not set in the selection criteria and the problems were the distributors are new to the business the company shape them from the scratch because hiring distributors from other brewery would lead frailer to the business as bribery and other problem are the major problems in the business.

Distributor capacity is the *fourth* independent variable with the percentage contribution of 9.5% the distribution channel members was asked the following;

-The distributor has enough financial capacity to distribute the products as per the requirement of the market situation on the ground.

-The sales territory the distributor currently serving are fit with our potential to serve.

-The warehouse facility the distributors have is enough for our sales territory.

-The distributor has enough numbers of trucks to distribute the products.

According to the mean values of each cases under the Distributor capacity variable of market share, the negative variance (strongly disagree and disagreement) were, 9.2% & 3.4%, 0%&58.3%, 9.2%&18.4% and 9.2%&45.6% respectively. Hence, since the contribution of distribution capacity is positive variance to market share giving maximum weight to these is better from the channel member's side.

4.8.3 Distributor Channel Used by Competitors

The study aimed at comparing the effectiveness of the distribution channels used by competitors within the same region especially on replacement time of products to the customer through the use of both direct and indirect distribution.

The interview was conducted with BGI Distribution managers to explain the distribution channel used by competitors. He replied on the relation to competitor distributor their strategy and system are better and they are one step ahead of competitors and since strategy is confidential he was not willing to go in depth what is best and what is lacks to adjust for going forward.

The interview was conducted with Heineken breweries Distribution managers to explain the distribution channel used by competitors. He replied on the relation to competitor distributor strategy particularly BGI their distribution strategy is good they used to give credit and other facility for distributors to enhance their performance and because of procedural problem Heineken is failed to do that but he told me that the top management is working on that to adjust some policy bottleneck's so as to much or excel the distribution strategy used by competitors.

4.8.4. Distribution Flexibility of the Channel Members

According to Samaha et al., (2011) and Yu et al., (2013) study, distribution flexibility is composed of logistics and relationship flexibility. It is generally refers to a willingness to be adaptive or adjust (to create, extend, or modify its own resource base, in addition to its partners" resources) in response to changing conditions, coordinative modification, flexibility in storage, delivery, transportation, and inventory so as to generate competitive benefits and performance enhancements.

The interview was with BGI distribution managers to explain the distribution flexibility of the chain. As they replied on the relation to flexibility of the company, there was some rigidity from BGI side, it associate these with employees of distribution in the brewery plant most of them were hired because they do have much experience in the brewery and the work assignment from human resource is based on experience and not merit based. Therefore, they are somehow rigid in working flexibly with customers query.

Distributor flexibility is the *sixth* independent variable with the percentage contribution of 9.5% the distribution channel members was asked the following;

-BGI Ethiopia is willingly makes adjustments to help us when we faced with special problems or circumstances

-The relationship between us and other chain members is able to respond quickly to requests.

-BGI Ethiopia is willing to rearrange the distribution system currently using when we recommend for some distribution arrangements.

According to the mean values of each cases under the distributor flexibility variable of market share, the negative variance (strongly disagree and disagreement) were, 47.6% & 1.5%, 0%&47.6% and 10%&57.3% respectively. Hence, since the contribution of distributor flexibility is positive variance to market share giving maximum weight to these is better from the channel member's side.

The interview was with Heineken breweries distribution managers to explain the distribution flexibility of the chain. As they replied on the relation to flexibility of the company, they are very flexible to adjust the distribution system as soon as difficulties are shown which hinders distributor to work their normal work and he shown me that some truck records of adjustment on distribution and the distribution system is done by updated ERP software's which could be amended without many effort and whenever customer complain has come dedicated information technology department is assigned at the brewery to adjust some functionality on the distribution systematically and warehouse and transport managers are ready to adjust the system physically to match with the query of the customers.

Distributor flexibility is the *sixth* independent variable with the percentage contribution of 9.5% the distribution channel members was asked the following;

-Heineken breweries is willingly makes adjustments to help us when we faced with special problems or circumstances

-The relationship between us and other chain members is able to respond quickly to requests.

- Heineken breweries is willing to rearrange the distribution system currently using when we recommend for some distribution arrangements.

According to the mean values of each cases under the Distributor flexibility variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 16%, 16% & 59.3% and 9.8% & 60.1% respectively. Hence, since the contribution of distributor flexibility is positive variance to market share giving maximum weight to these is better from the channel member's side.

4.8.5. Support of the Company to Distributors

According to Shoham et al., (2008), support types are described as the following; “providing technical guidance, promotion materials or advertising, training, and visits by headquarters” personnel, free samples, finance and trade allowance”.

The interview was with BGI distribution managers to explain support of the company to the chain. As they replied on the relational to support given to chain members, BGI Have been giving support on training, promotional materials and professionals assistant for distributors and outlets and credit sales is applicable to assist distributor to have more transaction.

Support of the company is the *seventh* independent variable with the percentage contribution of 9.2% the distribution channel members was asked the following;

-BGI Ethiopia is providing us credit scheme (financial assistance).

-BGI Ethiopia is sending professionals to assist our business.

-BGI Ethiopia is providing us support on training.

According to the mean values of each cases under the support of the company variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 46.6%, 0% & 46.6% and 9.2% & 56.3% respectively. Hence, since the contribution of support of the company is positive variance to market share giving maximum weight to these is better from the channel member's side.

The interview with Heineken brewery distribution managers to explain support of the company to the chain. As they replied on the relational to support given to chain members, Heineken is keen to give support on training and professional assistance however, because of procedural hindrances the company is not giving financial assistance to distributors and every transaction with distributors are on cash basis and credit basis is not allowed.

Support of the company is the *seventh* independent variable with the percentage contribution of 9.2% the distribution channel members was asked the following;

-Heineken breweries is providing us credit scheme (financial assistance).

-Heineken breweries is sending professionals to assist our business.

-Heineken breweries is providing us support on training.

According to the mean values of each cases under the support of the company variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 40.3%, 0% & 50.3% and 9.8% & 60.1% respectively. Hence, since the contribution of support of the company is positive variance to market share giving maximum weight to these is better from the channel member's side.

4.8.6. Coordination between the Company and Distribution Chain Members

In the wider business network, there exists a connected business relationship in which the coordination of activities with partners is crucial (Shoham et al., 2008). Because of these connected relationships between partners, differences in perspectives and goals and challenges in coordinating activities between channel members are inevitable (Hughes & Ahearne, 2010).

The interview was with BGI distribution managers to explain coordination between the company and distribution chain members. As they replied on the relational to this question the company is utmost in collaborate working with distribution channel members support given to chain members.

Coordination between the company and distribution chain members is the *eighth* independent variable with the percentage contribution of 5.6% the distribution channel members were asked the following;

- BGI Ethiopia is looking for synergies to do business together.
- BGI Ethiopia and the distribution chain members work together to exploit unique opportunities.
- BGI Ethiopia's relationships with distributors are benefited and Strong tie coordination.

According to the mean values of each cases under the Coordination between the company and distribution chain members variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 37.4%, 0%&11.2% and 0%&12.1% respectively. Hence, since the contribution of Coordination between the company and distribution chain members is positive variance to market share giving maximum weight to these is better from the channel member's side.

The interview was with Heineken distribution managers to explain coordination between the company and distribution chain members. As they replied on the relational he believed that there is good coordination between distributors and other channel members including outlets but the coordination between distributors are strong tie and frequent however, the coordination with outlets is done by their respective distributors and sales representatives of the company and he assure me that when we come to distributor the coordination is strong and going to outlets the company involvement is decreased as these assignment is given to distributors to create strong relation with outlets.

Coordination between the company and distribution chain members is the *eighth* independent variable with the percentage contribution of 5.6% the distribution channel members were asked the following;

- Heineken breweries is looking for synergies to do business together.
- Heineken breweries and the distribution chain members work together to exploit unique opportunities.

- Heineken breweries' relationships with distributors are benefited and Strong tie coordination.

According to the mean values of each cases under the Coordination between the company and distribution chain members variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 39.9%, 0%&9.8% and 0%&9.8% respectively. Hence, since the contribution of Coordination between the company and distribution chain members is positive variance to market share giving maximum weight to these is better from the channel member's side.

4.8.7. Regulation of the Company

Management control and effective evaluation is recognized as an important performance indicator and could have a positive financial and strategic performance in a given company, according to Rajagopal, Pitt and Price, (2010); Ramaseshan et al., (2013). Monitoring practices such as frequent site visits and phone contact with customers develop the firm's channel tracking capabilities, allowing managers to better monitor downstream activities (Wallace et al., 2009), alleviate information asymmetry, detect future violations in the network (Wang, Gu and Dong, 2013).

According to the interview with BGI distribution manager he replied that on the regulation systems of the company distribution, the regulation of the distribution chain is performed based on the specified period of time and during those period all sales staff will participate and the evaluation, monitoring and rewarding process will took more than a month and every sales representative, regional manager and district manager is going to take apart and at the end of the day every regional managers will come up with report and the rewarding process will take place.

Distribution regulation is the *ninth* independent variable with the percentage contribution of 12% the distribution channel members was asked the following;

- BGI Ethiopia monitors the distribution channels sales activities.
- BGI Ethiopia evaluates the distribution channel sales activities.
- BGI Ethiopia rewards the distribution channel sales activities.

According to the mean values of each cases under the distribution regulation variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 49%, 0%&9% and 9.2%&58.7% respectively. Hence, since the contribution of distribution regulation is positive variance to market share giving maximum weight to these is better from the channel member's side.

