ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM

EFFECTIVENES OF SALES DISTRIBUTION CHANNELS ON SALES PERFORMANCE:

THE CASE OF VEHICLE SALES COMPANIES IN ETHIOPIA

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A Thesis Submitted to the School of Graduate Studies of St. Marry University in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration

December, 2020
Addis Ababa, Ethiopia

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CERTIFICATE

This is to certify that the thesis entitles "Effectiveness of Salles Distribution Channels on Sales Performance: The Case of Vehicle Sales Companies in Ethiopia" submitted to St. Mary's University for the award of the Degree of Master of Business Administration is a record of bonafide research work carried out by Mr. Getahun Kebede, under the guidance and supervision of Temesgen Belayneh (PhD), Dean Graduate Studies.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

Adviser's Name	Date	Signature

Temesgen Belayneh (PhD),   _____   _____

DECLARATION

I hereby declare that this thesis entitled "Effectiveness of Salles Distribution Channels on Sales Performance: The Case of Vehicle Sales Companies in Ethiopia" has been carried out by Getahun Kebede under the guidance and supervision of Temesgen Belayneh (PhD), Dean Graduate Studies.

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

Researcher's Name   Date   Signature

Getahun Kebede   _____   _____

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ABBREVIATIONS

AA: Automotive Association

AMCE: Automotive Company of Ethiopia

CA: Channel Administration

CD: Channel Design

CKD: Complete knock down

CMT: Channel Management Technology

CP: Channel Performance

CPFR: Collaborative Planning Forecasting and Replenishment

EBG: Equatorial Business Group

EDI: Electronic Data Interchange

ICT: Information & Communication Technology

MOENCO: Motor Engineering company of Ethiopia

PDA: Personal Digital Assistance

POS: Point of Sale

SKD: Semi knock down

SSTs: Self Service Technology

RTA: Roads Transport Authority

VMCM: Vendor Managed Category Management

VMI: Vendor Management Inventory

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I hope in assistance of my family, colleagues and the company, I will put much of my effort to read lots of research papers, interview different people to finalize my research on the issue and paves the way to next researcher who might make further research on the agenda.

Abstract

The study sought to assess the effectiveness of channels on the sales performance of car sales companies in Ethiopia. The study was guided by the following specific objectives: To show in what way and the extent in which, distribution channel effectiveness affects the sales volume of the company, and to point out the significant factors influencing the distribution channel efficiency in Ethiopia. A distribution channel consists of the set of people and companies involved in the transfer of title to a product as the product moves from distributers to final customers or users. Diverse distribution channels exist today, A company wants a distribution channel that not only meets customers' needs but also provides an edge on competition, and for the purpose of this study, an organized approach is required which comprises of three decisions: (i) specifying the design of distribution (ii) accessing the channel administration (iii) determining the technology use by channels. The study focused on the company executives, staff of marketing department, sales executives, distribution channels owners, and customers of some organizations from selected in Addis Ababa. The study adopted a descriptive survey design. Purposive judgmental proportion technique was carried out to arrive at a representative sample for the study and 113 willing were found to participate in the study and taken as a target for the sample size. The researcher used primary source of data which was obtained through a semi-structured questionnaire. The data was analyzed using the Statistical Package for Social Science (SPSS) version 23 and the t-Test statistical tool was employed to test the significance between the observed variables and the underlying construct. The findings revealed that the design and administration of channels of distribution, affects sales of product, and the technology use by sales companies and channel has no much effect on the sales volume of vehicles. Based on the underlying assumption, the following were recommended for the study; that the channel members should have good working procedures, management and administration to carry efficient marketing and sales of vehicles.

Key Words: Channel design, Channel administration, Channel management technologies.

CHAPTER ONE

INTRODUCTION

1.1   Research Background

Ethiopia, being one of the African countries, above all requires continuous development in agriculture, manufacturing, and service sectors. In accomplishing the development on these sectors, the role of infrastructure is vital. The developments of the infrastructure in turn highly depend on the availability of various types vehicles (Cars, pickups, trucks, etc...), construction machineries, industrial machineries, agricultural equipment, technology and educated human resources.

In Ethiopia, road transport is the major means of passengers and freight. In 2015, Ethiopia had 110,414 km of roads (14,354 km paved and 96,060 unpaved) as against 659KM railways and 17 airports with paved runways", (2019 World Fact Book of the United States Central Intelligence Agency, 2015). Still a low percentage of the population has access roads.

Automotive importing companies in Ethiopia are importing different types of vehicles to the country's vehicle market. Few of them have established assembly plant by importing components based on SKD, and CKD. The study doing so, a predictive study on the effectiveness of the distribution & sales channels to clearly see the demand supply gap and satisfaction of both parties' sales companies, and intermediaries. This project mainly prepares to reveal the effectiveness and impact of the vehicles sales channel being implemented by different car assembles and importing companies on their sales performance.

In Ethiopia some of these car assembly companies sell their products through one dedicated intermediary, and some of them direct to end users. However, most of them prefer to sell thorough many distributers, dealers, or intermediaries. The reason of preferring distribution through channel by the company is better access to the market and

sharing responsibility of aftersales to the distributers or retailers. These intermediaries perform a variety of functions constitute a marketing channel, that is also referred to a trade channel or distribution channel and dealers. Especially the case of three wheelers tra-cycle which are highly demanded in areas of growing cities and rural areas, the sales channels involve many intermediaries.

