

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

**AN ASSESSMENT OF DISTRIBUTION PRACTICE: CASE OF
MOHA SOFT DRINK SHARE COMPANY.**

**BY:
HENOK TEFERA**

**JUNE, 2014
SMU
ADDIS ABABA**

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MOHA SOFT DRINK SHARE COMPANY.**

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CHAPTER ONE

Introduction

1.1. Background of the Study

Distribution plays very crucial role in company development. It is one of marketing mix element that used to move product from its manufacturing source to its customer. For effective distribution purpose we need to design the marketing channel and the marketer must understand the service output level desired by target customer such as lotsize, waiting and delivery time, spatial convenience, product variety and service back up (Kotler,P 2003).

The above paragraph implies that understanding of average time customers that waits for receipt of the goods and the degree of the marketing channel makes it easy for the customer to provide the product.

Distribution consists of broad range of activities concerned with the efficient movement of finished products from the end of the production line to the customer (Krishna K. and V. Cavale 2007). The above points explain how important distribution activity is in soft drink industry. In this regard to reduce those distribution cost and to satisfy their customer is by prompting delivery practice.

Distribution practice has changed over the last few decades. The current trends in globalization have made distribution practice a complex process. One company engaged in distribution practice is MOHA soft drinks. MOHA Soft Drinks Industry S.C was established on May 15, 1996 acquiring Nifas Silk plant, TekleHaimanot plant, Gonder plant, Dessie plant from the Ethiopia privatization Agency with paid up capital of Birr 108,654,000. The Company currently has seven operating units including Summit plant, Bure plant and the recently inaugurated Hawassa plant in the Southern Nations and Nationalities People's Region. The major products of MOHA Soft Drinks Industry S.C are: Pepsi Cola, Mirinda Orange, 7 up, Mirinda Tonic, Mirinda Apple (all Pepsi Brands), and Kool (BureKool and Tossa bottle Water Products).

Concerning to the above points MOHA Soft Drink Industry has standard achieved in different way such as MOHA Soft Drinks Industry S.C has adhered to Pepsi Cola international standard and good manufacturing practices. Some of the market MOHA holds is 52% of the market share in soft drink industry in the country. With an expansion and replacement of obsolete machinery, production capacity of the plants has increased substantially.

In addition to this MOHA Soft Drink has initial purchasing price of the soft drinks factory, has invested as Birr 8,000,000 for expansion of new project, Birr 153 million refurbishment and replacement of existing plants and Birr 241 Million for marketing, infrastructure, excluding, advertisement and sponsorship expenses. Also, a significant growth over the year production, sales, and profitability due to reorganization of operations has been achieved. Productivity has improved tremendously with major cost savings and has insured a regular supply of high quality products; it has also succeeded in reaching new market area across the country.

The other point that the student researcher going to look is the future plans on an average annual increase of 15% in sales volume and corresponding profit growth is anticipated there is also projects under implementation investment project; the first project is Adigrate Pepsi Cola Bottling Plants that locate in Adigrate at Tigray Region at total estimated investment cost 208,000,000. The second investment Is Dessie Pepsi Cola Carbonated water plant that locates in Dessie, Southern Wollo Region with total estimated investment cost Birr 91,000,000. The third investment project is New PET line at Summit plant with 12,000 bottles per hour. 1.5 bottle capacity with total estimated investment cost Birr 130,000,000 (<http://www.midroc-ethiopia.et>).

1.2. Statement of the Problem

Distribution is one of the four elements of marketing mix which deals with the process of moving product from its manufacturing source to its consumers. For the most part it deals with mapping out routes and deciding over various alternatives. It is not a task which should be taken lightly because it is one of the major factors which helps business firm to achieve their primary objectives effectively and efficiently. The primary objective of the business firm is to increase market share and to generate profit. To achieve this objective, the firm must be very interactive with the customer and the market situation (Krishna K. and V.Cavale 2007).

As the definition and the premise indicate to win and participate effectively in the market, distribution plays a very crucial role by increasing market share and profit. So to make companies or business firm successful in a market, it is important to design a marketing channel system which involves analyzing major channel alternatives. In designing the marketing channel system the marketer or firm must understand the service output level desired by target customer such as lotsize, waiting and delivery time, spatial convenience, product Variety and service back up.

In this research, the researcher tried to sought out the different problems facing MOHA soft drink industry S.C. some of the problems the student researcher has observed in preliminary observation relate with coverage that had limited distribution coverage. The other is lack of information that flow with channel members and problem related with satisfaction that customers were dissatisfied because of demand greater than supply. This usually occurs because of lack of adequate research and data one demand and especially lack of proper distribution channels. In the current situation bottling companies are in a ferocious competition for market share and a key determinant for the largest market share is having proper distribution channel.

MOHA's problem with distribution is broad and needs proper research and clear determination of the problems which are listed above.

Research Question

This section of the research used to answer the following basic research question

1. To what extent are the customers of the company satisfied with distribution practice the company?
2. What are the techniques employed to evaluate the effectiveness of distribution service?
3. What are the factors that affect distribution service of the company?

1.3. Objective of the Study

1.3.1. General Objective

The overall objective of the study was to assess the distribution Practice of MOHA Soft Drink Industry Nefas Silk Branch.

1.3.2. Specific Objective

- To determine the level of satisfaction of customers with the distribution Service.
- To determine the techniques employed to evaluate the effectiveness Of distribution practice.
- To know the factors that affect distribution service.

1.4. Significance of the Study

The finding of the study is important for MOHA Soft Drink Share Company, for customer and the student researcher. This study also consist the following significance **To MOHA Soft Drinks Industry Share Company.**

1. It has used to develop effective distribution service.
2. The researcher tried distinguish the strength and weakness of distribution system of the organization.

3. The study helped to create awareness among employees and managers about importance of designing and implementing effective distribution service to avoid and reduce problem.
4. For the student researcher, the research helped as an input for detailed and further study for others who goes to conduct research on distribution service output level and also it serves as instrument for further investigations for the student researcher.
5. Will help the customer, it provides significant information to the customer.

1.5. Scope of the Study

The Scope of the study assesses the desired service output levels and MOHA soft drink Share Company in Nefas Silke branch. Generally this research focused on retailers which are located in and around Addis Ababa. The data that was collected for this research was from the last four years of the company's distribution performance, from September 2010 to May 2014. The population for this research consists only of retailers and the company's manager.

1.6. Research Design & Methodologies

1.6.1. Research Method

I have helped to employ descriptive research design because this type of research is most appropriate because the researcher will not have any control on the variables.

1.6.2. Population and Sampling Technique

The target population of the study was the retailer which resale and distributes the product of MOHA Soft Drink to the final customer's. The company used 50 agents to distribute their product and these 50 agents in turn distribute them to various retailers. The research used non probability sampling technique. The sample for the deployment of questionnaires were selected by using convenience sampling method or accidental sampling method from retailers'

because this sampling technique tends to avoid bias. The student researcher was appreciated Malhotra (2007) suggestion of 200 respondent customers as a respective sample in order to have sufficient and reliable data. And interview was conducted to the marketing manager of Moha soft drinks.