According to the interview with Heineken breweries distribution manager he replied that on the regulation systems of the company, the regulation of the distribution chain is frequent and check list is prepared for evaluation on monthly basis and the evaluation is conducted by regional sales manager and the evaluation and monitoring percentage would be calculated and if the distributors exceeds 85% of the evaluation criteria reward will be given and for those distributors performs below minimal criteria warning letter will be given and if they are not going to come up with good performance percentages the contract will be canceled.

Distribution regulation is the *ninth* independent variable with the percentage contribution of 12% the distribution channel members was asked the following;

- Heineken breweries monitor the distribution channels sales activities.
- Heineken breweries evaluate the distribution channel sales activities.
- Heineken breweries reward the distribution channel sales activities.

According to the mean values of each cases under the distribution regulation variable of market share, the negative variance (strongly disagree and disagreement) were, 0% & 50.3%, 0%&50.3% and 9.8%&60.1% respectively. Hence, since the contribution of distribution regulation is positive variance to market share giving maximum weight to these is better from the channel member's side.

4.8.8. Communication between the Company and Distribution Chain Members

Different scholars like Mathur, (2013); Michman and Lynn; Shoham et al., (2008); Srivastava & Chakravarti, (2009); Yu et al, (2013); Johnston et al., (2012) and Chang & Wang, (2008) wrote on communication importance of distribution channels. To sum up the importance, a complete,

timely, a well-constructed, a clear, an open, a systematic, frequent, a strong-tie and a bi-directional communication is a key component for successful distribution. It also creates smooth and harmonious relationships, produces quicker and more efficient agreements, able to access to rich information and knowledge transfer, and fosters associations and long-term relationships which drive to channel equity.

According to the interview results obtained from BGI distribution managements, in the beginning of every month with all distributors and outlet and monthly target of volume sold and distributed. In the 2nd or 3rd days all the distribution managers and distributors will have a meeting regarding to past month achievements as well as the target for this month too. Hence the interview report shows there is a timely, a well-constructed, a clear and open communications between the channel members and the distribution managers and retailers are being communicated either through their respective distributors.

Communication between the company and distribution chain members is the *tenth* independent variable with the percentage contribution of 6.1% the distribution channel members were asked the following;

- BGI Ethiopia's relationships with distribution chain are benefited and frequent communication.
- BGI Ethiopia's relationships with distribution are benefited and Strong tie communications.
- BGI Ethiopia's working relationship with the distribution chain members is characterized by open and honest communication.
- BGI Ethiopia's staff has been informs us all information early enough.

According to the mean values of each cases under the Communication between the company and distribution chain members variable of market share, the negative variance (strongly disagree and disagreement) were, 24.8% & 31.1%, 50%&12.6% ,18.9%&49.5% and 37.9%&43.7% respectively. Hence, since the Communication between the company and distribution chain members is positive variance to market share giving maximum weight to these is better from the channel member's side.

According to the interview results obtained from Heineken distribution managements, there is reliable and timely communication between company and distribution channels as sales representatives use tablets and modern data collection materials to collect reliable and timely data to ERP software on a daily basis and so, every distribution and logistics information is accessible to everyone in the supply chain and if there is a problem regarding product shortage and a possibility of out of stock at every level of distribution and retailing chain the company can react quickly and the communication across the distribution channels is reliable, timely and systematic.

Communication between the company and distribution chain members is the *tenth* independent variable with the percentage contribution of 6.1% the distribution channel members were asked the following;

- Heineken breweries' relationships with distribution chain are benefited and frequent communication.
- Heineken breweries' relationships with distribution are benefited and Strong tie communications.
- Heineken breweries' working relationship with the distribution chain members is characterized by open and honest communication.
- Heineken breweries' staff has been informs us all information early enough.

According to the mean values of each cases under the Communication between the company and distribution chain members variable of market share, the negative variance (strongly disagree and disagreement) were, 28% & 21.1%, 49%&12% ,19.1%&69.5% and 17.9%&23.7% respectively. Hence, since the Communication between the company and distribution chain members is positive variance to market share giving maximum weight to these is better from the channel member's side.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, summaries and conclusions are drawn, recommendations are forwarded, researcher's gaps are identified and further research directions are indicated.

5.1. Summary of the Major Findings

- The total sample size was 231 out of which 200 of them were outlets (200 of them were for BGI Ethiopia and 200 of the were for Heineken breweries and both company questionnaires were filled by the some personnel) and 31 distributors out of which 13 distributors were for BGI Ethiopia and 18 Heineken breweries and distributed within five zones. Out of which, 386 questionnaires were returned for outlet questionnaires and 13 were returned for BGI Ethiopia distributors and 18 questionnaires were returned for Heineken breweries. Hence with the response rate of 86.2%, 100% and 10%, respectively.
- The sum of the independent variables average Cronbach's alpha value is ($\alpha = 0.931$) and the reliability test of the study is located on "Acceptable" range.
- Out of 231 respondents, 86.2 % (193) of the respondents were male whereas the remaining 13.8% (31) were Female. the largest majority of the respondents age falls at an age category between 41 – 50 accounted for the cumulative percentage of 39.2% , the next age category with big respondents were age between 31-40 which accounted 84 whereas,18- 30 and above 51 ages were 23 (23%) and 29 (12.9%), respectively. Majority of the respondent's educational status were high school graduated it accounts 50.4 % (114) and the next biggest figure were TVET graduated it accounts 39.7% (89) and respondent's 3.1 % (7) , 5.8% (13) and 0.04% (1) respondent's respectively and 43.3% (97) of the distribution chain have an experience of 3 -6 years, 26.8 % (60) of the distribution chain have an experience of 6- 10, 25% (56) of the respondents of the distribution chain have an experience of above 10 years. The least percentage contribution was with experiences of 1 -3 years with 11 (4.9%).

- The lion-shares of the response for beer distributors go to the 21 (67.7%) managers of the chain 6 (19.4%) of the response were distribution coordinator and 4 (12.9%) of the response were distribution managers
- The lion-shares of the response for outlets goes to the 143 (74.1%) managers of the chain 15 (7.8%) of the response were coordinator, 29 (15%) of the response were waiter/ress and 6(3.1%) of the respondents were cashers.
- The correlation between market share and order fill rate is positive and significantly correlated at ($R = .678^{**}$), ($P < 0.01$ with strong magnitude of correlation.
- The correlation between Market share and planning is positive and significantly correlated at ($R=.625^*$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and stock management is positive and significantly correlated at ($R=.869^{**}$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and distributor capacity is positive and significantly correlated at ($R=.749^{**}$), ($P < 0.01$) with moderate magnitude of correlation
- The correlation between market share and distributor channel used by competitor's is positive and significantly correlated at ($R=.670^{**}$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and distribution flexibility is positive and significantly correlated at ($R=.520^{**}$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and support of the company to distributors is positive and significantly correlated at ($R=.647^{**}$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and coordination between channel members is positive and significantly correlated at ($R=.629^{**}$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and distribution regulation is positive and significantly correlated at ($R=.874^{**}$), ($P < 0.01$) with moderate magnitude of correlation.
- The correlation between market share and communication between channel members is positive and significantly correlated at ($R=.965^{**}$), ($P < 0.01$) with moderate magnitude of correlation.

- The pre-model fitting five assumptions (i.e., Normality, Linearity, Multicollinearity, Homoscedasticity and Independence of Residuals) of multiple regressions are met accordingly.
- The model summary results showed that, a linear combination of all the independent variables considered under the study predicts R square ($R^2=.881$), adjusted R square ($R=875$) and Durbin Watson 2.062 of the variance in the dependent variable market share.
- The ANOVA test result showed that, the value of R and R2 obtained under the model summary part was statistically significant at ($F=32.902$), ($P<0.001$).
- The standardized beta coefficient of each independent variables with relative importance contribution (RIW) to the market share of the distribution channel is; order fill rate (9.7%), planning (8.5%), stock management (4.6%), distributor capacity (9.5%), Distributor channel used by competitor's (8.6%), distribution flexibility (9.5%), Support of the company to distributors (9.2%), coordination between channel members (5.6%), distribution regulation (12%) and communication between channel members (6.1%)
- The unstandardized beta coefficient of each independent variables is; order fill rate ($\beta = .097$), planning ($\beta = .085$), stock management ($\beta = .046$), distributor capacity ($\beta = .095$), Distributor channel used by competitor's ($\beta = .086$), distribution flexibility ($\beta = .095$), Support of the company to distributors ($\beta = .092$), coordination between channel members ($\beta = .056$), distribution regulation ($\beta = .056$) and communication between channel members($\beta = .120$).

5.2. Conclusions

Based on the findings it is concluded that channel of distribution plays a positive role on supply products to the market. Distribution Channel plays a very important role especially with respect to the soft drink industry because if the product is not available on time consumers will switch on to other brands and the company will lose its market share and hence an effective distribution channel is the need of this industry. Brewery industry in Ethiopia is becoming a very competitive environment where maximum efficiency and sustainable competitive advantage are critical for the success of a company. And, in the current business environment managing the distribution is becoming an increasingly important practice to enhance Competitiveness. From the findings

above, we can conclude that the distribution performance has a positive implication on the market share .In addition, From the questionnaire analysis and

Data collected from the interview, we can conclude that BGI Ethiopia and Heineken breweries distribution managers are keen to work on quality and efficiency of beer distribution and they know that focusing on distribution is critical for the company success.

This study emphasizes on distribution sales performance on market share comparative study on two breweries (BGI Ethiopia and Heineken breweries) by considering 10 independent variables. Those determining factors with their relative importance contribution for the market share of those breweries; variable are order fill rate, planning , stock management , distributor capacity, , distribution flexibility, support of the company to distributors, cooperation between channel members ,distribution regulation and communication between channel members and distribution channel used by competitors.