At present there are eighteen well established and long experience companies those are: MOENCO, Belay Ab Motors, AMCE, Nyala Motors, Ries Engineering, Marathon Motors, Paul Ries & Sons, Lifan Motors, Seferian Co., Ethio lakes, Orbis Automotive Trading, Horra Trading, Equatorial Business Group, Ethio Nippon, Gaky Engineering, Ultimate Motors, Mesfin Engineering, TVS Motors, and Tamrin. Most of these companies use different channels based on the company's interest. Many of these companies especially the recent once are exerting their full potential to penetrate the market through formulating different distribution strategies and widening their destination to different regions.

For any company's product to sell, how to avail the product to the customers can be as crucial as strategic issue as that of manufacturing the product itself (Ahn, Duenyas and Zhang, 2002). The writers added that Multi-channel product distributions shall for this study refer to situations where on top of the traditional intermediaries (whole sellers, resellers, distributor, retailers etc), the manufacturer purposely nominates other intermediaries' strategies in order to control the market. Despite the importance of channel intermediaries: knowing the accurate effect on the sales volume is inconclusive and poorly understood. So, it's the researcher's opinion that it's important to study an assessment of the relationship between distribution practice and sales volume in case of cars in Ethiopia and to understand on how distribution is currently implemented and functioning for the companies in the Ethiopian market context.

Most of ideas concerning channel design, management, and administration issues are underlying a theory that predict the effectiveness of the channels for the success of vehicle companies based on some factors. Hence, this proposal is to review the distribution efficiency impact on vehicle sales and builds a framework analysis to be tested by studies in Ethiopia.

1.2   Problem Statement

Distribution channels are one of the major sales outlets for business operation and effectiveness of companies, which are decisive for those goods manufacturing firms. Channels normally have contract agreement for distribution of goods, and efficient product presentation and carry-out aftersales service in their areas for mutual benefit. As experience shows most of the sales out lets are not preforming well or doesn't operate as per their commitment with the parent or manufacturing company. Those intermediaries may also concentrate with other own business of interest.

Despite a strong commitment between the vehicles sales or assembly companies and the distribution channel, there is misunderstanding of one another and that affects their mutual goals and operation.   The situation isn't able to promote the parent company's products in an efficient way, and the channels are also not well administered or not devoting their full time to do up to their commitment. Research or assessment should be carried out to determine the situations behind the effectiveness of distribution channel of vehicles in Ethiopia to assess the issues and find the situations and propose best possible solution that let both the intermediaries and the company would have better understanding each other and communicate and work out efficiently.

1.3   Basic Research Questions

•   What is the effect of channel design on the sales performance of vehicles in Ethiopia?
•   What is the relationship between channel administration and sales performance of vehicles in Ethiopia?
•   What is the effect of channel management technologies on the sales performance of vehicles in Ethiopia?

1.4 Objectives of Research

General objective

The general objective of this study is to assess the effectiveness of distribution channels and evaluate their effect on the sales performance of organizations, taking the case of automotive assembly and sales companies in Ethiopia.

Specific objective

- To examine the effect of channel design on the sales performance of vehicles in Ethiopia.

- To determine the relationship between channel administration and the sales performance of vehicles in Ethiopia.

- To evaluate the effect of channel management technologies on the sales performance of vehicles in Ethiopia.

1.5 Scope of the Study

Subject Scope

The study concentrates on the effectiveness of some variables for vehicle distribution channel which are distribution channel design, channel administration, and channel technologies used by channel intermediaries and the vehicle sales companies in Ethiopia.

Geographical Scope

The study is conducted in Addis Ababa among employees of car assembly and sales companies, sales channels, and organizational customers.

Time Scope

This study considers, sales & marketing channels, and the sales performance trend of car sales companies from 2015 to 2020 GC.

1.6 Significance of study

The findings of the research can be used by any automotive companies to gain an insight into distribution strategy in the current market environment of the car industry

for its contribution to distribution system effectiveness. Companies can do better by using the study as refence as to how factors that contribute for the effectiveness of the company and use for their reference in achieving better sales performance.

There aren't much work/study carried out on channel of distribution on cars industry in Ethiopia, so the study adds up and provide a rational elaboration and detail understanding of different distribution system operation. Moreover, the study highlights potential areas for future research and fills the gap that identified on the literature review.

The researcher beliefs that he acquires more knowledge and experience on the study research; and can also use the study as a format or an outline of the thesis to follow for any other research works.

1.7   Limitation of study

The scope of this paper is to study an assessment of the effectiveness of distribution channel and sales volume in the case of car sales in Ethiopia. The study considers only the car sector; and the data of other industry are not be included and focus only on car sales, which have an experience of local competitive environment. Beside this, factors influencing the distribution channel system and the extent of distribution channel affecting the sales volume, were the most to be analyzed and evaluated to assess the mentioned research topic.

The following limitations were encountered during the study and strategies:

- The worldwide COVID-19 pandemic issue was the main hinderance that let the researcher to get more and accurate data. Most of the respondents weren't happy to receive the hard copies from the researcher instead want to make it in telephone, or using digital media; and that let the researcher to be strict on data collection. Briefing and convincing the issue details in person to respondents somehow wasn't easy.

- Respondents withholding information due to fear of being victimized, however, the researcher convinced the respondents that the information would be kept

confidential. This is true especially with organizational customers, which are not open on all data that may raise issue against them.