1.6.3. Method of Data Collected

Because of the nature of population size and the nature of the research title itself, questionnaires and interview were both used.

1.6.4. Type of Data Collected

To conduct this research, both primary and secondary source of data were used.

The primary Data are collected by means of questionnaires and interviews. Questionnaire was conducted to retailers of MOHA soft drink company products. The interview was conducted to the marketing manager of Nifas Silk Branch. The secondary source of data was from source like Books, internal publication like Brochures, pamphlets and company's website.

1.6.5. Data Analysis Method

In order to conduct the study both qualitative and quantitative data analysis techniques were used. Qualitative data analysis technique is used to summarize the finding that gathered through close ended questions by using percentage and tabular form. Quantitative data analysis technique was used to analyze interview response as well as the open ended questions.

1.7. Limitation of the study

As a student researcher, my inaction was to cover all the possibilities to assess the distribution practice level of MOHA SOFT DRINK S.C. However, the study needs skilled and organized man power to get detail and enough information, financial resource moreover. Some respondents do not provide relevant data and information on time. All the above reason reduces the strength of the outcome of the research.

1.8. Organization of the Study

The study is organized in to four Chapters. The first chapter provides the over view of the study by focusing on background of the study, the problems that initiate the researcher to undertake this study, benefits of the study to the beneficiary groups, objective of the study and research design and methodology to perform this research. The second chapter explains all about marketing concept, applications, and revisions of literature in relation to distribution service output levels and distribution system. The third chapter reflects the relevant data and information collected by using questionnaires and interview. The gathered data was analyzed and interpreted in organized form and the fourth chapter focuses on, summary, conclusion and recommendation.

CHAPTER TWO

Review of Related Literature

2.1. Nature of Distribution

Distribution is one of four marketing mix which deals with the process of moving product from its manufacturing source to its customer it helps business firm to achieve its primary objectives. Distribution arrangements are amongst the most important factors that affect the success in the market of an organizations products and services.

The place or distribution element of the marketing mix refers to the channels and for location that serves use to each of their buyers for example direct sell from manufacture to final customer represents the shortest channel ,longer channel may involve manufacture, one or more service agents, retailers and final consumers (Anderson:13).

Distribution strategy influences pricing decisions must take into account the size of the gross margins those middlemen's costs and their profit objectives as the cope and importance of the activities each is to perform for the manufacture (Cuneiform, 1985: 278).

2.2. Components of Distribution

Distribution is made up of two components channels and physical distribution or logistics distribution system refer to that complex of agents whole seller's through which manufacturers move products and services such add life insurance to their intended markets.

2.3. Physical Distribution

Physical distribution is defined as a set of activates concerned with the physical flows of materials, components and finished goods from producer to channel intermediaries and consumers (Jobber, 2001:537).

Physical distribution activities have been a subject of managerial attention for some time because of the potential for cost savings and improving customer service levels.

Cost savings can be achieved by reducing inventory levels, using cheaper forms of transport and shipping in bulk rather than small quantities. Customer service levels can be improved by fast and reliable delivery including just-in-time delivery, holding high inventory levels so that customers have a wide choice and the chances of stock-outs are reduced, fast order processing, and ensuring products arrive in the right quantities and quality. Physical distribution management concerns the balance between cost reduction and meeting customer service requirements. Trade-offs are often necessary. For example, low inventory and slow, cheaper transportation methods reduce costs but lower customer service levels and satisfaction. Determining this balance is a key marketing decision as physical distribution can be a source of competitive advantage (Jobber, 2001:537).

As explained in this section physical distribution must be used in a cost-efficient manner. Companies producing soft drinks should do this by keeping high inventory levels to keep the consumers in a constant supply.

2.4. Objective of Physical Distribution

As with all elements of the marketing mix, the ultimate objective of physical distribution management is competitive advantage. The search for a sustainable competitive advantage, however, is becoming increasingly difficult. Christopher (1992) points out that customers are now seeking more than just brand or product value, and are looking for value in a much wider sense. A critical component of such customer value is service, and a key part of service value is availability. In other words, there is no value in a product until it is in the hands of the customer.

Christopher states that customers often only have a preference for a particular brand, rather than having strong brand loyalty. When that preferred brand is not available, many customers will quite readily choose an acceptable substitute.

This is equally true in industrial or consumer markets. For example, the choice of suppliers by a just- in time manufacture will be hugely influenced by delivery reliability, and not just product quality (Adrianpalmer, 2000: 377).

Like stated above competitive advantage over other companies could be gained by applying proper physical distribution. For a company like MOHA one thing they can do is distributing their product in a timely manner in order to gain competitive advantage.

2.5. Function of physical distribution

Function of physical distribution system generally include communication and order processing production and ware house management inventory management transportation material handling these functions are briefly discussed here below.

2.5.1. Communications and order processing

Basically the physical distribution process starts with the company receiving an order. The starting point in a physical distribution system is order processing, which is a set of procedures for receiving, handling and filling orders promptly and accurately.

Physical distribution begins with a customer orders. The order department prepares invoices and sends them to various departments. Items out of stock are back ordered shipped items are accomplice by shipping and billing documents with copies going to various' departments (Palmer, 2004, 378). Reducing time between a customer placing an order and receiving the goods may be achieved through careful analysis of the components that make up order processing time. A computer link between sales person and the order

department may be effective. Electronic data interchange can also speed order processing time by checking the customer's credit rating, and whether the goods are in stock, issuing an order to the warehouse, involving the customer and updating the inventory records (Jobber, 2001:539).

Both Palmer and Jobber have explained their thoughts with similar underlying assumptions. For a company which is producing uniform consumer products like soft drinks order processing rarely takes place.

2.5.2. Ware housing

Every company must store its goods while they wait to be sold a storage function is needed because production and consumption cycle rarely match. For example, Snapper, Toro, and other lawn mower manufacturers must produce all year long and store up their product for the heavy spring and summer buying seasons. The storage function overcomes differences in needed quantities and timing.

A company must decide on how many and what types of warehouses it needs, where they will be located. The more warehouses the company uses, the more quickly goods can be delivered to customers. However, more locations mean higher warehousing costs. The company therefore, must balance the level of customer service against distribution costs (Kotler and Armstrong, 1999: 374).

2.5.3. Inventory Control

Inventory levels also affect customer satisfaction. The major problem is to maintain the delicate balance between carrying too much inventory and carrying too little. Carrying too much inventory results in higher-than-necessary inventory-charging costs and stock obsolescence. Carrying too little may result in stock-outs, costly emergency shipments or production, and customer dissatisfaction. In making inventory decisions, management must balance the costs of carrying larger inventories against resulting sales and

profits. Inventory decision involves knowing both when to order and how much to order.

In deciding when to order, the company balances the risks of running out of stock against the costs of carrying too much in deciding how much to order, the company needs to balance order- processing costs against inventory caring costs. Larger average order size results in fewer orders and lower order-processing costs, but it also means larger inventory- caring costs (Kotler and Armstrong, 1999, 375).