All determinant factors of distribution have a positive correlation with market share. The correlation between the dependent variable market share and the 9 independent variables was with magnitude ranges of “strong” level of correlations and 1 variable was with very weak correlation.

The pre-model fitting five assumptions (i.e., Normality, Linearity, Multicollinearity, Homoscedasticity and Independence of Residuals) of multiple regressions are met accordingly. The model summary results showed that, a linear combination of all the independent variables considered under the study predicts 88.1% of the variance in the dependent market share. The ANOVA test result showed that, the value of R and R² obtained under the model summary part was statistically significant.

The multiple linear regression analysis of the independent variables and dependent variables shows that all of the explanatory variables have a statistically significant relationship for predicting market share.

Generally, brewery companies are operating throughout the country, to address for the final markets end-to-end in an efficient and effective ways, working with in distributions very crucial to win in the stiff competition of beer market. Therefore, for addressing greater market share and

better firm performance through greater sales, determination and consideration of the above discussed factors of distributions would have an importance.

According to the comparative analysis BGI Ethiopia effort on order fill rate, planning and stock management stronger than Heineken breweries, concerning distribution flexibility Heineken breweries is more flexible in distribution than BGI Ethiopia, on distribution strategy approaches and distribution systems deployed BGI Ethiopia better than Heineken breweries, concerning distributors capacity BGI Ethiopia distributors have adequate distribution capacity than Heineken Ethiopia, concerning on support of the company Heineken Ethiopia' effect in support is strengthen than of BGI Ethiopia, regarding coordination between the company and other channel members both Heineken and BGI is in operational and the analysis shown that the value for both entity is almost equal but there is slight difference and BGI Ethiopia has the upper hand on coordination among channel members, concerning on distribution regulation BGI is more in executing distribution regulation policies to channel member than Heineken, concerning on communication between the company and other channel members Heineken is performing well than BGI Ethiopia.

Lastly the study revealed that the extent to which distribution performance of BGI Ethiopia is performing better than that of Heineken breweries. Thus, the study has given recommendation for both breweries.

5.3. Recommendations

- The educational background of some respondent's shows that there exists 50.9% of them as a "high school and below" status. Therefore, intensive training is needed for the creation of same level of understanding between the chain members rather than simply focusing on sale.
- In order to solve problems regarding order fill rate, BGI Ethiopia should establish dedicated customer service department which closely work with customer by focusing only processing customers order and additionally continuous marketing surveys should be made and adoption of technology in the ordering procedures has to be implemented and so as to solve order fill rate issue, Heineken breweries has to arrange big warehouse facilities close to customers this will enhance the order response time. Therefore, BGI

and Heineken should fully integrate their ordering procedures with modern technology so as to optimize their efficiency.

- In order to alleviate the order response time, Heineken breweries has to increase the number of stores and take much consideration to enhancement the level of proximity to the distributors in terms of location which potentially reduce the time to replenish orders.
- In order to alleviate the order response time, Heineken breweries has to arrange credit facilities to customers which makes the transaction so easy and less time consume and BGI Ethiopia as well has to increase the credit limit given to customers so as to enable customer to transact more than the current trend.
- Heineken breweries should work in ways how to minimize invoice processing time, data quality addressing the right information to the vendors and also looking the new system tools to improve the system effectiveness at the most and BGI Ethiopia has to give maximum
- Focus on minimizing manual works and enhance the level of order processing arises from customers.
- BGI Ethiopia and Heineken breweries needs to be able to adopt multi-site distribution plans that respect to products and distributors so as to quickly adjust those plans as demand changes to ensure that customer orders are delivered on time. Supply Chain Planning solutions like full-fledged ERP system provide global, end-to-end supply chain optimization across the company, enabling brewers to improve service levels, increase productivity, reduce operational costs, minimize order lead time, maximize material utilization, and increase demand forecasting.
- Accurate plan should be needed to Increase the capacity of the warehouses in different hubs rather than putting the beer in central warehouse in terms of cost and time it may be advantageous but in terms of the current boom beer market demand it would not make profitable. Therefore, Heineken breweries and BGI Ethiopia have to analyze demand and prepare accurate strategic, tactical, operational and contingency plans to move one step ahead from the market.
- Heineken breweries and BGI Ethiopia have to implement distribution requirements planning (DRP) a system that replenishes inventory at distributor's warehouses using a time-phased order point or other logic for every type of SKU's. To minimize problem in

relation with forecasting accuracy both breweries should hire employee who are dedicated works on forecasting system, a system that uses historical demand and time series algorithms to predict future demand by forecasting time intervals over the forecasting time horizon.

- Improving integration with first line customers through collaboration and relationship based on mutual benefit and trust (win win). Specifically, the Heineken breweries and BGI Ethiopia should invest more resource to optimize the whole distribution chain through technical and financial support. And, more coordination mechanisms like joint demand forecasting should be there.
- Standard inventory control system, that helps decision makers when and how much to order and maintain an appropriate stock level should be implemented. This will in turn improves profitability through minimizing shortage and oversupply. Particularly, BGI Ethiopia has to give priority on inventory controlling system so as to minimize the problems related with shortage and oversupply.
- Heineken breweries and BGI Ethiopia have to use simple standard inventory control model and policy helping important decisions like how much to order, when to order, and inventory level to be held with objective of minimizing stock out and expiry cost. It depends on lead time for raw materials acquisition, shelf life, and safety stock levels to be held and Stock classification and prioritization like ABC to guide better inventory management policies. This will in turn result in better forecasting, physical control, suppliers' reliability, and ultimate reduction in safety stock
- Heineken breweries have to select its distribution networks carefully to ensure efficiency and effectiveness on their distribution service performance which will eventually improve market share and profitability and BGI Ethiopia has to update the policy and procedures associates with distribution networks selection criteria's as the current market condition is not same with past.
- In order to improve the commitment level and to create a bond for future intimate relationships between the distributions channels, Heineken breweries and BGI Ethiopia should implement different strategies. Such as; providing regular on job and off-job training program, organizing recognition programs and strengthening regular meeting for

planning, setting goals and strategic discussions by including the lower levels of distribution channel chain at the end which increases the capacity of the distributors.

➤ The capabilities of agents/distributors in marketing and selling beers impact end-customer behavior. As a result, brewers must

- (1) Transfer certain knowledge to agents on product features and benefits, brand meaning, value propositions, customer and competitor characteristics, marketing best practices, and personal selling.
- (2) Encourage agents' personnel to process and integrate such knowledge to enhance their capabilities. Relationship building will be vital in the attempt to ensure that transfer and integration of knowledge among channel members works effectively.

Therefore, Heineken breweries and BGI Ethiopia have to focus on enhancing distributors and retailers capabilities so as to positively impact the end customer particularly much focus has to give by Heineken breweries.

- Heineken breweries distributors should expand their distribution capacity to meet the level of demand. It is also good to have distribution time schedule which is known by customers. Heineken has to offer the required amount of product at direct channel. So that the customers will be able to meet the demand of end customers and BGI Ethiopia distributors also have to increase their distribution capacity and they have to focus only on brewery products distribution as running distribution and retailing of two or three categories of products will hump the brewery and the distributor.
- Heineken breweries have to grant loans with long period of repayment to distributors to enhance the financial capacity of the channel member and these motivate distributors to invest more on warehouse facilities and trucks and BGI Ethiopia has to increase the due date of loan repayment period so as to motivate the distributors to take more product in credit which is advisable for distributor don't have much cash.
- BGI Ethiopia has to revise the level of distribution flexibility from policy and procedure side so as to enhance the willingness of the distribution personnel's to make adjustment in the case of special problems happening.

- Heineken breweries and BGI Ethiopia should give professional training for the channel members and every query come from the channel member has to accomplish accordingly.
- Heineken breweries is doing better on technical support system for refrigerator maintenance, CO2 supply and they assign programs to give a service per outlets, it wasn't enough because of the products are perishable. Perishable products by nature have dynamic behaviors, so, it needs continuous and strong technical supports. Therefore, the Heineken must give a sustainable and scheduled training and technical supports to those of the customers who need the service and BGI Ethiopia has to analyze the strength and weakness, adopt the technical support given by Heineken and BGI Ethiopia has to give maximum priority on technical supports system for refrigerators and CO2 gas supplies, safety training and maintenance.
- On the degree of client handling according to the findings the Heineken breweries needs to improve the level of quality service to forecast the future direction in the entire system.
- Heineken breweries and BGI Ethiopia have to contact outlets and collect compliant handling mechanisms to improve their distribution.
- Performance based incentive system to motivate and encourage distributors. This will help a lot in boosting sales and improve market share. Hence, Heineken breweries have to focus on incentive mechanisms so as to motivate the distribution chain members.
- BGI Ethiopia has to focus on sales-based performance incentives like discounts to customers purchasing high volume or achieving their sales target consistently as this mechanism is fully exercised by Heineken and if BGI uses as well it is value added to the expectation of the distribution chain members.
- Heineken breweries and BGI Ethiopia have to deploy distribution performance based incentives to manage supplier relationship with agents/distributors. Incentive system like free products, transport, credit allowance and other to motivate distributors and outlets work with high performance in delivering right product, in the right quantity and quality on timely fashion.
- Intercompany or team relationship should be developed as all employees in a company are engaged in Responsibilities to achieve the same goal. A good level of communication, team work, integration and mutual understanding shall be developed in Heineken breweries and BGI Ethiopia as well and also with distributors and outlets.