- Unwillingness of respondents to fill questionnaires. The researcher remained in constant contact with the respondents and made sure reminders are sent to them to fill the questionnaires.

- Respondents having a view of not obtaining any direct benefit from the research results. However, the researcher convinced the respondents to spare some time to answer the questions, and further explained that the recommendations of the research would be presented to concerned for the benefit of the companies and employees.

- The study was conducted and limited on few vehicle sales companies, channels, and organizational customers taking sample from relevant population that sited in Addis Ababa. Even if the sampling techniques have its own limitations the researcher made use of scientific method of sample size determination to become more accurate on the conclusion.

1.8   Organization of the paper

The research paper used an assessment of the vehicles sales distribution practice in Ethiopia in Addis Ababa and organized in to five chapters.

The first chapter is introduction part in which the paper discussed the reasons why this research is necessary; the research questions that are needed to be answered, scope of the study, and limitation of the study.

The second chapter literature review discusses in depth previous close or related theories, review theoretically and empirically, show research gap, forward conceptual review and hypothesis for the topic of the effect of distribution channel in general, and on sales volume of cars.

Chapter three which is the third part of the paper is dedicated to methodology, research design, Population of the study and sampling and sampling procedure of the research under study. In order to help the analysis and interpretation the researcher used The Statistical Package for Social Sciences (SPSS) software.

Chapter four of the paper is all about data interpretation and analysis. Which is interpretation of the data collected using the statistical software mentioned above. In that chapter detailed data analysis carried out to support the last chapter which is recommendation and conclusion.

The final chapter is summary, conclusion and interpretation based on the analysis performed on the fourth chapter of the paper. The conclusion and recommendation solely base on the data collected, analyzed, and interpreted on in the previous chapters.

The paper also includes reference papers listed at the end of the paper which enable readers grasp further information on the research topic and other related topics

CHAPTER TWO

LITERATURE REVIEW

The chapter has four sections namely, theoretical review, empirical review, research gap, and conceptual review & hypothesis. In the theoretical review the researcher obtains information from different sources and sorted under main themes and theories, highlighting agreements and disagreements among the authors and identifying the unanswered questions, gaps or outlook of the researcher. In the empirical review the researcher review Empirical evidence refers to evidence verifiable by observation or experience, thus, the research studies with conclusions based on empirical evidence. The Theoretical framework consists of the theories or issues in which the research study is embedded, while the conceptual framework describes the aspects selected from the theoretical framework to become the basis of research enquiry.

2.1 Review of Theories and concepts

2.1.1 Channel Design

A firm can set-up different channels it requires. Channels are classified by the number of intermediaries between producer and consumer (Kotler, Keller & Burton, 2009). Designing a marketing channel calls for analyzing customer needs, establishing channel objectives, and identifying and evaluating the major channel alternatives (Kotler, Keller & Burton, 2009). In designing the marketing channels, the marketer must understand the output levels desired by the target customers. Channels produce five service outputs, these include; Lot size - the number of units purchase on/in one occasion, Waiting time - the average time customers of that channel wait for receipt of the goods, Spatial convenience - the degree to which the marketing channel makes it easy for customers to purchase the product, Product variety - the assortment breadth provided by the marketing channel; normally customers prefer greater assortment because more choices increase the chance of finding what they need and lastly, Service backup - the

add-on services (e.g credit, delivery, etc) provided by the channel (da Silva, 2008). According to da Silva (2008), channel objectives should be stated in terms of targeted service output levels. Channel objectives vary with product characteristics. The company's channel objectives are influenced by; nature of the product, company characteristics, characteristics of intermediaries, competitors' channel and environmental factors. Nature of the product, e.g. perishable products require more direct marketing to avoid delays and too much handling (Kotler, Keller & Burton, 2009). Company characteristics, e.g.the company's size and financial situation determine which functions it can handle, how many channels it can use, which transportation can be used.

Characteristics of intermediaries, intermediaries differ in their abilities to handle promotions, customer contact, storage and credit e.g. the company's own sales force is more intense in selling. Competitors' channel, some companies may prefer to compete in or near the same outlets that carry competitors' products, some may not (e.g. Daily Monitor newspaper wants to locate near the New Vision newspaper). Environmental factors, economic conditions and legal constraints affect channel design decisions e.g. in a depressed economy, producers want to distribute their goods in the most economical way, using shorter channels (Kotler, Keller & Burton, 2009).

After the channel objectives have been determined, the company should identify its major channel alternatives in terms of; (1) types of intermediaries, (2) the number of intermediaries needed, and (3) the terms and responsibilities of each channel member (Kansal, 2011). The firms need to identify the different types of available intermediaries to carry on its channel work. Intermediaries are individuals or businesses that make it possible for the product to make it from the manufacturer to the end user, essentially facilitating the sales process (Kumar & Venkatesan, 2005). There are four basic types of channel intermediaries, which include: agent, wholesalers, distributors and retailers. An Agent is an independent individual or company whose main function is to act as the primary selling arm of the producer and represent the producer to users. Agents take possession of products but do not actually own them (Kansal, 2011). Agents usually make profits from commissions or fees paid for the services they provide to the producer and

users. Wholesalers are independently owned firms that take title to the merchandise they handle. The wholesalers own the products they sell. Wholesalers purchase product in bulk and store it until they can resell it. Wholesalers generally sell the products they have purchased to other intermediaries, usually retailers, for a profit. Distributors are similar to wholesalers, but with one key difference. Wholesalers will carry a variety of competing products, for instance Pepsi and Coke products, whereas distributors only carry complementary product lines, either Pepsi or Coke products. Distributors will take title to products and store them until they are sold. A retailer takes title to, or purchases products from other market intermediaries. Retailers can be independently owned and operated on a small scale or they can be part of a large chain. The retailer will sell the products it has purchased directly to the end user for a profit (Kansal, 2011).