2.5.4. Transportation

The appropriate choice of transportation made is a key part of physical distribution management. This is especially important in markets where just in time delivery is the norm. A number of criteria should be used to select transport: costs, transit time, reliability, capability (important if goods required special handling, such as chilled temperatures), security, and traceability each major mode of transport has its own cost and service out comes that must be considered by the marketing logistics manager. These are described in turn below (Adrianpalmer, 2000:397-398).

Road: Road haulage has the key advantage of flexibility due to national road networks providing direct access to production facilities, ware houses, and customers. This allows Lorries to transport goods from supplier to end user without unloading in route.

Rail: Rail ways tend to be used for carrying large, bulky freight ever long distances. Goods commonly carried by trains include coal, chemicals, and building aggregates. The longer the journey, the more economically competitive rail transport become, as can be seen in North- America. A significant problem for railways, however, is its lack of flexibility.

Air: This is both the fastest and most expensive mode of transport its great speed over long distance means that it is often used to carry perishable goods and emergency deliveries. As international trade continues to grow, air

freight should likewise grow in importance, especially in global just in- time systems. Like rail, though, companies must still transport goods to and from air terminals. Air freight is eminently suited to valuable, relatively light goods such as fresh flowers, jewelers, and electronic components.

Water: This can be divided into sea and inland water ways, both of which are slow but fairly expensive. Ocean- going vessels carry a large variety of goods, for example oil from the Far East to be refined in British petroleum's Farley coastal terminal, or basic consumer goods to small islands like Guam. Inland water transportation, like rail, is associated with low- value, bulky commodities such as coal or steel.

Pipeline: Pipelines are dependable and low maintenance form of transportation for liquids and gas. They normally belong to the shipper and carry the shipper's products. The down side of this transport mode is the major investment involved in the construction of pipeline. A good example of a logistics trade off is given by the use of pipelines in the North Sea as opposed to oil tankers.

Most of the ideas stated above usually work for companies which produce variety of products which are highly demanded by the general public such goods maybe oil, sugar and the like.

2.5.5. Material Handling

This essentially concerned with the movement of goods with the producers factory, ware houses, and transportation depots. Due to the complexity of handling the proliferation of consumer product lines that now exists, mechanization of procedures is becoming increasingly common. An important development in materials handling is containerization. The combining of large quantities of goods into a single large container avoids the need to handle individual items during transit. Once containers are sealed, they can relatively easily be transferred from one mode of transport to another. This allows the distributor to handle the product as few times as possible, in as large a quantity as possible, and with as much automation as can be achieved. In this way stock losses and damage are reduced.

Product packaging can also play a part in facilitating materials handling. Goods must be capable of withstanding regular loading and UN loading as well as stacking in manufacturers' and customers' warehouses. You will probably have noticed how some goods are displayed on supermarket shelves: often they are either still in large cardboard boxes, designed to show off their contents, or in conveniently shaped individual containers to ensure maximum use of shelf space. At the same time, as Johnson and Wood (1996) remind us, packaging must be as environmentally friendly as possible in terms of its capacity for recycling (Adrialpalmer, 2000: 398). In this case whatever the product maybe material handling is very essential and basically unavoidable. I can say it's the most common thing to all companies as far as distribution is concerned.

2.6. Distribution Channels

A distribution channels are the net works of intermediaries linking or capable of linking the producer to the market. The term "channel" is used to symbolize the flow of goods and services around the net work. This movement is not merely physical, i.e. of the goods, but includes title (ownership). Payment, information and promotion (Tom cannon, 1998:350).

Distribution channels include retailers, wholesalers, and agents, or direct distribution via a sales force or mail order. Channels are not restricted to physical products; they may be just as important for moving a service from producer to the consumer. Hotels, for example, may sell their services directly or through travel agents, tour operators, airlines, or centralized reservation systems (Czinkota and Kotabe, 2001:341).

Rather than focusing on sales force and mail order, most beverage companies like MOHA focus on using agents and retailers. Using the various distribution channels has their advantages and disadvantages. When the amount of product to be sold is big in number and continuous in consumption then using agents is most appropriate.

2.7. Indirect Vs Direct Distribution System

The choice of distribution system depends on whether the manufacturer decides to sell directly to customers, employing sales people, or to use intermediaries such as agents, wholesalers and retailers. Generally speaking, distribution channels in industrial & business to business (B₂B) markets tend to be direct, many products in industrial markets are buyer specified rather than supplier specified and are often unique one-off product made specifically to client's own specification, or are standard needs. Direct distribution is less common in consumer market. The decision to use direct or indirect distribution is based on cost factors, including the following.

1. Number of potential customers in the market
2. How concentrated and dispersed they are
3. How much each will buy in a given period
4. Costs associated with the practical side of the distributive operation, including transport, warehousing and stock holding (Laancaster and Reynolds, 2004: 192-193).

Even though there may be other factors to make a decision whether to use direct and indirect distribution the above four are the most common. MOHA soft drinks use both methods to minimize distribution gap.

2.8. Role of Marketing Channels

Channel intermediaries have many roles. One is to perform the distribution at lower cost per unit than the manufacturer could, and to balance the production efficiencies of the supplier with the purchasing needs of the customer. For example, a cigarette machine might produce ten million cigarettes of a fixed size per day, but if sizes and specifications were changed to match the needs of small-volume buyers this could drop to one or perhaps two million. The wholesaler or retailer, through volume buying, gives the producer the opportunity to maximize production efficiencies while keeping prices down for customers.

Another intermediary role is to break down the large volumes produced into the small quantities bought. Intermediaries can minimize the number of transactions involved in the buying process. They may also assist in cash management by producers, e.g. small craft and clothing firms may provide the small producer with the income needed to increase production.

Providing information and insight into markets is another role of the intermediary. Some intermediaries provide limited processing services.

In some markets channel members may lead the marketing and promotional effort.

Intermediaries bring together a range of similar or related items into a large stock, thus facilitating the buying process. After-sales service and some filtering and management of warranty are also provided by intermediaries. These are some, though not all, of the tasks performed by intermediary channel members (Tomcannon 1998:351-352).

2.9. Channel Functions and Flows

A marketing channel performs the work of moving goods from producer to consumers. It overcomes the time, place and possession gaps that separate goods and services from those who need or want them. Members of the marketing channel perform a number of key functions:

- Gather information about potential and current customers, competitors, and other actors and forces in the marketing environment.
- Develop and disseminate persuasive communications to stimulate purchasing.
- Reach agreements on price and other terms so that transfer of ownership or possession can be affected.
- Place orders with manufacturers.
- Acquire the funds to finance inventories at different levels in the marketing channel.
- Assume risks connected with carrying out channel work.

- Provide for the successive storage and movement of physical products.
- Provide for buyers' payment of their bills through banks and other financial institutions.
- Oversee actual transfer of ownership from one organization or person to another (Kotler and Kevin, 2006:472).
- As stated in the above two section using marketing channels are unavoidable, the broader the channels, the broader are the chances of producers to get their products to the consumers.