- Heineken breweries and BGI Ethiopia have to work on the level of information sharing among the channel member shows some barriers indicated in the findings, that sometimes the distributors not effectively address the required information across the outlets.
- Outlets are not effective address the information to customers and still distributors are not effective in delivering information to outlets and breweries, reluctant to forward information each other. For brewers information sharing is one of the back bone to strength the distribution capacity without information no one to coupe up its target. Therefore, reliable, update, quality of information sharing is very essential in every stage of channel member activity to run the operation smoothly. Hence, Heineken breweries and BGI Ethiopia should give emphasis in creating quality information sharing mechanism through all chain members via (PR) public relation, marketing and sales departments.
- In creating strong cooperation among the chain members, Heineken breweries should have to work on the creation of a long-term profitable relationship through fulfillment the query of distributors and outlets, strengthened regular visit programs across the chain member on monthly basis or less and work on maintaining creditability of promise, increasing promotional materials and solving distribution flexibility problems and BGI Ethiopia has to strengthen the cooperation with chain members and regular visit program duration period has to shorten up to twice a month because the more the brewery visits the channel member the more the cooperation is strength and the level of information flow will enhanced.
- Evaluation and supervision should have to be made continuously on the distribution channel of Heineken breweries and BGI Ethiopia. Consequently, they should have to prepare a system to gather feedback and complainants arise and the possible suggestion to alleviate the problems.
- Whether the desired target is met or not. Heineken breweries, have to evaluate the soundness of the strategy and policy, to undertake the necessary policy and strategy revision and generally the reactions and measures to be proactive and instead of reactive and BGI Ethiopia has to make adjustment on distribution policies which currently became the major hinders in the flexibility of the distribution process.

- Heineken breweries management should ensure strict adherence to the company's policies and guideline regarding the selection of distribution channel.
- Heineken breweries and BGI Ethiopia sales and marketing team should ensure aggressive Marketing, regular visit to distributors, sales promotion and advertising to be made more frequent for brand building. Communications should be improved. Fulfill the demand of product by customers as it was found out that some sales persons work independently and away from the office.
- The interview and the results showed in most of the time, the communication, the coordination and relationship activities of both breweries mainly focused on only with the distributors, this shows that the lower level of the chain, i.e., the outlets are neglected. Therefore, communications, coordination and creation of relationship between the lower levels of the chain should be created, so that the hindrances of the overall distribution chain will be reduced in some level.

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APPENDICES

Appendix I

Questionnaire (English version) for HBSC Distributors

St. Mary's University,

Marketing management department

Dear respondent,

The purpose of this questionnaire is to collect data about “distribution performance on market share” for the partial fulfillment of MA degree in marketing management. The information you provide will be used only for academic purpose and kept confidential. Therefore, I kindly request you to provide reliable information for the quality of the research work.

Thank you in advance for your cooperation

Getu Taye

General Direction

Dear respondents no need to write your name on the questionnaire sheet

Read each question and put (√) on the given space/ box.

Part One: The profile/ background of respondents

1. Sex

A. Male

B. Female

2. Age

A. 18-30

B. 31 – 40

C 41 – 50

E. Above 51

3. Educational Background

- A. Below grade 10 and Grade 10 completed
- B. Grade 12 completed
- C. TVET completed
- D. Diploma
- E. Degree
- F. above degree

4. Experience in distribution food and beverage products?

- A. 1 to 3 years
- B. 3 to 6 years
- C. 6 to 10years
- D. Above 10 years

5. Work Position

- A. General manager
- B. Distribution manager
- C. Distribution coordinator
- D. Distribution supervisor

Part Two: Elements of distribution performance

Please put tick (√) in the table provided for each given statement using the following scales

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

Part I Distribution performance

<i>No</i>	<i>Items</i>	<i>Scales</i>				
		<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
1	Order fill rate					
1.1	Heineken breweries' order fill rate is fast.					
1.2	Heineken breweries' is delivering the order we placed within reasonable time.					
1.3	Our firm faced out of stock due to the inefficient order fill rate of Heineken breweries'.					
2	Planning					
2.1	Our firm has planning staff that monitor consumption and un- expected demand.					

2.2	We faced unexpected demand in which we are not able to satisfy.					
2.3	Heineken breweries' is helping us in planning and monitor product stock position to tackle product shortage.					
3	Stock Management					
3.1	Our firm monitors stock position at all points and including outlet levels.					
3.2	Heineken breweries' produce' and stocks an ample of product to sell immediately up on demand?					
3.3	Our firm keeps enough products in the store so as to tackle out of stock.					
4	Distributor capacity					
4.1	Our firm has enough financial capacity to distribute the products as per the requirement of the market situation on the ground.					
4.2	The sales territory we currently serving are fit with our potential to serve.					
4.3	The warehouse facility we have is enough for our sales territory.					
4.4	Our firm has enough numbers of trucks to distribute the products.					
5	Distributor channel used by competitor's					
5.1	The distribution strategy adopted by us is better than other competitor distributors like BGI Ethiopia. (within the same sales territory)					
5.2	The distribution system currently the company's deploy is better than compotator's like BGI Ethiopia.					
6	Distribution flexibility					
6.1	Heineken breweries' is willingly makes adjustments to help us when we faced with special problems or circumstances.					
6.2	The relationship between us and other chain members is able to respond quickly to requests.					
6.3	Heineken breweries' is willing to rearrange the distribution system currently using when we recommend for some distribution					

	arrangements.					
7	Support of the company					
7.1	Heineken breweries' is providing us credit scheme (financial assistance).					
7.2	Heineken breweries' is sending professionals to assist our business.					
7.3	Heineken breweries' is providing us support on training.					
8	Coordination between the company and distributors					
8.1	Heineken breweries' is looking for synergies to do business together.					
8.2	Heineken breweries' and the distribution chain members work together to exploit unique opportunities.					
8.3	Heineken breweries' relationships with distributors are benefited and Strong tie coordination.					
9	Distribution regulations					
9.1	Heineken breweries' monitors the distribution channels sales activities.					
9.2	Heineken breweries' evaluates the distribution channel sales activities.					
9.3	Heineken breweries' rewards the distribution channel sales activities.					
10	Communication between the company and distributors					
10.1	Heineken breweries' relationships with distribution chain are benefited and frequent communication.					
10.2	Heineken breweries' relationships with distribution are benefited and Strong tie communications.					
10.3	Heineken breweries' working relationship with the distribution chain members is characterized by open and honest communication.					
10.4	Heineken breweries' staff has been informs us all information early enough.					

Part II. Market share

Please put tick (√) in the table provided for each given statement using the following scales

How do you rate the following statements by considering the last year sales performance?

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

<i>No</i>	<i>Items</i>	<i>Scales</i>				
		<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
11.1	In the year 2017 your firm has achieved high Market share.					
11.2	In the year 2017 your firm has experienced high amount of sales to new customers.					
11.3	In the year 2017 the number of order of products has significantly increased.					
11.4	In the year 2017 sales quota achievement has been very satisfactory.					
11.5	In the year 2017 the distribution network expansion has been improved					
11.6	In the year 2018 sales performance is expected to be higher.					

What is your comment regarding Heineken breweries’ distribution performance?

How much quantity of create you sold in the past one year?

What is your comment regarding Heineken breweries’ market share performance?

Thanks for your response!!!

Appendix II
(English version) Questionnaires for HBSC Outlets

St. Mary's University,

Marketing management department

Dear respondent,

The purpose of this questionnaire is to collect data about “distribution performance on market share” for the partial fulfillment of MA degree in marketing management. The information you provide will be used only for academic purpose and kept confidential. Therefore, I kindly request you to provide reliable information for the quality of the research work.

Thank you in advance for your cooperation

Getu Taye

General Direction

Dear respondents no need to write your name on the questionnaire sheet

Read each question and put (√) on the given space/ box.

Part One: The profile/ background of respondents

1. Sex

A. Male B. Female

2. Age

A. 18-23
B. 24 – 29
C 30 – 33
D. 36 – 40
E. Above 41

3. Educational Background

- A. grade 10 and below
- B. Grade 12 and below
- C. TVET completed
- D. Diploma
- E. Degree
- F. above degree

4. Experience in distribution food and beverage products?

- A. 1 to 3 years
- B. 3 to 6 years
- C. 6 to 10years
- D. Above 10 years

5. Work Position

- A. Manager
- B. Coordinator
- C. Waiter
- D. Casher

Part Two: Elements of distribution performance

Please put tick (√) in the table provided for each given statement using the following scales

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

Part I Elements of distribution performance

<i>No</i>	<i>Items</i>	<i>Scales</i>				
		<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
1	Order fill rate					
1.1	The order fill rate of the Heineken breweries' distributor is fast.					
1.2	Heineken breweries' distributor replenishes the order we placed within reasonable time.					
1.3	The outlet has faced out of stock due to the inefficient					

	order filling rate of the Heineken breweries' distributor.					
2	Planning					
2.1	The outlet has planning personnel that monitor consumption and an expected demand.					
2.2	The outlet has faced unexpected demand in which unable to satisfy.					
2.3	Heineken breweries' distributor is helping us in planning and monitor product stock position to tackle product shortage.					
3	Stock Management					
3.1	The outlet is monitors stock position.					
3.2	Heineken breweries' produces and stocks an ample of product to sell immediately up on demand.					
3.3	The outlet keeps enough products in the store so as to tackle out of stock.					
4	Distributor capacity					
4.1	Heineken breweries' distributor has enough financial capacity to distribute the products as per the requirement of the market on the ground.					
4.2	The sales territory that Heineken breweries' distributor serving is fit with his potential to serve.					
4.3	The warehouse facility Heineken breweries' distributor have is enough for his sales territory.					
4.4	Heineken breweries' distributor has enough number of trucks to distribute the products?					
5	Distributor channel used by competitor's					
5.1	The distribution strategy adopted by Heineken breweries' is better than BGI Ethiopia.					
5.2	The distribution system currently the Heineken breweries' deploys is better than BGI Ethiopia.					
6	Distribution flexibility					