After major intermediaries have been identified, the company should decide on the number of intermediaries to use. Three strategies available are; Exclusive distribution, Intensive distribution and Selective distribution (Kotler, Keller & Burton, 2009). Exclusive distribution involves a limited number of intermediaries with an exclusive dealing arrangement where the resellers agree not to carry competing brands. This strategy is appropriate for specialty products which are expensive, infrequently bought and require service or info to fit them to buyers' needs, such as Rolex watches, Mercedes-Benz and Rolls Royce vehicles (Kotler, Keller & Burton, 2009). In Selective distribution only selected available outlets in an area are chosen to distribute a product. The company does not have to dissipate its efforts over too many outlets, it enables the producer to gain adequate market coverage with more control and less cost than intensive distribution (Kotler, Keller & Burton, 2009). Kotler, Keller & Burton (2009) add that it is appropriate for shopping of products, which consumers are willing to spend more time visiting in several retail outlets to compare prices, designs, styles, and other features of these products. Intensive distribution is the use of all available outlets to distribute a product. It is suitable for convenience products such as soft drinks, bread, candy, newspapers, etc. because they have high replacement rate and require almost no service (Kotler, Keller & Burton, 2009). Multiple channels (i.e. convenience stores, service stations, supermarkets, discount stores) are used to sell these products. Each channel options should be checked against; Economic, Control and Adaptive criteria. Vibhash &

Lakshmi (2008) explain that under; a) Economic criteria, a company compares the likely sales, costs and profitability of different channel alternatives; b) Control criteria, the company must also consider control issues since using intermediaries usually means giving them some control over the marketing of the product, and some intermediaries take more control than others, and finally c) Adaptive criteria, the company must apply adaptive criteria because channels often involve long term commitments, yet the company wants to keep the channel flexible so that it can adapt to environmental changes. A channel involving long term commitments should be greatly superior on economic and control grounds (Vibhash & Lakshmi, 2028) After the number of intermediaries needed have been identified, the terms and responsibilities of each channel member should be set (Kansal, 2011). Each channel member must be treated respectfully and given the opportunity to be profitable. The main elements are; 1) Price policy – price list, schedule of discount and allowances, 2) Conditions of sale – payment terms and producers 'guarantees, 3) Distributors territorial rights – distributors' territories and the terms under which the producer will enfranchise other distributors, and 4) Mutual services and responsibilities- particularly in franchised and exclusively-agency channels. The franchiser provides promotional support, training, record keeping system, etc. (Kansal, 2011).

2.1.2   Channel Administration

Like other areas of business, distribution channels require careful administration as superior channel management policies and strategies help a firm attain a differential advantage but concomitantly are difficult to duplicate (Shusterman, 2013). Distribution and Marketing channel management refers to the process of analyzing, planning, organizing, and controlling a firm's marketing channels (Coughlan et al., 2005). As discussed in numerous articles and textbooks, it comprises seven decision areas: (1) formulating channel strategy, (2) designing marketing channels, (3) selecting channel members, (4) motivating channel members, (5) coordinating channel strategy with channel members, (6) assessing channel member performance, and (7) managing channel conflict (Mehta et al 2000). Hutt & Speh (2013) emphasize that the primary roles of

channel administration are; selection of channel members and motivating channel members.

The process of selecting channel members / intermediaries is an ongoing process due to the fact that they tend to leave the channel from time to time, basing on different circumstances: market's changes, problem within their businesses, etc. (Hutt & Speh, 2013). Thus the process of choosing intermediaries should be very well managed in order not to reduce the cost of search to the minimum (Coughlan et al., 2005). The most important step to be made in order to fulfill the goal is to secure good intermediaries. The list of probable intermediaries can be reduced to a few by getting the information about the candidates from different sources: current partners, salespeople, potential and actual clients or through databases and professional communities (Coughlan et al., 2005). Nevertheless, it should be remembered that the process of choosing the intermediaries is not a one-way street at all, thus the company should bother about its reputation if it wants to have the opportunity to choose the best intermediaries (Kumar & Venkatesan, 2005). After the channel members / intermediaries have been selected, they should be maintained by motivating them. If the company wants to build strong and beneficial relationships within its marketing channels, the company's strategies should be tied up to the capabilities and aims of its distributors, representatives and suppliers, (Hutt & Speh 2013), They added company's managers should constantly remind themselves that the intermediaries are independent and profit-oriented and thus as soon as they are not satisfied with the current state of affairs, they will leave the marketing channel.

The motivation of the channel members starts with the realization that every relationship within the channel is a partnership (Kumar & Venkatesan, 2005). The communication can be improved by product training, recognition programs, consultations with the manufacturer's representatives and informational meetings where the plans and strategies will be discussed in detail. The goal of joining the plans and strategy should be prioritized (Kumar & Venkatesan, 2005). Additionally, in order to enhance the performance of the channel, the manufacturer has to improve the information flow among channel's participants (Hutt & Speh, 2013). This can be made by setting periodical council's meetings among the representatives whose aim will be to review distribution policies,

provide advice on marketing strategy and supply industry intelligence (Hutt & Speh, 2013). Motivation of channel intermediaries can also be enhanced by setting good commission policies since the main aim of the marketing channel's participants is to get profits (Coughlan etal., 2005). Lastly, manufacturers have to build trust between and among intermediaries. To be competitive, business marketers have to build effective networks and collaborations within channels, and successful cooperation exists only when the partners trust each other (Hutt & Speh, 2013).