2.10. Channel Flows

- a. Physical Flow
- b. Title flow
- c. Payment flow
- d. Information flow
- e. Promotion flow

There are five marketing flows in the marketing channel

Some functions (physical, title, promotion) constitute a forward flow of activates from the company to the customer; other functions (ordering and payments) constitute a back ward flow from customers to the company. Still others (information, negotiation, finance, risk taking) occur in both directions (Kotler and Lanekeller, 2006: 472-473).

From the five channel flows stated above MOHA soft drinks uses the first three (physical, title and promotion) because it's a consumer good. The consumers simply buy them for daily consumption, the flow is constant so ordering and payment flow is inappropriate or is not considered by the company.

2.11. Major Channels of Distribution

Diverse distribution channels exist today. The most common channels for consumer goods and business goods:

1. Distribution of Consumer Goods

Five channels are widely used in marketing tangible products to ultimate consumers:

- Producer----- consumer. The shortest, simplest distribution channel for consumer goods involves no middlemen. The producer may sell door to door or by mail.
- Producer----- wholesaler – consumer. If there is a traditional channel for consumer goods, this is it. Small retailer and manufactures by the thousands find this channel the only economically feasible choice.
- Producer----- retailer -----consumer. Many large retailers buy directly from manufactures and agriculture producers.
- Producer----- Agent-----retailer----- consumer. Instead of using wholesales many, producers prefer to rely on agent middlemen to reach the retail market, especially large scale retailers.
- Producer----- Agent----- Wholesaler----- Retailer----- consumer. To reach retailers, products often use agent middlemen, who in turn on wholesales that sell to large retail chains and small retails store (Etzelet.al,2001,401-403).

From the above stated distribution methods, most companies, especially companies producing at a continuous rate of flow prefer using the last method of distribution because their products is targeted to a large market thus in order to keep it continuously flowing using agents wholesalers and retailers in an orderly manner can guarantee a constant and uninterrupted distribution method.

2. Distribution of Business Goods

A verity of channels is available to reach organizations that incorporate the products in to their manufacturing process or use them in their operations.

In the distribution of business goods, the terms industrial distributor and merchant wholesale are synonymous. The four common channels for business goods are:-

- Producer---- users. This direct channels account for a greater value of business products than any other distribution structure.
- Producer---- industrial distributor---- user. Producer of operating supplies and small accessory equipment frequently use industrial distributors to reach their markets.
- Producer---- agent--- user. Firms without their own sales departments find this a desirable channel. Also a company that wants to introduce a new product or enter a new market may prefer to use agents rather than its own sales force.
- Producer---- Agent---- industrial distributor---- user. This channel is similar to the preceding one. It is used when for some reason, it is not feasible to sell through agents directly to the business user (Etzelet.al, 2001: 401-403).

2.12. Channel- Design Decisions

A new firm typically starts as a local operation selling in a limited market, using existing intermediaries. The number of intermediaries in any local market is apt to be limited: a few manufacturers' sales agents, a few wholesalers, several established retailers, a few trucking companies, and a few ware houses, Deciding on the best channels might not be a problem. The problem might be to convince the available intermediaries to handle the firm's line.

If the firm is successful, it might branch into new markets. It might have to use different channels in different markets. In managing its intermediaries, the firm must decide how much effort to devote to push versus pull marketing. A push strategy involves the manufacturer using its sales force and trade promotion money to induce intermediaries to carry, promote, and trade promotion money to induce intermediaries to carry, promote, and sell the product to end users. Push strategy is appropriate where there is low brand loyalty in a category, brand choice is made in store, the product is an impulse item, and product

benefits are well understood. A pull strategy involves a manufacturer using advertising and promotion to induce consumers to ask intermediaries for the product, thus inducing the intermediaries to order it. Pull strategy is appropriate when there is high brand loyalty and high involvement in the category, when people perceive difference between brands, and when people choose the brand before they go to store. Companies in the same industry may differ in their emphasis on push or pull.

Designing a channel system involves four steps: (1) analyzing customer needs, (2) establishing channel objectives, (3) identifying major channel alternative, and (4) evaluating major channel alternatives.

(Kotler, 2003: 510-516) the four methods are commonly used in most business, below are detailed explanations about them from the same book.

2.12.1. Analyze customers' desired service output levels

In designing the marketing channels, the marketer must understand the service output levels desired by target customers.

Channels produce five service outputs:

- a. **Lot size:** The number of units the channel permits atypical customer to purchase on one accession.
- b. **Waiting time:** The average time customers of that channel wait for receipt of the goods. Customers normally prefer fast delivery channels.
- c. **Spatial convenience:** The degree to which the marketing channel makes it easy for customers to purchase the product.
- d. **Product variety:** The assortment breadth provided by the marketing channel. Normally customers prefer a greater assortment because more choices increase the chance of finding what they need.
- e. **Service back up:** The add-on service (credit, delivery, installation, repairs) provided by the channel. The greater the service backup, the greater the work provided by the channel.

2.12.2. Establishing channel objectives

Channel objectives should be stated in terms of targeted service output levels. According to Louis backline, under competitive conditions, channel institutions should arrange their functional tasks to minimize total channel costs with respect to desired levels of service outputs. Usually, several market segments that desired differing service output levels can be identified. Effective planning requires determining which market segments to serve and the best channels to use in each case.

2.13. Identify major channel alternatives

A channel alternative is described by three elements: the types of intermediaries. The number of intermediaries needed and the terms and responsibilities of each channel member.

- Types of intermediaries: a firm needs to identify the types of intermediaries available to carry on its channel work.
- Number of intermediaries: companies have to decide on the number of intermediaries to use at each channel level. Three strategies are available: exclusive distribution, selective distribution, and intensive distribution.
 - a. Exclusive distribution: means severely limiting the number of intermediaries. It is used when the producer wants to maintain control over the service level and outputs offered by the sellers.
 - b. Selective distribution: involves the use of more than a few but less than all of the intermediaries who are willing to carry a particular product.
 - c. Intensive distribution: consists of the manufacturer placing the goods or services in as many outlets as possible. This strategy is generally used for items such as tobacco products, soap snack foods, and gum, products for which the consumer requires a great deal of location convenience.

- Terms and Responsibilities of channel members: the producer must determine the rights and responsibilities of participating channel members. Each channel member must be treated respectfully and given the opportunity to be profitable.

2.14. Evaluating the major alternative

Each channel alternative needs to be evaluated against economic, control and adaptive criteria.

- Economic criteria: each channel alternative will produce a different level of sales and costs.
- Control and adaptive criteria: using a sales agency poses a control problem. A sales agency is an independent firm seeking to maximize its profits. Agents may concentrate on the customers who buy the most, not necessarily those who buy the manufacturer's goods. Furthermore, agents might not master the technical details of the company's product or handle its promotion materials effectively (Kotler, 2003: 510-516).

2.15. Factors to Be Considered While Selecting Channel of Distributions

Channel choice depends on consumers, the company, the product, competition, existing channels, and legalities.

(Evans and Berman, 1992: 342).

- Consumer
 - Characteristics- Number, concentration, average purchase size needs- shopping locations and hours, assortments, sales help, credit segments- size, purchase behavior.
- The company.
 - Goals- control, sales, profit, time.
 - Resources- level flexibility, service needs.
 - Expertise- functions, specialization, efficiency.