6.1	Heineken breweries' distributor willingly makes adjustments to help us when we faced with special problems or circumstances.					
6.2	The relationship between us and other chain members of Heineken breweries' is able to respond quickly to requests.					
6.3	Heineken breweries' distributor is willing to rearrange the distribution system currently using when we recommend for some distribution arrangements.					
7	Support of the company					
7.1	Heineken breweries' distributors is providing us credit scheme (financial assistance)					
7.2	Heineken breweries' is sending professionals to assist our business.					
7.3	Heineken breweries' is providing us support on training.					
8	Coordination between the outlets and distributors					
8.1	Heineken breweries' distributor is looking for synergies to do business together.					
8.2	The outlets and Heineken breweries' distribution chain members' work together to exploit unique opportunities.					
8.3	Heineken breweries' distributor relationships with outlets are well and there is Strong coordination.					
9	Distribution regulations					
9.1	Heineken breweries' distributor monitors the retailing channel sales activities.					
9.2	Heineken breweries' distributor evaluates the retailing channel sales activities.					
9.3	Heineken breweries' distributor rewards the retailing channel sales activities.					
10	Communication between the outlets and distributors					

10.1	Heineken breweries' distributor relationships with outlets are benefited and frequent communication.					
10.2	Heineken breweries' distributor relationships with outlets are benefited and Strong tie communications.					
10.3	Heineken breweries' distributor often informs us all information early enough.					

Part II. Market share

1. How many crate of beer (HEINEKEN portfolio) you sell per day in peak season?
 - A. 2-3
 - B. 3-5
 - C. 5 -20
 - D. Above 20
2. How many crate of beer (HEINEKEN portfolio) you sell per week in peak season?
 - A. 15 -20
 - B. 20-40
 - C. 40-60
 - D. Above 60
3. How many crate of beer (HEINEKEN portfolio) you sell per day in off peak season?
 - A. 1-3
 - B. 3-5
 - C. 5-10
 - D. Above 10
4. How many crate of beer (HEINEKEN portfolio) you sell per week in off peak season?
 - A. 10-15
 - B. 15-20
 - C. 20-30
 - D. Above 30
5. What is your comment regarding Heineken breweries' distribution performance?

6. What is your comment regarding BGI Ethiopia market share performance?

.....

Thanks for your response!!!

APPENDEIX III

(Amharic version) Questionnaires for HBSC Outlets

የቅድስት ማርያም የኒቨርሲቲ

የድህረ ምረቃ ትምህርት ቤት

ማርኬቲንግ ማኔጅመንት ዲፓርትመንት

በሄንከን ቢራ ሆቲሎች የሚሞላ መጠየቅ

ይህ መጠየቅ የተዘጋጀው የማከፋፈል አቅም /distribution performance/ ገቢያ ብዛት (market share) ላይ የለሁን አስተዋጾኦ ለአከፋፋዮች (distributors) እና በችርቻሮ አከፋፋዮች (outlets) ዙሪያ ለመዳሰስ ነው። የዚህ ጥናት ውጤት በዋናነት የሚውለው ለማርኬቲንግ ማኔጅመንት ለሁለተኛ ዲግሪ ማሟያ የጥናት ጽሑፍ ነው። ይህ የሚሰበሰበው መረጃ ሙሉ በሙሉ የሚውለው በትምህርት አገልግሎት ብቻ ነው

ስለሆነም መረጃው በማንኛውም መንገድ ለሌላ ለምንም ዓይነት አገልግሎት እንደማይውል ላረጋግጥ እውዳለሁ የሚሰጠኝ ትክክለኛ ታማኝ እና ጊዜውን የጠበቀ ፈጣን ምላሽ ለጥናቱም ጥራት እና በስኬት ለማጠናቀቅ ከፍተኛ አስተዋጾኦ ይኖረዋል

ለሚዳረግልኝ ትብብር በቅድሚያ አመሰግናለሁ!!!

አጠቃላይ መመሪያዎች

- ስም ወጻፍ አያስፈልግም
- አማራጭ ምላሾች ለቀረቡላቸው ጥያቄዎች ለእርሶዎ ተስማሚ በሆነው የምላሽ ቁጥር እና ቦታ ላይ ምልክት ያደርጉበት
- ለእርስዎ አስተያየት ለሚሹ ጥያቄዎቹ ምላሻዎን በጥያቄው መሰረት በተሰጠው ክፍት በተለይ ይግለጹ

ክፍል 1 አጠቃላይ መረጃዎች

- | | | | | | |
|----|-----|----------|----------|----------|-----------|
| 1. | ፅታ | ሀ. ወንድ | ለ. ሴት | | |
| 2. | እድሜ | ሀ. 18-30 | ለ. 31-40 | ሐ. 41-50 | መ. 51 በላይ |

3. የትምህርት ደረጃ
 - ሀ. ከ10ኛ ክፍል እና ከዚያ በታች
 - ለ. 12ኛ ክፍል እና ከዚያ በታች
 - ሐ. ካሌጅ ዲፕሎማ ያጠናቀቀ/ች
 - መ. ድግሪ ያጠናቀቀ/ች
 - ሠ. ከድግሪ በላይ
4. በምግብ እና በመጠጥ የማሰጥ ስራ ላይ ምን ለምን ያህል ጊዜ ሰርተዋል
 - ሀ. 1-3
 - ለ. 3-6
 - ሐ. 6-10
 - መ. ከ10 በላይ
5. የስራ ድርሻ (ኃላፊነት)
 - ሀ. ባለቤት
 - ለ. ጠቅላላ አተዳደር
 - ሐ. የማከፋፈል ሀላፊ
 - መ. የማከፋፈል ተቆጣጣሪ

ክፍል ሁለት:- የሚቀጥለው ሰንጠረዥ ውስጥ በአጠቃላይ የሽያጭ አፈጻጸም ላይ ተጽኖ ሊያሳድሩ የሚችሉ ነጥቦች ተቀምጠዋል። እነዚህ ነጥቦች በአጠቃላይ ሽያጭ ላይ የሚያሳድረውን የተፅዕኖ መጠን የመረጡትን ቁጥር በማክበብ (✓) እንዲያሳዩ እጠይቃለሁ

1. ከሃሳብ ጋር በጣም ካልተስማሙ.
2. ከሃሳብ ጋር ካልተሰማሙ.
3. ስለሃሳብ ካላወቁ ወይም ግልጽ ካልሆነ
4. ከሃሳብ ጋር ከተስማሙ.
5. ከሃሳቡ ጋር በጣም ከተስማሙ.

ተ.ቁ.	ዝርዝር ነጥቦች	ነጥቦች				
		5	4	3	2	1
(1) የትዕዛዝ ተቀብሎ መፈፅም ሁኔታ:-						
1.1	የአከፋፋዩ ትዕዛዝ ተቀብሎ ትዕዛዙን የሚፈፀምበት ጊዜ ፈጣን ነው።					
1.2	አከፋፋዩ የታዘዘውን ትዕዛዝ የሚፈጸምበት /የሚያስረክብበት/ ጊዜ እንደታቀደለት ነው ።					
1.3	ለአከፋፋይ የማከፋፈል ችግር የተነሳ ሆቴሉ የቢራ ክምችት መጨረሻ ሆኖ ያውቃል					
(2) የእቅድ:-		5	4	3	2	1
2.1	ሆቴሉ ያልተገመቱ ፍላጎቶችን የሚከታተሉለት የእቅድ ባለሞያዎች አሉት					
2.2	ሆቴሉ ሊያሟላቸው ያልቻላቸው ያልተገመቱ ፍላጎቶች አጋጥሟት ያውቃል					
2.3	አከፋፋዩ የእቅድና የቢራ ክምችት እጥረት እንዳይኖር ያግዘናል ።					
(3) የክምችት አስተዳደር:-		5	4	3	2	1
3.1	ሆቴሉ የቢራ ክምችት በበቂ መኖሩን ይከታተላል ።					
3.2	ሂንከን ቢራ በበቂ ሁኔታ አምርቶ ያከማቻል እናም ፍላጎት ሲኖር ወዲያውኑ ይሻጣል					
3.3	ሆቴሉ የቢራ ክምችት በበቂ ሁኔታ ያስቀምጣል ይህም ቢራ ቶሎ እንዳያልቅበት ያግዘዋል።					
(4) የአከፋፈል አቅም		5	4	3	2	1
4.1	አከፋፋዩ በቂ የገንዘብ አቅም					

	አለው ለማከፋፈል እናም አቅሙ መሬት ላይ ካለው የገቢያ ፍላጎት ጋር ሲነጻጸር አብሮ ይሄዳል ::					
4.2	የአከፋፍቶ የሚከፋፈልበት ዞን በአቅሙ ስሌት ነው የተሰጠው					
4.3	የአከፋፋቶ የመጋዘን ስፋት ሁኔታ ለሚያስፈልገበት ዛን በቂ ነው ::					
4.4	ቢራውን ለማከፋፈል የሚያግዙ አካፍፍዩ በቁ መኪናዎች አሉት ::					
(5) በተፎካካሪ ድርጅቶች የሚተገበሩ የማከፋፈያ ዘዴዎች		5	4	3	2	1
5.1	በሂኒኮን የሚጠቅመው የማከፋፈያ ዘዴዎች ከጊዮርጊስ የተሸለ ነው (በአንደ ዞን ወሰን)					
5.2	ጊዮርጊስ የሚጠቅመው የማከፋፈያ ዘዴዎች ከሂኒኮን የተሸለ ነው (በአንደ ዞን ወሰን)					
(6) የድርጅቱ የማከፋፈል ስርዓት ተለዋወጭነት		5	4	3	2	1
6.1	አከፋፍቶ ችግሮች ሲፈጠሩ ለማገዝ ፍቃደኛ ነው					
6.2	በእኛ እና በሌሎች የማከፋፈያ ሰንሰለት አካላት መካከል ያለው ትስስር ለጥያቄዎች አፋጣኝ ምላሽ ለመስጠት ያስችላል ::					
6.3	ለየት ያለ ችግር እና ሁኔታዎች ሲያጋጥሙን እኛን ለመርዳት አከፋፋቶ በራሱ ተነሳሽነት ማስተካከያዎች ያደርጋል					