2.1.3   Channel Management Technologies

Technological innovations facilitate the integration of structures, physical flows, and information within the same distribution channel (Tummala et al., 2006). Information and Communications Technologies (ICTs) are the main platforms on which inter and intra-firm channel management processes have been built (Closs & Xu 2000; Porter 2001). ICTs refer to technologies that people use to share, distribute and gather information, and to communicate, through computers and computer networks (ESCAP,2001). Technological innovations improve the productivity of physical and information flows by improving the transportation network and logistics management. Some of the technologies used in marketing channels include; Electronic Data Interchange (EDI), Vendor Management Inventory (VMI), Collaborative Planning Forecasting and Replenishment (CPFR), Vendor Managed Category Management (VMCM) and Self-Service Technologies (SSTs)/ Point Of Sales (POS) technologies (Kaipia & Tanskanen, 2003; Musso, 2012). The EDI is the basic infrastructure for coordinating logistic processes among channel partners that has been defined as "tools which permit the automatic exchange of data between remote applications in situations where these belong to different organizations (Martinez & Polo-Redondo, 2001). The principal attraction that EDI has for companies in marketing channels lies in the large number of references that are exchanged. For large retailers, as well as wholesalers, EDI means a big saving because they work with a large number of suppliers (and/or customers) with a great quantity of references, and this means having to handle a vast amount of documents of different types. The EDI has been promoted because it eliminates the extremely burdensome task of reentering, collation and storing of all

this data. Four groups of variables have influence in the spread of EDI: Network Factors, Innovation Factors, Intra- Organizational Factors, and Inter-Organizational Factors (Martinez & Polo-Redondo 2001).

Channel management technologies are also very important in joint management of supplying activities, through techniques such as Vendor Management Inventory (VMI) (Kaipia & Tanskanen 2003). Supplying activities include assortment decisions, activities for reducing stock-outs, and the use of indicators to control and improve joint processes. In VMI, the supplier is able to smooth the peaks and valleys in the flow of goods, and therefore to keep smaller buffers of capacity and inventory (Kaipia & Tanskanen 2003). Buyers need not monitor the supplier performance by the service level provided by the supplier to the buyer. Successful VMI implementations in retailing can be found in the apparel industry. However, VMI has not gained large acceptance in the grocery supply chain.

The Collaborative Planning Forecasting and Replenishment (CPFR) and Vendor Managed Category Management (VMCM) technologies are used at a higher level of collaboration in marketing channels. The CPFR is used for jointly making sales forecasts and procurement schemes and includes all activities that pertain to the management of assortments such as promotions and the introduction of new products. VMCM technologies are used for retail demand fulfilment. It combines the ideas of VMI, Category Management and Outsourcing (Kaipia & Tanskanen 2003). An additional front of technological innovation in vertical relationships between firms in the marketing channels is that of the management of supplies via the Internet (Risso 2009). Electronic business technological innovations impact the operational design of a channel system by increasing the degree to which the tasks and resources of members need to be integrated. In particular, the proper utilization of software requires the integration of channel operations in terms of greater formalization, standardization, and centralization (Bello et. al. 2002). The most important fronts of technological innovation in the relationships with the final consumer are checkout technologies, electronic and mobile payment systems, distance selling (mainly on-line sales), and Self-Service Technologies (SSTs) such as vending machines and multimedia kiosks. Checkout or Point

of sales (POS) technologies are applied to locations where a retail transaction occurs. The benefits of POS technology are in the possibility to better manage inventory by combining sales data with the amount and cost of the purchases. This enables the firm to analyze the profitability of individual products and manage inventory more accurately and quickly (Bergen et al. 2008). Related to POS-scanner technologies are electronic and mobile payment systems. Mobile payments are payments for goods, services, and bills with a mobile device (such as a mobile phone, smart-phone, or personal digital assistant (PDA) by taking advantage of wireless and other communication technologies (Dahlberg et al. 2008). Mobile payment systems are suitable for proximity and micro-payments hence are a great opportunity for mobile payments to reduce the number of small purchases paid with cash (Ondrus & Pigneur 2006).

Other forms of innovation in relationships with final customers are detectable in telephone and on-line selling. The main innovation potential in distance selling, however, comes from online sales, as part of e-commerce. Online shopping remains a small fraction of retail sales despite the well-known benefits of electronic commerce to consumers, including lower prices (Brynjolfsson and Smith 2000), greater selection and availability (Ghose et al. 2006), and greater convenience by eliminating travel costs and enabling purchases irrespective of geographic location. There are many reasons for consumers' slow adoption of online shopping habits, such as: inspecting non-digital products is often difficult, shipping can be slow and expensive, and returning of products can be challenging (Forman, Ghose and Goldfarb 2009). That is, there appears to be a set of fixed disutility costs of buying online. These costs vary across products and retailers, and in some markets have created significant hurdles to the continued diffusion of electronic commerce.