- Experience- distribution methods, channel relationships.
- The product
- Value- price per unit.
- Complexity- technical nature
- Perish ability- shelf life, frequency of shipments.
- Bulk- weight per unit, divisibility.
- The competition
- Characteristics- number, concentration, assortment, customers.
- Tactics- distribution methods, channel relationships.
- Distribution channels
- Alternatives- direct, indirect.
- Characteristics- number, functions performed tradition.
- Availability- exclusive arrangements, territorial restrictions.
- Legalities- current laws, pending laws.
- All six parameters are important in selecting a distribution channel but in a country like Ethiopia the product, the consumer and distribution channels are the major determinants.

2.16. Channel Management Decisions

After a company has chosen a channel alternative, individual intermediaries must be selected, trained, motivated, and evaluated channel arrangements must be modified over time. Channel-management decisions are as follows:

- ♣ Selecting channel members
- ♣ Training channel members
- ♣ Motivating channel members
- ♣ Evaluating channel member
- ♣ Modifying channel members. (Kotler and Lanekiller,2006:456-485)

The five phases are not a onetime process, like any process they tend to die out, in the end if the modifying of channels doesn't work the process has to restarted all over again

2.17. Channel Conflict and Cooperation

i. Channel conflict

According to Joseph Pal Mountain (1955); conflict in distribution channels may take different forms. "Channel conflict is a situation in which one member of a distribution channel system views another as an adversary. As a result such a channel member might act towards the perceived 'enemy' in a holistic way and may even attempt to cause commercial harm. Such action may upset a finely tuned distribution structure and have adverse consequences for other members of the channel system; many of whom are likely to be independent businesses in their own right."

A. Horizontal conflict

Horizontal conflicts relate to marketing intermediaries who are at the same level in a channel system and of the same type of intermediary, for example two 'cash and carry' wholesalers working in the same town or town retail store in the same area stocking a similar range of goods

B. Vertical conflict

Unlike horizontal conflict which takes place amongst marketing intermediaries at the same level in the channel system, vertical conflict takes place amongst marketing intermediaries at different levels of layers in the channel system.

C. Multichannel conflict

Multichannel conflicts exist when the manufacturer has established two or more channels that sell to the same market. Multichannel conflict is likely to be especially intense when the member of one channel gets a lower price (based on larger volume purchase) or works with a lower margin (Lancaster and Reynolds, 2004:P202).

ii. Channel Cooperation

Without proper coordination of activities within the overall channel, the system will not operate in an efficient manner thus causing commercial problems to

the manufacturer and channel members. Channel members are often independent business that have to make a profit to survive and have commercial needs and wants of their own that must be considered. The long-term objective of channel management is to achieve the maximum level of service for final customers in the efficient manner. At the same time this has to be achieved in such a way that individual channel members, often independent business themselves, can obtain commercial returns that are satisfactory to them and adequately compensate them for their contribution to the efficiency of the channel system as a whole (Lancseter and Reynolds2004:204).

Channel conflict and cooperation are common place anywhere around the world, even though the word conflict gives a sense of negative connotation it's actually good to form new ideas and enrich the current system, resolution of conflict ultimately leads to cooperation.

2.18. Causes of channel conflicts

It is important to identify the causes of channel conflict. Some are easy to resolve, others are not.

One major cause is goal incompatibility. For example, the manufacturer may want to a chive rapid market penetration through a low- price policy. Dealers, in contrast, may prefer to work with high margins and purse short- run profitability. Sometimes conflict arises from unclear roles and rights. Territory boundaries and credit for sales often produce conflict. Conflict can also stem from difference in perception. Conflict might also arise because of the intermediary's dependence on the manufacturer. This situation creates a high potential for conflict (Kotler and Lankeller, 2006: 491).

2.19. Managing channel conflicts

As companies add channels to grow sales, they run the risk of creating channel conflict. Some channel conflict can be constructive and lead to better adaption to a changing environment, but too much is dysfunctional. The

challenge is not to eliminate conflict but to manage it better.

There are several mechanisms for effective conflict management. One is the adoption of super ordinate goals. Channel members come to an agreement on the fundamental goal they are jointly seeking, whether it is survival, market share, high quality, or customer satisfaction.

A useful step is to exchange persons between two or more channels. Cooperation is an effort by one organization to win the support of the leaders of another organization by including them in advisory councils, boards of directors, and the like. As long as the initiating organization treats the leaders seriously and listens to their opinions, co-operation can reduce conflict, but the initiating organization may have to compromise its policies and plans to win their support. When a conflict is chronic or acute, the parties may have to resort to diplomacy, mediation, or arbitration. Diplomacy takes place when each side sends a person or group to meet with its counterpart to resolve the conflict. Mediation means resorting to a neutral third party who is skilled in counseling the two parties' interests. Arbitration occurs when the two parties agree to present their arguments to one or more arbitrators and accept the arbitration decision (Kotler and Keller, 2006:492).

Since there are limited alternative of distribution and very limited access roads these kinds of problems don't usually occur to companies which operate domestically, such conflicts usually occur when the company operates globally and has various alternatives of distribution channels.

CHAPTER - THREE

Data Presentation, Analysis and Interpretation

This section includes the analysis and interpretation of the data obtained from the sample respondents chosen from different places and society's in Addis Ababa. 200 questionnaires were distributed for customers of Moha soft drink, of the Nefas Silke branch and interview was conducted with Marketing Manager of Moha. All 200 questionnaires were correctly filled up and returned. Every item in the questionnaire were presented, analyzed and interpreted as shown in the following table.

Part I Analysis of Personal Characteristics of Respondents

This is all about displaying the personal characteristics of the sample respondents. It helps any interested party in his/her endeavor to know who are the respondents and other related personal information, which will further clarify the road for the viewers in their way to be assured of the credibility of responses.

Item 1	Sex	Frequency	Percent
	Male	144	72
	Female	56	28
	Total	200	100
Item 2	Age	Frequency	Percent
	Under 25 years	24	12
	25-35	104	52
	36-45	42	21
	Above 46	30	15
	Total	200	100
Item 3	Educational level	Frequency	Percent
	10 complete	44	22
	12 complete	81	40.5
	Certificate	26	13
	Diploma	30	15
	Degree	16	8
	Above	3	1.5
	Total	200	100

Item 1 shows that greater number of respondents 144(72%) are males and less number of respondents 56(28%) are females. Therefore, most of the customers of Moha are males.

Item 2 show that the age of the respondent as follows in their order 24(12%) from the total number of respondent age are under 25, ages between 25-35 are 104 (52%), ages between 36-45 is 42 (21%) and ages above 46 is 30 (15%). This shows that the greater number of respondent are found between 25-35years that is 104 (52%).

Item 3 show that 13 (22%) of respondents have completed grade 10, greater number of respondent 80 (40.5%) are grade 12 complete, 26 (13%) of respondents have certificate, 30 (15%) of respondent have diploma, 16 (8%) have degree while the rest 3 (1.5%) have above degree. This implies that, among the total number of respondents, most of them are grade 12 complete in this regards.