(7)ከድርጅቱ የሚደረግ ድጋፍ		5	4	3	2	1
7.1	የገንዘብ ነክ (ብድር ማመቻቸት) ድጋፍ ሂደትን ቢራ በኩል ይሰጣል ::					
7.2	የሰልጠና ድጋፍ በሂደትን ቢራ በኩል ይሰጣል					
7.3	የሽያጭ ስራዎቻቸንን ለማገዛ ሂደትን ቢራ ባለሙያዎችን ይልካል					
(8) በአከፋፋይ እና ለሆቴሎች ጋር ያለው ትብብር		5	4	3	2	1
8.1	አከፋፋዮች የሽያጭ ንግድ በጋራ ማከናወኑ ትርፋማ ነው ብሎ በማሰብ ትብብር ለመስጠት ጥረት ያደርጋል					
8.2	ሆቴሎችን አከፋፋዮች በጋራ ለመስራት የሚያስገኛቸውን ምቹ ሁኔታዎች ለመጠቀም በአንድነት ይሰራሉ::					
8.3	የአከፋፋዩ ከሆቴሎች ያለው ግንኙነት ጥሩ ነው እናም ጠንካራ ግንኙነት አለው					
(9) የማከፋፋይ ስንሰለት ቁጥጥር:-		5	4	3	2	1
9.1	አከፋፋዩ የማከፋፋይ ስንሰለቱን ለሽያጭ ክንውኖች ይቆጣጠራል					
9.2	አከፋፋዩ የማከፋፋይ ስንሰለቱን የሽያጭ ክንውኖች ይገመግማል					
9.3	አከፋፋዩ የማከፋፋይ ስንሰለቱ የሽያጭ ክንውኖች ገምግሞ አስፈላጊውን ማበረታቻ ያደርጋል					

(10)በድርጅቱ እና በአከፋፋዮች ያለው ግንኙነት		5	4	3	2	1
10.1	በአከፋፋይ እና በሆቴሎች ያለው ግንኙነት ተደጋጋሚ እና ጠቃሚ ግንኙነት ያደርጋል፡፡					
10.2	አከፋፋይ ከሆቴል ጋር ጠንካራ ግንኙነት አለው					
10.3	ሆቴሎች አከፋፋይ ጋር ያለው ግንኙነት ግልጽ እና ተአማኒነት ያለው ነው					
10.4	አከፋፋይ አዳዲስ መረጃዎች ሲኖሩ በጊዜው ይጠቁመናል ፡፡					

ክፍል 2: ሆቴሎች የሽያጭ አፈጻጸም ጋር የተያያዙ ጥያቄዎች

1. ምን የክል የሄንከን ቢራ በቀን የሽታሉ (በፕሩ ሽያጭ ወክት)

1. 2-3
2. 3-5
3. 5 -20
4. 20 በላይ

2. ምን የክል የሄንከን ቢራ በሳምንት የሽታሉ (በፕሩ ሽያጭ ወክት)

1. 15 -20
2. 20-40
3. 40-60
4. 60 በላይ
5. ስለ የሄንከን ቢራ የማከፋፈል አሰተያየት ካልዎት

6. ስለ የሄንከን ቢራ ገቢያ ብዛት አሰተያየት ካልዎት

APPENDEIX IV
(English version) for BGI distributors

St. Mary's University,

Marketing management department

Dear respondent,

The purpose of this questionnaire is to collect data about “distribution performance on market share” for the partial fulfillment of MA degree in marketing management. The information you provide will be used only for academic purpose and kept confidential. Therefore, I kindly request you to provide reliable information for the quality of the research work.

Thank you in advance for your cooperation

Getu Taye

General Direction

Dear respondents no need to write your name on the questionnaire sheet

Read each question and put (√) on the given space/ box.

Part One: The profile/ background of respondents

1. Sex

- A. Male B. Female

2. Age

- A. 18-30
B. 31 – 40
C. 41 – 50
D. Above 51

3. Educational Background

- A. Below grade 10 and Grade 10 completed
- B. Grade 12 completed
- C. TVET completed
- D. Diploma
- E. Degree
- F. above degree

4. Experience in distribution food and beverage products

- A. 1 to 3 years
- B. 3 to 6 years
- C. 6 to 10years
- D. above 10 years

5. Work Position

- A. General manager
- B. Distribution manager
- C. Distribution coordinator
- D. Distribution supervisor

Part Two: Elements of distribution performance

Please put tick (√) in the table provided for each given statement using the following scales

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

Part I. distribution performance

<i>No</i>	<i>Items</i>	<i>Scales</i>				
		<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
1	Order fill rate					
1.1	BGI Ethiopia’s order fill rate is fast.					
1.2	BGI Ethiopia is delivering the order we placed within reasonable time.					
1.3	Our firm faced out of stock due to the inefficient order fill rate of BGI Ethiopia.					
2	Planning					
2.1	Our firm has planning staff that monitor consumption and un- expected demand.					

2.2	We faced unexpected demand in which we are not able to satisfy.					
2.3	BGI Ethiopia is helping us in planning and monitor product stock position to tackle product shortage.					
3	Stock Management					
3.1	Our firm monitors stock position at all points and including outlet levels.					
3.2	BGI Ethiopia produces' and stocks an ample of product to sell immediately up on demand?					
3.3	Our firm keeps enough products in the store so as to tackle out of stock.					
4	Distributor capacity					
4.1	Our firm has enough financial capacity to distribute the products as per the requirement of the market situation on the ground.					
4.2	The sales territory we currently serving are fit with our potential to serve.					
4.3	The warehouse facility we have is enough for our sales territory.					
4.4	Our firm has enough numbers of trucks to distribute the products.					
5	Distributor channel used by competitor's					
5.1	The distribution strategy adopted by us is better than other competitor distributors like Heineken. (within the same sales territory)					
5.2	The distribution system currently the company's deploy is better than compotator's like Heineken.					
6	Distribution flexibility					
6.1	BGI Ethiopia is willingly makes adjustments to help us when we faced with special problems or circumstances.					
6.2	The relationship between us and other chain members is able to respond quickly to requests.					
6.3	BGI Ethiopia is willing to rearrange the distribution system currently using when we recommend for some distribution arrangements.					
7	Support of the company					
7.1	BGI Ethiopia is providing us credit scheme (financial assistance).					
7.2	BGI Ethiopia is sending professionals to assist our business.					
7.3	BGI Ethiopia is providing us support on training.					
8	Coordination between the company and distributors					

8.1	BGI Ethiopia is looking for synergies to do business together.					
8.2	BGI Ethiopia and the distribution chain members work together to exploit unique opportunities.					
8.3	BGI Ethiopia's relationships with distributors are benefited and Strong tie coordination.					
9	Distribution regulations					
9.1	BGI Ethiopia monitors the distribution channels sales activities.					
9.2	BGI Ethiopia evaluates the distribution channel sales activities.					
9.3	BGI Ethiopia rewards the distribution channel sales activities.					
10	Communication between the company and distributors					
10.1	BGI Ethiopia's relationships with distribution chain are benefited and frequent communication.					
10.2	BGI Ethiopia's relationships with distribution are benefited and Strong tie communications.					
10.3	BGI Ethiopia's working relationship with the distribution chain members is characterized by open and honest communication.					
10.4	BGI Ethiopia's staff has been informs us all information early enough.					

Part II. Market share

Please put tick (√) in the table provided for each given statement using the following scales

How do you rate the following statements by considering the last year sales performance?

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

<i>No</i>	<i>Items</i>	<i>Scales</i>				
		<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
11.1	In the year 2017 your firm has achieved high Market share.					
11.2	In the year 2017 your firm has experienced high amount of sales to new customers.					
11.3	In the year 2017 the number of order of products has significantly increased.					
11.4	In the year 2017 sales quota achievement has been very satisfactory.					
11.5	In the year 2017 the distribution network expansion has been improved					
11.6	In the year 2018 sales performance is expected to be higher.					

What is your comment regarding BGI Ethiopian’s distribution performance?

How much quantity of create you sold in the past one year?

What is your comment regarding BGI Ethiopia’s market share performance?

Thanks for your response!!!

APPENDIX V
(English version) for BGI outlets

St. Mary's University,

Marketing management department

Dear respondent,

The purpose of this questionnaire is to collect data about “distribution performance on market share” for the partial fulfillment of MA degree in marketing management. The information you provide will be used only for academic purpose and kept confidential. Therefore, I kindly request you to provide reliable information for the quality of the research work.

Thank you in advance for your cooperation

Getu Taye

General Direction

Dear respondents no need to write your name on the questionnaire sheet

Read each question and put (√) on the given space/ box.