The last face of technological innovation in dealing with the final consumer is that of Self- service technologies (SSTs), based on interacting technologies, like vending machines and multimedia kiosks. With consumers wanting quick and convenient access to competitively priced products, the vending industry has seen a great deal of growth over the last twenty years. Vending machines are continually updating with the latest technologies, as well as the variety of products that are being sold. One of the newest

vending innovations is telemetry. Machines equipped with telemetry can transmit sales and inventory data to a route truck so that the driver knows exactly what products to bring in for restocking. Or the data can be transmitted to remote headquarters for use in scheduling a route stop, detecting component failure or verifying collection information (Courty and Pagliero 2008). Multimedia kiosks sometimes described as interactive kiosks or public access kiosks are computer workstations that are designed to provide public access to digital information and e-transactions. In retailing and other business environments such as travel, entertainment, advertising, property marketing and building, information kiosks are being used to provide information and services directly to customers. Kiosks are typically located in a store, or in a shopping center or mall, or in other public environments such as railway stations, motorway service stations and airports (Rowley and Slack, 2003). In this study the researcher will assess the adequacy of technologies being used in the marketing channels of vehicle sales in Ethiopia.

2.1.4   Sales Performance

The term sales refer to transactions between two parties where the buyer receives goods (tangible or intangible), services /or assets in exchange for money (Hutt & Speh, 2013). According to Dean (2015), no matter what industry, every manufacturer / supplier must improve sales performance, reduce the cost of selling, and ensure their survival. By analyzing sales performance, managers can make changes so as to optimize sales going forward (Farris et al., 2010). According to literature, sales performance is a combination of sales effectiveness - the ability of a company's sales professionals to "win" at each stage of the customer's buying process, and ultimately earn the business on the right terms and in the right timeframe and sales efficiency - the speed at which each task in the sales process is performed (Farris et al., 2010; Treace, 2012; Rogers, 2014; Dean, 2015). Farris et al (2010) posits that sales effectiveness is not just a sales function issue; it's a company issue, as it requires deep collaboration between sales and marketing to understand what's working and not working, and continuous improvement of the knowledge, messages, skills, and strategies that sales people apply as they work sales opportunities. On the side of sales efficiency, companies need to examine their sales process for weaknesses so as to maintain favorable speeds at

which each task in the sales process is performed (Treace, 2012). For example, if intermediaries are spending too much time on some tasks, the company might automate those tasks so as to allow sales representatives to spend more time selling (Treace, 2012).

According to Cournoyer (2014), marketing channels allow partner representatives in the best possible position to sell. Cournoyer suggests tips to consider to in optimizing sales performance (Cournoyer, 2014); 1) Provide resources that communicate your message, create a common sales toolkit for partners so that you're doing everything possible to enable them to communicate your value proposition and accelerate sales growth; 2) Modularize your packaging for each stage of the buying process. Packaging stock into smaller, more manageable 'chunks' or 'bits' makes moving of stock more practical for channel partners at the time and place they choose; 3) Keep the lines of communication frequent and open. Alexander (2013) advises that the producer should call each of channel partners on a regular basis so as to offer any assistance that may be needed; 4) Get on board with social media. According to Offenberger (2011) it is important to network with channel partners through social networks like Facebook, LinkedIn, Twitter and others. Social networks enable more authentic, personal and regular interactions leading to positive partner interactions and more partner sales (Offenberger, 2011); and 5) Measure the relationship early and often. James (2011) explains that there are two reasons to measure. First, the key to the channel relationship is trust, which means that you need to be flexible in making adjustments that improve performance. That's only possible if you know what's happening. Second, when a channel partner is not performing (i.e. consuming more resources than the revenue they create), you need to know quickly so that you can either fix the problem or cut the partner from your programs.

Understanding the theory behind creating and maintaining these marketing and sales channels gives some control over how the marketplace can be approached and how quickly products can move to customers (Vibhash & Lakshmi, 2008). The theory behind distribution and marketing channels also enables sellers to learn how to time their marketing so that they do not offer products that haven't arrived in the customers' areas

yet (Bucklin, 1966; Gaski, 1984; da Silva, 2008). Channels can be defined as the set of external organizations that a firm uses to achieve its distribution objectives (Mehta, Rosenbloom & Anderson, 2000). Essentially, a channel is the route, path, or conduit through which products or things of value flow, as they move from the manufacturer to the ultimate user of the product (Metha et al., 2000). Actors in the marketing channels include agents, wholesalers, and retailers. By performing a variety of distribution tasks, marketing channels play a significant role in the flow of products from producers to consumers and on company profitability (Coughlan et al., 2005). Like other areas of business, channels require careful administration, as superior channel management policies and strategies help a firm attain a differential advantage. Marketing channel management refers to the process of analyzing, planning, organizing, and controlling a firm's sales & marketing channels (Stern et al 1996).

As discussed in numerous articles and textbooks, it comprises seven decision areas: (1) formulating channel strategy, (2) designing marketing channels, (3) selecting channel members, (4) motivating channel members, (5) coordinating channel strategy with channel members, (6) assessing channel member performance and (7) managing channel conflict (Rosenbloom 1987; Rosenbloom 1999). All seven areas are critical to superior market performance and long-term customer loyalty (Mehta et al 2000). Manufacturers differ on how they distribute their products to the consumer, with some preferring shorter channels and others longer channels depending on the context of the buyers. Some of them distribute intensively (using a lot of intermediaries) or exclusively (directly to the consumer) (Vibhash & Lakshmi, 2008). Stern & El-Ansary (1982) and Pelton et al, (2001) affirm that a channels are not simply preferred; there are some issues like the middlemen, traditional channel patterns, product characteristics, company finances, competitive strategies, and customer dispersion question. It is the same idea of Mcvey (1960) who stated that channel networks were not perfectly formulated under the control of one type of organization and that an organization, encounters few options preferring the channels for its products. The author added that the choice of a channel is not open to any firm unless it has various freedom of action in issues of marketing policy. According to this approach, the company has a various constrictions like limited choice of types of middlemen, customers and locations of trading areas.