Part II Analysis of Question related to the study

Place	Frequency	Percent
Directly from company	123	61.5
From intermediary	43	21.5
Both direction	34	17
Total	200	100

Table 2 where do you get the product of Moha

Table 2 shows that majority of respondents, 123 (61.5%) get the company products directly from the company, while, 43 (21.5%) get only from intermediaries and, 34(17%) of respondent get from both direction. This clearly indicates that most of MOHA customers get the product from the company.

Mechanism	Frequency	Percent
Email	17	8.5
Fax	6	3
Telephone	63	31.5
Direct contact	114	57
Other	0	0
Total	200	100

Table 3 mechanism used to communicate with Moha?

As the above table 3 indicates, 144(57%) of respondent use direct contact to communicate, and 63(31.5%) of respondent chose telephone to communicate, 17(8.5%) of respondent use e-mail to communicate while the rest 6(3%) of respondent use fax. This implies that most of MOHA customers choose personal contact to communicate with the company.

Item	Frequency	Percent
Very good	70	35
Good	90	45
Neutral	19	9.5
Poor	21	10.5
Very Poor	0	0
Total	200	100

Table 4 distribution system of Moha soft drink

As shown from table 4, 70 (35%) of the respondent answered the company distribution system as very good, 90 (45% of the respondent responded the company distribution system as good and, 19 (9.5%) of the respondent shared their feeling as the company distribution system is neutral and 21 (10.5%) of

the respondents said the company distribution system is poor. This shows that the company distribution system is good.

The Marketing Manager of Moha said that the company uses both intensive and selective types of distribution system. The company distributes its product directly and indirectly to the customer. Those customers who purchase soft drink directly from Moha use products for wholesaling and retailing purpose. Thus, the company uses different techniques of distribution to sale its product.

Item	Frequency	Percent
Yes	190	95
No	10	5
Total	200	100

Table 5 availability of Moha product at the right time of customer need

Table 5 reflects that majority, 190 (95%) of the respondents say they get company product at the right time they need and least number of respondent, 10 (5%), said they don't get at the right time. Therefore, most customer of the Moha get soft drink product at the right time when they are in need of.

Even if some of the customers said that they don't get Moha product at the right time, but the company's Marketing Manager said, as far as the company's distribution is concerned, the company tries delivers its products to customers on a timely basis. This shows that the company is concerned on delivering its products to its customers as fast as possible.

Item	Frequency	Percent
Yes	176	88
No	24	12
Total	200	100

Table 6 availability of Mohas product at the right place customer need

As table 6 indicated in the previous page, 176 (88%) of the respondents say we get company product at the right place they need and small number of respondents, 24 (12%) says we didn't get product at the right place. This implies that customer of the Moha get soft drink product at the right place of they need.

While 24 (12%) of the total customers articulate their response by saying they don't get the product at the right place, the Marketing Manager Moha soft drink said they deliver its products at the right place. This assures us that distribution and delivery place of the Moha products are mostly on time.

Item	Frequency	Percent
Very High	42	21
High	94	47
Medium	32	16
Low	26	13
Very Low	6	3
Total	200	100

Table7 Product supply capacity of company

Table 7 Implies that 42 (21%) Of respondents answered Moha has very high supply capacity, 94 (47%) answered Moha has high product supply capacity, 32 (16%) says Moha has medium product supply capacity, 26 (13%) says Moha has low product supply capacity and 6 (3%) says Moha has very low product supply capacity. Therefore, more or less we can say that, the company's product supply of capacity is high in reaching its potential customers.

Although there seems to be high demand for Moha products, feedback suggestions of retailers shows, 5 (2.5%) of respondents have suggested that there is a gap between the quantity demanded and the quantity delivered. Shortages of product may arise from lower capacity of the company but these customers suggest that it's due to the lack of proper distribution outlets. There

aren't systematic approaches to bridge this gap. These customers have suggested that this problem has led to customer dissatisfaction and it has become a great concern for them. They've also suggested that it is a problem which has sustained through a prolonged period.

Item	Frequency	Percent
Yes	190	95
No	10	5
Total	200	100

Table 8 customer opinion on Moha having sufficient vehicles for distribution

As shown in the above table 8, 190 (95%) of the respondents agree Moha has sufficient vehicles for distribution its products and, 10 (5%) Of respondent answered Moha has not sufficient vehicles. This shows that most of customer agrees Moha has sufficient vehicles for distribution.

The Marketer Manager says there are 87 cars with different size and loading capacity that gives only distribution service in Addis Ababa and out of Addis Ababa so we can conclude that Moha have sufficient and enough vehicles for distribution of its products.

Item	Frequency	Percent
Yes	156	78
No	44	22
Total	200	100

Table 9 product distribution based on customer preference

Table 9, clearly indicates that 156 (78%) of the respondent agrees that Moha provide and produced soft drink based on their preference and 44(22%) of the respondent didn't agrees. From this we can conclude that most of respondent agrees that Moha provide and distribute soft drink based on their preference.

There are 44 (22%) respondents who didn't agree on the company's customer based product distribution, but the Marketing Manager of the company said that Moha produces soft drink based on customer preference.

Most of the time customer went to purchase Mirinda but to keep the company main brand name Pepsi cola, the company influence customer to take 30% of Pepsi cola from what they went to buy. This means if someone wants to buy 100 Mirnida it is not allowed as per the company's bylaws instead the customer will be granted to have only 70 Mirnida and 30 Pepsi because of company's rule.

Item	Frequency	Percent
Yes	60	30
No	140	70
Total	200	100

Table 10, Distribution system problem of moha

Table 10, illustrate that 140 (70%) of the respondent says Moha has no distribution problem and 60 (30%) says Moha has reflected that the company has a problem on its distribution system. Therefore, the student researcher can infer most of respondent agrees that Moha has less distribution problem.

The majority of the respondents agree that the company has no more distribution problem and also the Marketing Manager of the company infer that The Company sometimes faces problem. This problems arise sometimes as high demand increases and it may fall to meet this demand due to this conflict arises.

According to the suggestion of retailers, the transportation system of MOHA has proven to be inefficient in accordance with 14 (7%) of my respondents. These respondents have suggested that transport delays have led them to inefficient response to customer demand and led them to undesired losses. The reasons for these inefficiencies are mostly due to shortage of transportation

vehicles, lack of discipline of drivers and assistants and last but not least unexpected traffic jams and car breakdowns.

Source	Frequency	Percent
Trucks problem	60	30
Ware house problem	26	13
Weak coordination channel members	73	36.5
Low motivation of channel members	37	18.5
Other	4	2
Total	200	100

Table 11, customer opinion from which the distribution problem is

As indicated in table 11, 73 (36.5%) of the respondents say there is distribution problem because of weak coordination, 60 (30%) because of transportation problem, 37 (18.5%) low motivation of channel member, 26 (13%) because of ware house problem and 4 (2%) because of other reason. This implies that most of the respondent reflected the distribution problem came from weak coordination.

To make the company better than other competitors said the marketing manager, Moha collects information from customer, suppliers and intermediaries. Depending on their response, Moha should try to make good distribution system in order to satisfy its customer's wants.