Part One: The profile/ background of respondents

1. Sex

A. Male

B. Female

2. Age

A. 18-23

B. 24 – 29

C 30 – 33

D. 36 – 40

E. Above 41

3. Educational Background

- A. Grade 10 and below
- B. Grade 12 and below
- C. TVET completed
- D. Diploma
- F. Degree
- G. above degree

4. Experience in distribution food and beverage products

- A. 1 to 3 years
- B. 3 to 6 years
- C. 6 to 10years
- D. above 10 years

5. Work Position

- A. Manager
- B. Coordinator
- C. Waiter
- D. Casher

Part Two: Elements of distribution performance

Please put tick (√) in the table provided for each given statement using the following scales

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

Part I. Distribution performance

<i>No</i>	<i>Items</i>	<i>Scales</i>				
		<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
1	Order fill rate					
1.1	The order fill rate of BGI Ethiopia's distributor is fast.					
1.2	BGI Ethiopia's distributor replenishes the order we placed within reasonable time.					
1.3	The outlet has faced out of stock due to the inefficient order filling rate of BGI Ethiopia's distributor.					
2	Planning					
2.1	The outlet has planning personnel that monitor consumption and an expected demand.					

2.2	The outlet has faced unexpected demand in which unable to satisfy.					
2.3	BGI Ethiopia's distributor is helping us in planning and monitor product stock position to tackle product shortage.					
3	Stock Management					
3.1	The outlet is monitors stock position.					
3.2	BGI Ethiopia's produces and stocks an ample of product to sell immediately up on demand.					
3.3	The outlet keeps enough products in the store so as to tackle out of stock.					
4	Distributor capacity					
4.1	BGI Ethiopia's distributor has enough financial capacity to distribute the products as per the requirement of the market on the ground.					
4.2	The sales territory that BGI Ethiopia's distributor serving is fit with his potential to serve.					
4.3	The warehouse facility BGI Ethiopia's distributor has is enough for his sales territory.					
4.4	BGI Ethiopia's distributor has enough number of trucks to distribute the products.					
5	Distributor channel used by competitor's					
5.1	The distribution strategy adopted by BGI Ethiopia is better than Heineken breweries.					
5.2	The distribution system currently the BGI Ethiopia deploys is better than Heineken breweries.					
6	Distribution flexibility					
6.1	BGI Ethiopia's distributor willingly makes adjustments to help us when we faced with special problems or circumstances.					
6.2	The relationship between us and other chain members of BGI Ethiopia is able to respond quickly to requests.					
6.3	BGI Ethiopia's distributor is willing to rearrange the distribution system currently using when we recommend for some distribution arrangements.					
7	Support of the company					
7.1	BGI Ethiopia's distributors is providing us credit scheme (financial assistance)					
7.2	BGI Ethiopia's is sending professionals to assist our business.					
7.3	BGI Ethiopia's is providing us support on training.					
8	Coordination between the outlets and distributors					
8.1	BGI Ethiopia's distributor is looking for synergies to do business together.					

8.2	The outlets and BGI Ethiopia's distribution chain members work together to exploit unique opportunities.					
8.3	BGI Ethiopia's distributor relationships with outlets are well and there is Strong coordination.					
9	Distribution regulations					
9.1	BGI Ethiopia's distributor monitors the retailing channel sales activities.					
9.2	BGI Ethiopia's distributor evaluates the retailing channel sales activities.					
9.3	BGI Ethiopia's distributor rewards the retailing channel sales activities.					
10	Communication between the outlets and distributors					
10.1	BGI Ethiopia's distributor relationships with outlets are benefited and frequent communication.					
10.2	BGI Ethiopia's distributor relationships with outlets are benefited and Strong tie communications.					
10.3	BGI Ethiopia's distributor often informs us all information early enough.					

Part II. Market share

7. How many crate of beer (BGI portfolio) you sell per day in peak season?
 - A. 2-3
 - B. 3-5
 - C. 5 -20
 - D. Above 20
8. How many crate of beer (BGI portfolio) you sell per week in peak season?
 - A. 15 -20
 - B. 20-40
 - C. 40-60
 - D. Above 60
9. How many crate of beer (BGI portfolio) you sell per day in off peak season?
 - A. 1-3
 - B. 3-5
 - C. 5-10
 - D. Above 10

10. How many crate of beer (BGI portfolio) you sell per week in off peak season?

- A. 10-15
- B. 15-20
- C. 20-30
- D. Above 30

11. What is your comment regarding BGI Ethiopia's distribution performance?

.....

12. What is your comment regarding Heineken breweries market share performance?

.....

Thanks for your response!!!

APPENDEIX VI

(Amharic version) for BGI outlets

የቅድስት ማርያም የኒቨርሲቲ

የድህረ ምረቃ ትምህርት ቤት

ማርኬቲንግ ማኔጅመንት ዲፓርትመንት

በጊዮርጊስ ቢራ ሆቲሎች የሚሞላ መጠየቅ

ይህ መጠየቅ የተዘጋጀው የማከፋፈል አቅም /distribution performance/ ገቢያ ብዛት (market share) ላይ የለሁን አስተዋጾኦ ለአከፋፋዮች (distributors) እና በችርቻሮ አከፋፋዮች (outlets) ዙሪያ ለመዳሰስ ነው። የዚህ ጥናት ውጤት በዋናነት የሚውለው ለማርኬቲንግ ማኔጅመንት ለሁለተኛ ዲግሪ ማሟያ የጥናት ጽሑፍ ነው። ይህ የሚሰበሰበው መረጃ ሙሉ በሙሉ የሚውለው በትምህርት አገልግሎት ብቻ ነው።

ስለሆነም መረጃው በማንኛውም መንገድ ለሌላ ለምንም ዓይነት አገልግሎት እንደማይውል ላረጋግጥ እውዳለሁ የሚሰጠኝ ትክክለኛ ታማኝ እና ጊዜውን የጠበቀ ፈጣን ምላሽ ለጥናቱም ጥራት እና በስኬት ለማጠናቀቅ ከፍተኛ አስተዋጾኦ ይኖረዋል

ለሚዳረግልኝ ትብብር በቅድሚያ አመሰግናለሁ!!!

አጠቃላይ መመሪያዎች

- ስም ወጻፍ አያስፈልግም
- አማራጭ ምላሾች ለቀረቡላቸው ጥያቄዎች ለእርሶዎ ተስማሚ በሆነው የምላሽ ቁጥር እና ቦታ ላይ ምልክት ያደርጉበት
- ለእርሶዎ አስተያየት ለሚሹ ጥያቄዎቹ ምላሻዎን በጥያቄው መሰረት በተሰጠው ክፍት በተለይ ይግለጹ

ክፍል 1 አጠቃላይ መረጃዎች

- 1. ዕታ ሀ. ወንድ ለ. ሴት
- 2. እድሜ ሀ. 18-30 ለ. 31-40 ሐ. 41-50 መ. 51 በላይ

3. የትምህርት ደረጃ

- ሀ. ከ10ኛ ክፍል እና ከዚያ በታች
- ለ. 12ኛ ክፍል እና ከዚያ በታች
- ሐ. ካሌጅ ዲፕሎማ ያጠናቀቀ/ች
- መ. ድግሪ ያጠናቀቀ/ች
- ሠ. ከድግሪ በላይ

4. በምግብ እና በመጠጥ የማሰጥ ስራ ላይ ምን ለምን ያህል ጊዜ ሰርተዋል

- ሀ. 1-3
- ለ. 3-6
- ሐ. 6-10
- መ. ከ10 በላይ

5. የስራ ድርሻ (ኃላፊነት)

- ሀ. ባለቤት
- ለ. ጠቅላላ አተዳደር
- ሐ. የማከፋፈል ሀላፊ
- መ. የማከፋፈል ተቆጣጣሪ

ክፍል ሁለት:- የሚቀጥለው ሰንጠረዥ ውስጥ በአጠቃላይ የሽያጭ አፈጻጸም ላይ ተጽኖ ሊያሳድሩ የሚችሉ ነጥቦች ተቀምጠዋል። እነዚህ ነጥቦች በአጠቃላይ ሽያጭ ላይ የሚያሳድረውን የተፅዕኖ መጠን የመረጡትን ቁጥር በማክበብ (✓) እንዲያሳዩ እጠይቃለሁ

- 6. ከሃሳብ ጋር በጣም ካልተስማሙ
- 7. ከሃሳብ ጋር ካልተስማሙ
- 8. ስለሃሳብ ካላወቁ ወይንም ግልጻ ካልሆነ
- 9. ከሃሳብ ጋር ከተስማሙ
- 10. ከሃሳቡ ጋር በጣም ከተስማሙ

ተ.ቁ.	ዝርዝር ነጥቦች	ነጥቦች				
		5	4	3	2	1
(1) የትዕዛዝ ተቀብሎ መፈፀም ሁኔታ:-						
1.1	የአከፋፋይ ትዕዛዝ ተቀብሎ ትዕዛዙን የሚፈፀምበት ጊዜ ፈጣን ነው::					
1.2	አከፋፋይ የታዘዘውን ትዕዛዝ የሚፈጸምበት /የሚያስረክብበት/ ጊዜ እንደታቀደለት ነው ::					
1.3	ለአከፋፋይ የማከፋፈል ችግር የተነሳ ሆቴሉ የቢራ ክምችት መጪ ሆኖ ያውቃል					
(2) እቅድ:-		5	4	3	2	1
2.1	ሆቴሉ ያልተገመቱ ፍላጎቶችን የሚከታተሉለት የእቅድ ባለሞያዎች አሉት					
2.2	ሆቴሉ ሊያሟላቸው ያልቻላቸው ያልተገመቱ ፍላጎቶች አጋጥሟት ያውቃል					
2.3	አከፍፍይ የእቅድና የቢራ ክምችት እጥረት እንዳይኖር ያግዘናል ::					
(3) የክምችት አስተዳደር:-		5	4	3	2	1
3.1	ሆቴሉ የቢራ ክምችት በበቂ መኖሩን ይከታተላል ::					
3.2	ጊዮርጊስ ቢራ በበቂ ሁኔታ አምርቶ ያከማቻል እናም ፍላጎት ሲኖር ወዲያውኑ ይሻጣል					
3.3	ሆቴሉ የቢራ ክምችት በበቂ ሁኔታ ያስቀምጣል ይሄም ቢራ ቶሎ እንዳያልቅበት ያግዘዋል::					
(4) የአከፋፈል አቅም		5	4	3	2	1
4.1	አከፋፋይ በቂ የገንዘብ አቅም አለው ለማከፋፈል እናም አቅሙ መሬት ላይ ካለው የገቢያ ፍላጎት ጋር ሲነጻጸር አብሮ ይሄዳል ::					
4.2	የአከፋፍይ የሚከፋፈልበት ዞን በአቅሙ ስሌት ነው የተሰጠው					
4.3	የአከፋፋይ የመጋዘን ስፋት ሁኔታ ለሚያስፈልገበት					