Some logistics authors wrote that the channel preference is a cost and financial decision (Lambert 1981; Bowersox 1969). Otherwise Lilien et al. (1992) say that the channel choice decision is not only an economic decision but is also dependent on the control aspects of channels and their adaptability. Several theories have been forwarder to show / predict marketing channel dynamics and their management.

These include but are not limited to; Coalition theory, Bargaining theory, Theory of power and conflict in marketing channels and Theory of distribution channels. The Coalition theory explains that weaker (smaller) channel members are prone to dominance by more powerful channel entities (Harvey, 1975). Channel members may band together in an attempt to decrease conflict among themselves or to protect themselves against more dominant power figures in the channel of distribution. This theory indicates that with increased power, marketing flows are controlled and therefore goal attainment (sales performance in this case) is more likely to occur (Harvey, 1975). The Bargaining theory states that a critical factor in channel relationships between manufacturers and retailers is the relative bargaining power of both parties (Iyer & Villas-Boas, 2003). Bargaining the terms of trade in a marketing channel consists of a manufacturer that produces the product and a retail intermediary that takes a market action (e.g., setting the retail price) and sells the product to the consumer market. Relationships between manufacturers and their retailers often hinge on the importance of negotiation and its effects on each party's share of the pie, as well as on channel coordination parties (Iyer & Villas-Boas, 2003). Lastly, the theory of distribution channels states that each company in the channel must charge enough to pay expenses and leave a profit (Bucklin, 1966). According to this theory, knowing where you are in the channel helps you understand your costs and mark-up needs. If you are near the end of the channel, you will pay the most for a product, because it has been marked up on its way to you. If you're near the beginning, you may be expected to charge what are commonly called wholesale prices, because your buyers understand you incur less expense at the start of a channel (Bucklin, 1966).

2.2 Theoretical Framework

2.2.1 Effect of channel design on sales performance

For companies planned for growth, one of the biggest tasks is making sales more efficient and productive (Palmatier et al., 2008). When a company's sales channels realize their full potential, they don't only boost revenue and share but also create a high-performance organization pulling together for breakthrough financial results (Palmatier et al., 2008). Kotler et al (2009) forwarded that for a company to design channels that can guarantee good sales, the company must analyze customer needs, establish channel objectives, and identify and evaluate the major channel alternatives (Kotler, Keller & Burton, 2009). Excellent progress has been made in our understanding of how firms may effectively design and manage their channels of distribution (Frazier and Lassar 1996; Vinhas et al., 2010).

Literature has also indicated that producers have to develop strong, long-term relationships with their channel partners since these affect firm performance, and sales performance in particular (e.g., Anderson and Weitz 1992; Heide and John 1992; Morgan and Hunt 1994). Moreover, the channel partners provide the route, path, or conduit through which products or things of value flow, as they move from the producer to the ultimate user of the product (Metha et al., 2000). Today's distribution channel systems are increasingly complex. Producers often serve end-user markets through multichannel systems where diverse channel types (e.g., telemarketing, sales force, and e-commerce operations) and/or diverse entities (e.g., the manufacturer and different independent firms) are involved in the performance of the main distribution functions to optimize sales (Vinhas et al., 2010). The complexities in the marketing channels (especially for newspapers in Uganda) provides a research opportunity on how to design marketing channels that can enable the producer to utilize different channel types to create customer value and maximize sales.

2.2.2   Effect of channel administration on sales performance

Emphasize that most manufacturers, success or failure is determined by how effectively and efficiently their products are sold through their marketing channel members (Behan & Lamoureux, 2015). In an era of increased emphasis on customer relationship management and hybrid marketing channels, there has been growing concern regarding how channel relationships are managed (Mehta, Dubinsky & Anderson, 2002). The prominence of channel management is premised on the fact that marketing channel partners play a significant role in the flow of products from producers to consumers and on company profitability (Kotler et al., 2009). Channel management affects sales performance by helping to protect brand value, allowing vendors to sell their products at a premium, while enabling the channel to up-sell the proper services and support offerings that meet the customer's needs (Behan & Lamoureux,2015). Channel management can also control price reductions, which can slow price erosion. In addition, it can extend a vendor's visibility over products and services through the channel to prevent diversion and the risk of gray marketing, where products are leaked or diverted outside of the authorized channel. Strong channel management helps create and maintain customer loyalty while strengthening the channel partner relationship by protecting the investment in the vendors' products and the partners' post-sales service and support (Behan & Lamoureux, 2015). Behan & Lamoureux (2015) mention the KPMG's proprietary Channel Management Model that outlines the steps in the channel life cycle that vendors can use to strengthen channel relationships, enhance value, reduce gray and counterfeit marketing, and ultimately enhance sales revenues and margins. Four key steps to effective channel management include: a) Channel strategies and programs, b) Partner onboarding, 3) Transactions reporting and incentives and 4) monitoring (Behan & Lamoureux, 2015).