Item	Frequency	Percent
Fully satisfied	156	78
Partially satisfied	20	10
Not satisfied	24	12
Total	200	100

Table 12, customer satisfaction on distribution service of Moha

As the above table 12, indicated in the previous page, respondent pointed out that distribution problem emanate from weak coordination of channel members. Table 12 shows that 156 (78%) of the respondent fully satisfied, 20 (10%) partially satisfied and 24 (12%) not satisfied with distribution service of Moha soft drink. Therefore, greater numbers of Moha customers are satisfied with the existing distribution system.

Item	Frequency	Percent
Yes	113	56.5
No	67	33.5
I don't recall	20	10
Total	200	100

Table 13 company's distribution evaluation

From table 13, we can see that most of the respondent totals 113 (56.5%) participate in the company's distribution evaluation, and 67 (33.5%) are not participated while the remaining 20 (10%) are not remembered whether they participated or not. From this we can conclude that most customers participate in the evaluation.

Item	Frequency	Percentage
Very Good	74	37
Good	70	35
Medium	51	25.5
Bad	5	2.5
Very Bad	0	0
Total	200	100

Table 14, the company's overall distribution service

According to table 14, which describes the company's overall distribution service 74 (37%) of the respondent say the distribution service of the company is very good, 70 (35%) of the respondent say the distribution service is good, 51

(25.5%) of the respondent say the company give medium distribution service while 5 (2.5%) of the respondents say the distribution service is bad. From this finding we can conclude that the company work hard to give the optimum service to the customer.

Item	Frequency	Percent
Yes	156	78
No	33	16.5
I don't recall	11	5.5
Total	200	100

Table 15, the company asks which products are in high demand and distribute them on a timely basis

According to the data presented in table 15, 156 (78%) from the total respondents the company asks which products are in high demand and distribute them on a timely basis, 33 (16.5 %) from the total respondents the company didn't ask which products are in high demand and distribute them on a timely basis and the remaining 11 (5.5%) from the total respondents say they don't really remember whether the company asked or not. This indicates that most of the customers have a good relationship with the company's management.

Following suggestions collected from retailers, delays in deliveries are related to transport inefficiency but 7 (3.5%) of my respondents have stated it in a different manner. The main emphasis of these respondents is on the undesired losses that occur due delayed deliveries. Untimely deliveries have made customers unsatisfied with their services which is not the fault of the retailers but the company. Late deliveries lead customers to purchase other substitutes which can deliver on time. For instance (Coca, Ambo)

Item	Frequency	Percent
Yes	166	83
No	4	2
Partially satisfied	30	15
Total	200	100

Table 16 customer satisfaction on company's distribution

As the above table 16, illustrated 166 (83%) from the total respondents say they are satisfied by the company distribution service, 4 (2%) from the total respondents they are not satisfied and the remaining 30(15%) from the total respondents they are partially satisfied by the company distribution service. This shows that most of the customer's are satisfied by the company's distribution service but it still needs extra work to do to fully satisfy the unsatisfied customers.

In addition to the points that we converse on the above points there is detail of some points with the marketing managers .that is Moha soft drinks doesn't have overall ware house for all branches but each branch has its own ware house to store and distribute its product. While in the mean time, most of Moha ware house are owned and are property of the company. While the Asebe teferi and Harar branches ware houses are rental. On the other hand Channel of conflicts may arise from different circumstances in a distribution process. In this case, both vertical and horizontal conflicts are likely to happen. As from the word of marketing manager, there are channel of distribution conflict between the company and intermediaries which is vertical one. The reason for this conflict to emerge is each intermediary has its own territory's at a time while some intermediary interferes by entering other companies' territory and tries to sell out the company's product. In toting up to this Moha soft drinks follow many distribution channels. Not only this, The Company considers on selling its products based on geographical factors, competitor's distribution

system and market gap to set its distribution channel. And again Moha soft drinks give service back up essentials to its royal customers. Among those is Sheraton hotel, Ghion hotel, kaldis coffee and Ethiopian electric power corporation. This process goes by facilitating credit based payments, in which it benefits its own customer's. As the company stands to satisfy its own customer's preferences, there are no limitations to purchase soft drink in one occasion. If the customer is potential to purchase what's so ever he/she wants, it is allowed to buy as much as possible. The company faces slight distribution problem on its products. To solve this distribution problem, the company used some measures to tackle those challenges and obstacles and is trying to make their distribution process fair. Moha is trying to make fair adjustment on its distribution to sell its product in equal amount to all customers increases the price to match the supply and market demand, and also produce soft drink in high quality.

CHAPTER FOUR

Summary, Conclusion and Recommendation

2.20. Summary

The general purpose of this research paper is to see how the distribution practice works at the Moha soft drinks.

- ❖ From the analysis respondents' male respondents have great number than female respondents based on the data of respondent and the other data that reflects More than 52% of the respondents were between age of 25-35 years. 40.5% of respondents were complete grade 12.
- ❖ From the analysis of question related to the study more of the respondent get soft drink product directly from the company's
- ❖ According to the mechanism used to communicate with Moha the more mechanism was implement through direct contact
- ❖ From the respondents of the distribution system of Moha soft drink more of the distribution system of Moha soft drink was good.
- ❖ More than 95% of respondent said Moha provide soft drink product at the right time of they need and More than 88% of respondent said Moha provide soft drink product at the right place of they need.
- ❖ Based on the product supply of capacity of the company there was high level of frequency on the product supply of the capacity and some product supply of capacity that reflected there was low frequency of product supply capacity of the company.
- ❖ Greater than 95% of respondent agrees that Moha has sufficient vehicles for distribution.
- ❖ More than 78% of the respondent agrees that Moha soft drink provide and produce product based on their preference.
- ❖ From the point of view the retailer more of the retailers were that distribution system problem of Moha was not difficult for the market but

some of the retailers that was explain there was a distribution system problem on the market to satisfy the customer.

- ❖ More than 36.5% of them said there was distribution problem because of weak coordination of channel members.
- ❖ 78% of respondent says **fully satisfied** with distribution system of Moha
- ❖ 56.5% of the respondent participates in the company's distribution evaluation.
- ❖ Majority of the respondents said that the distribution service of the company was accepted.
- ❖ 78% of the total respondent asked which products are in high demand and distribute them on a timely basis.
- ❖ Majority of the respondents were satisfied by the company's distribution system.

2.21. Conclusion

The aim of this research is to analyze the distribution Practice of Moha soft drink. Based on the major findings the following conclusion is drawn

- ❖ From the responses obtained customers got soft drink product of Moha directly from the company.
- ❖ Customers choose personal contact to communicate with Moha and occasionally also use telephone for the mechanism of communication with customers in order to taking the product from the company.
- ❖ From the point that we had it with the customer the company distribution system was good and the company distributed its product by using intensive type of distribution system to address the product to the customer.
- ❖ On the basis of delivering the soft drink product the company deliver soft drink product on the right timely basis and on the right place when the customers need it as much as possible.
- ❖ As of the spot of product supply capacity of the company the product supply of capacity is highly reaching its potential of the customer in order to fulfill the demand of the product. In conclusion the company capacity of the product is high.
- ❖ On the part the effectiveness of sufficient vehicles for distribution of its soft drink product most of the vehicles of moha has sufficient for different part of the company.
- ❖ Regarding to the customer preference on the product distribution of Moha soft drink most of the company product distribution provide and produce soft drink on the basis of customer preference .However the company influence the customer preference in order to keep the brand of the company.
- ❖ In conclusion to the aspect of distribution system problem of the company there is no highly exaggerated distribution problem in Moha soft drink.