	ዛን በቂ ነው ::					
4.4	ቢራውን ለማከፋፋል የሚያግዙ አካፍፍዩ በቁ መኪናዎች አሉት ::					
(5) በተፎካካሪ ድርጅቶች የሚተገበሩ የማከፋፈያ ዘዴዎች		5	4	3	2	1
5.1	በሄኒኮን የሚጠቅመው የማከፋፈያ ዘዴዎች ከጊዮርጊስ የተሸለ ነው (በአንደ ዞን ውስጥ)					
5.2	ጊዮርጊስ የሚጠቅመው የማከፋፈያ ዘዴዎች ከሄኒኮን የተሸለ ነው (በአንደ ዞን ውስጥ)					
(6) የድርጅቱ የማከፋፈል ስርዓት ተለዋወጭነት		5	4	3	2	1
6.1	አከፋፍዩ ችግሮች ሲፈጥሩ ለማገዝ ፍቃደኛ ነው					
6.2	በእኛ እና በሌሎች የማከፋፈያ ሰንሰለት አካላት መካከል ያለው ትስስር ለጥያቄዎች አፋጣኝ ምላሽ ለመስጠት ያስችላል ::					
6.3	ለየት ያለ ችግር እና ሁኔታዎች ሲያጋጥሙን እኛን ለመርዳት አከፋፍዩ በራሱ ተነሳሽነት ማስተካከያዎች ያደርጋል					
(7) ከድርጅቱ የሚደረግ ድጋፍ		5	4	3	2	1
7.1	የገንዘብ ነክ (ብድር ማመቻቸት) ድጋፍ ሂደትን ቢራ በኩል ይሰጣል ::					
7.2	የስልጠና ድጋፍ በጊዮርጊስ ቢራ በኩል ይሰጣል					
7.3	የሽያጭ ስራዎቻችንን ለማገዝ ጊዮርጊስ ቢራ ባለሙያዎችን ይልካል					
(8) በአከፋፋይ እና ለሆቴሎች ጋር ያለው ትብብር		5	4	3	2	1
8.1	አከፋፋዮች የሽያጭ ንግድ በጋራ ማከናወኑ ትርፋማ ነው ብሎ በማሰብ ትብብር ለመስጠት ጥረት ያደርጋል					
8.2	ሆቴሎችን አከፋፋዮች በጋራ ለመስራት የሚያስገኛቸውን ምቹ ሁኔታዎች ለመጠቀም በአንድነት ይሰራሉ::					
8.3	የአከፋፋዩ ከሆቴሎች ያለው ግንኙነት ጥሩ ነው እናም ጠንካራ ግንኙነት አለው					

(9) የማከፋፋይ ሰንሰለት ቁጥጥር፡-		5	4	3	2	1
9.1	አከፋፋይ የማከፋፈያ ሰንሰለቱን ለሽያጭ ክንውኖች ይቆጣጠራል					
9.2	አከፋፋይ የማከፋፈያ ሰንሰለቱን የሽያጭ ክንውኖች ይገመግማል					
9.3	አከፋፋይ የማከፋፈያ ሰንሰለቱ የሽያጭ ክንውኖች ገምግሞ አስፈላጊውን ማበረታቻ ያደርጋል					
(10) በድርጅቱ እና በአከፋፋዮች ያለው ግንኙነት		5	4	3	2	1
10.1	በአከፋፋይ እና በሆቴሎች ያለው ግንኙነት ተደጋጋሚ እና ጠቃሚ ግንኙነት ያደርጋል፡፡					
10.2	አከፋፋይ ከሆቴል ጋር ጠንካራ ግንኙነት አለው					
10.3	ሆቴሎች አከፋፈሎ ጋር ያለው ግንኙነት ግልጽ እና ተአማኒነት ያለው ነው					
10.4	አከፋፋይ አዳዲስ መረጃዎች ሲኖሩ በጊዜው ይጠቁመናል ፡፡					

ክፍል 2: ሆቴሎች የሽያጭ አፈጻጸም ጋር የተያያዙ ጥያቄዎች

1. ምን የክል የጊዮርጊስ ቢራ በቀን የሽታሉ (በፕሩ ሽያጭ ወክት)

1. 2-3
2. 3-5
3. 5-20
4. 20 በላይ

2. ምን የክል የጊዮርጊስ ቢራ በሳምንት የሽታሉ (በፕሩ ሽያጭ ወክት)

1. 15-20
2. 20-40
3. 40-60
4. 60 በላይ

3. ስለ የጊዮርጊስ ቢራ የማከፋፈል አዕተያየት ካልዎት

4. ስለ የጊዮርጊስ ቢራ ገቢያ ብዛት አዕተያየት ካልዎት

Appendix. VII
Interview for HBSC and BGI
Interview Question for Distribution Managers

Interview Questions

1. What do think about the company order fill rate, planning, and stock management?
2. How do you measure the distribution strategy deployed by competitors (Heineken /BGI)?
3. What kinds of strategies and mechanisms have been used in the entire chain members with relation to the Communication, Coordination, Regulation and Support? If it is not provided yet, or in some extent only, what are those various reasons of not providing?
4. How did you measure the distributor financial capability and distribution potential?
5. How do you see the relationship between chain members & the company? Do you think that chain members have shared their own long-term goals so as to develop long-term relationship between the companies?
6. What the distribution flexibility of the company and the chain members looks like? What kinds of mechanisms have been used for increasing distribution flexibility (System based, Transportation facilities, Inventory balancing, quick response to the problem faced).
7. How do you evaluate the commitment levels of distributors & outlets for bright future and for the mutual benefits?
8. What kinds of mechanisms do the company performs for acquiring higher level of market share?
9. How do you evaluate the distribution strategy of your distribution agents in response to acquiring highest achievement on market share? Are there any alternative strategies that can make success?
10. How do you evaluate the market share of the company in relation to the entire demand on the ground?
11. What do you recommend to improve distribution performance and to create smoothen long-term relationship between the distribution chain members and the company?
12. Do you have anything to add?

Thank you in advance for your valuable and in-depth information.

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APPENDIX VII

Correlation matrix (HEINEKEN ETHIOPIA SC)

Correlation											
Sr.no	IVs variables	1	2	3	4	5	6	7	8	9	10
1	Market share	1									
2	order fill rate	.635**	1								
3	planning	.619**	.598**	1							
4	Stock management	.846**	.734**	.608*	1						
5	Distributor capacity	.736**	.730**	.497**	.597**	1					
6	Distributor channel used by competitor's	.056**	.047**	-.054*	.035**	.077**	1				
7	Distribution flexibility	.740**	.688**	.603**	.476**	.370**	.308**	1			
8	Support of the company	.627**	.467**	.570**	.619**	.365**	.478**	.418**	1		
9	Coordination between the outlets and distributors	.625**	.629**	.578**	.298**	.398**	.518**	.478**	.208**	1	
10	Distribution regulations	.867**	.696**	.871**	.578**	.688**	.491**	.518**	.310**	.278**	
11	Communication between the outlets and distributors	.962**	.823**	.708**	.848**	.578**	.678**	.578**	.678**	.478*	1
** . Correlation is significant at the 0.01 level (2-tailed).											
* . Correlation is significant at the 0.05 level (2-tailed).											
c. List wise N=211											

APPENDEX VIII

CORRELATION MATRIX (BGI ETHIOPIA)

Correlation											
Sr.no	IVs variables	1	2	3	4	5	6	7	8	9	10
1	Market share	1									
2	order fill rate	.671 **	1								
3	planning	.414 **	.401 **	1							
4	Stock management	.859 **	.834 **	.708 *	1						
5	Distributor capacity	.748 **	.733 **	.407 **	.497 **	1					
6	Distributor channel used by competitor's	.068 **	.047 **	- .064 **	.015 **	.057 **	1				
7	Distribution flexibility	.735 **	.712 **	.603 **	.576 **	.470 **	.398 **	1			
8	Support of the company	.639 **	.567 **	.570 **	.519 **	.365 **	.478 **	.218 **	1		
9	Coordination between the outlets and distributors	.619 **	.598 **	.608 **	.298 **	.498 **	.318 **	.278 **	.208 **	1	
10	Distribution regulations	.857 **	.834 **	.801 **	.478 **	.608 **	.591 **	.590 **	.410 **	.178 **	
11	Communication between the outlets and distributors	.958 **	.923 **	.808 **	.748 **	.598 **	.778 **	.778 **	.578 **	.478 **	1
**. Correlation is significant at the 0.01 level (2-tailed).											
*. Correlation is significant at the 0.05 level (2-tailed).											
c. List wise N=206											