- ❖ Regarding to the customer satisfaction Most of the company's customers are satisfied with company distribution system. However the companies need to have extra work in order to fully satisfy the unsatisfied customer.
- ❖ To sum up the point that the company has the problem of having effective distribution problem due to the weak coordination of the channel member. However the company tries to solve this.
- ❖ As per the findings of this researches the major factors that affect distribution service are demand are demand amount of output and capability of the company. In this regard the problems that are present and which are within the boundaries of the company are the amount of output, inadequate output lead to incompatibility of demand and supply.

2.22. Recommendation

- ❖ To become successful and effective in its distribution practice Moha should use well trained employees, adding working time and conducting marketing research.
- ❖ Moha soft drink industry should purchase modern machinery in order to change production process in better way and to increase the productivity of the company.
- ❖ The company must collect information from customer and intermediaries regarding on their weakness and strength of the distribution practice.
- ❖ In order to fulfilling the demand of the customer, Moha soft drink should take different measurement and techqunique in the avoidance of customer inconvenience on their preference.
- ❖ The Moha soft Drink Company should improve the coordination among the channel member in organizes to the product distribution of the service to the customer by working hardly and alertly for the growth of the company as a whole.
- ❖ The company should increase the extent of the satisfaction of customer on the entire site of the company channel distribution.

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Appendices

Appendix A

ST. MER'Y UNIVERSITY

FACULTY OF BUSINESS

DEPARTMENT OF MARKETING MANAGEMENT

Questionnaire to be filled by Retailers of MOHA Soft Drink S.C

This questionnaire is prepared by the graduating student of St. Mary's University in the field of Marketing Management for the partial fulfillment of a senior essay. This questionnaire is prepared to assess the distribution service output level of MOHA Soft Drink Company in Nifas Silk branch. And to collect data which can assist to prepare a senior essay.

Your honesty and truthful answer means a lot to this research. Therefore, we ask you to fill out this questionnaire with utmost honesty.

Thank you for your sincerely cooperation!

Instruction

- **Writing your name on the questioner is not necessary**
- **If the question has an alternative answer put on the space provided beside your answer.**
- **If you are interested to give additional response you can use the blank space that provided at the end.**

Part I – General characteristics of the respondents

1. Gender: Male Female
2. Age: under 25 year 25-35 36-45 above 46
3. Educational background
- ❖ 10 complete
 - ❖ 12 complete
 - ❖ Certificate
 - ❖ Diploma
 - ❖ Degree
 - ❖ Above

Part II – Questions related to the study

1. Where do you get the product of MOHA?
- Direct from company
- From intermediary
- Both directions
2. What mechanism used to communicate with MOHA?
- Email Direct contact
- Fax Other Telephone
3. How is the distribution system of MOHA soft drink?
- V. good Good Neutral Poor V. Poor
4. Does MOHA available the product at the right time of you need?
- Yes No
5. Does MOHA available the product at the right place of you need?
- Yes No
6. How do you rate the Product supply capacity of company?
- V. High High Medium Low V. Low

7. Based on your opinion does MOHA have sufficient vehicle for distribution?

Yes No

8. Does MOHA provide soft drink based on your preference?

Yes No

9. Is there any problem on distribution service on MOHA?

Yes No

10. If your answer for the above question is yes, from which source you guess distribution problem?

Truck Weak coordination channel members

Ware house Low motivation of channel members

Other

11. Are you satisfied with distribution service of MOHA?

Fully Satisfied Partially satisfied Not Satisfied

12. Have you ever been involved in the company's distribution evaluation?

Yes No I don't recall

13. How do you rate the company's overall distribution service?

Very Good Good Medium Bad V. Bad

14. The company asks which products are in high demand and distribute them on a timely basis?

Yes No I don't recall

15. Can you say customers are satisfied with company distribution?

Yes No partially satisfied

16. Finally, if you have any kind of additional comments please mention it shortly

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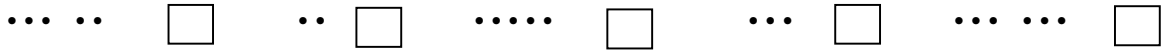
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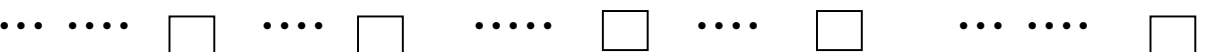
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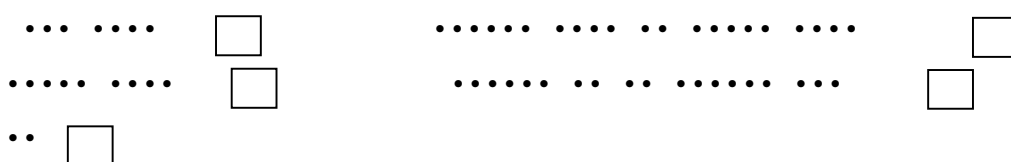
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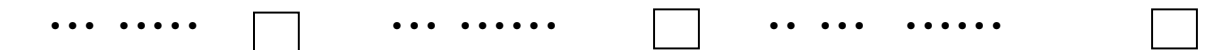
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Appendix B

ST. MER'Y UNIVERSITY

FACULTY OF BUSINESS

DEPARTMENT OF MARKETING MANAGEMENT

Interview Questions for the Marketing Manager of MOHA Soft Drink

S.C

1. Does MOHA have sufficient vehicles for distribution?
2. What types of distribution system MOHA use?

3. Do you have central ware house to distribute your product to different part?
4. Is MOHA soft drinks use its own ware house or rented from other?
5. Does MOHA soft drink deliver its product on time?
6. Does MOHA soft drink deliver its product on place?
7. Does MOHA produce soft drink based on customer preference?
8. Is there any channel conflict? If there is what types of channel conflict?
9. What factors company consider when consider when selecting distribution channel?
10. Is MOHA gives service backup like credit, delivery and installation for customers?
11. How many units soft drink MOHA permit for customer to purchase in one occasion?
12. Does the company face problems in distribution service?
13. Is there any measure taken in order to minimize distribution problem?

DECLARATION

I, the undersigned, declare that this senior thesis is my original work, prepared under the guidance of **Ato Aschalew Tamiru**. All sources of material used of the manuscript have been duly acknowledged.

Name: HENOK TEFERA

Signature _____

Place of Submission ST.MARY'S UNIVERSITY

Date of submission JUNE 2014

ADVISOR APPROVAL

This paper is submitted for examination with my approval as the university advisor.

Name ATO ASCHALEW TAMIRU

Signature _____

Place of Submission SAINT MAY'S UNIVERSITY

Date of submission JUNE, 2014