2.2.3   Effect of Channel management technologies on sales performance

In the last ten years or so, ICT has become an important tool in company processes, in goods and service supplied to the market letting system and organizational change projects and in the modification of business models (Balocco, Ghezzi, Rangone & Toletti,

2012). Professionals who have contact with customers are now "touching" with technology. Every day, sales, marketing, and even customer service giving positions are becoming increasingly concentrated on technology (Vilaseca-Requena, Torrent-Sellens & Jiménez-Zarco, 2007). Technological innovations facilitate the integration of structures, physical flows, and information within the same distribution channel (Tummala et al., 2006). Information technology and telecommunications technologies are the main platforms on which inter and intra-firm channel management processes for have been built (Closs & Xu 2000; Porter 2001). ICT use has brought about a fundamental transformation in the marketing function and distribution channels have been one of the main beneficiaries. Some of the technologies used in marketing channels include; Electronic Data Interchange (EDI), Vendor Management Inventory (VMI), Collaborative Planning Forecasting and Replenishment (CPFR), Vendor Managed Category Management (VMCM) and Self-Service Technologies (SSTs)/ Point Of Sales (POS) technologies (Kaipia & Tanskanen, 2003; Musso, 2012). These results suggest that ICT could offer companies a competitive advantage, allowing them to differentiate themselves in the marketplace. In addition, as Pine et al. (1995) and Prasad et al. (2001) suggest, ICT endow marketing with an extraordinary capability to target specific groups of individuals with precision, and enable mass customization and one-to-one strategies by adapting communications and other elements of the marketing mix to consumer segments.

2.3   Empirical Review

Certain previous researchers have devoted deal of attention to the relationship of supply chain management practices and certain aspects of organizational performance from different perspective/dimensions of overall supply chain. Some of these researches' findings are discussed as follow:

Fengyi. Wu, and Yuehhua. Lee (2009) in their study investigation channel power and satisfaction in a marketing channel. His study adopted case study design in Guangzhou province-china. It was found out that the competition faced by business organizations is no longer mere inter-firm competition, but also inter-channel competition

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caused by adapting to industry globalization. Considering this trend, this study found out that there was a correlation between distribution channel power customer commitment and satisfaction. The results provide non-coercive power had a positive and significant impact on the channel firms' communication and commitment, as well as the supplier communication and commitment had a positive and significant impact on the economic satisfaction and non- economic satisfaction of channel firms.

Daugherty (2009) in her study titled "reverse logistics in the automobile aftermarket industry. The study employed case study design whereby 321 respondents participated in the study data collection was done through the questionnaires and interviews. The results indicated that trust exists when one party has confidence in an exchange partner's reliability and integrity. Trust involves an expectation held by an individual that another can be relied on. The existence of trust is particularly important with respect to buyer-seller exchange relationships. Buyer-seller relationships are almost always unequal; one party has more power, better positioning, and/or more resources. Because of the unevenness of power, the other party is likely to feel vulnerable unless trust is present. As such, trust is the mutual confidence that no party to an exchange will exploit another's vulnerabilities. It was shown that downstream channel partners that trust suppliers exhibit higher levels of cooperation and exert more effort on the part of the supplier. Channel partners that trust suppliers also tend to be more committed to and intend to stay in the relationship. Trust is viewed as a highly effective means of fostering cooperation across all types of inter-organizational relationships. Thus, trust in their customers appears important for suppliers who want to reap maximum benefits from the exchange relationship.

Atafar et al, (2011) in their study "Assessing the Effectiveness of Distribution Channel in Isfahan Zamzam Company in their research, they gathered data by interviewing the top marketing managers who have high experiences in marketing; finally, the variables in the research assumptions been used to incorporate flow table model for measuring the Effectiveness Distribution Channel in Isfahan Zamzam Co. The study revealed that Zamzam distribution channel was successful in product transportation, gathering market information was effective in payment procedures, but distribution channel of this

company is not been effective in trade promotion programs and communication with retailers and wholesalers.

McFarland (2001) in his study "the marketing position of industrial distribution"; the article discussed the position of industrial distributors in channels of distribution. The study was conducted in Johannesburg, South Africa, interviews and questionnaires were employed as methods of data collection. The result indicated that, doing business with industrial distributors is more cost effective than doing business with sales branches, sales offices and agents. The author notes that when compared to alternative agencies, the gross margin required by industrial distributors is similar. Also it was noted that industrial distributors are better qualified than alternative agencies to offer services such as emergency deliveries, credit clearance and knowledge of sources of supply for buyers.

David (2005) in his study "Distribution Keiretsu, Foreign Direct Investment, and Import Penetration in Japan" based in directed marketing channel known in Japan as distribution keiretsu are more likely than others to be headed by a primary wholesaler that is vertically integrated with the manufacturer, which for foreign manufacturers entails their directly investing in Japan-based wholesale subsidiaries. Briefly stated, vertical integration better aligns the non-contractible wholesaler effort levels with the manufacturer's profit, but necessarily forgoes the inherent advantage of an independent wholesaler at market-widening efforts. This establishes a trade-off bearing on the decision to vertically integrate.

The reviewed literature has shown that essentially, marketing channels are routes, paths, or conduits through which products or things of value flow, as they move from the manufacturer to the ultimate user of the product (Metha et al., 2000). Marketing channels are mainly comprised of four basic types of marketing intermediaries, which include: agent, wholesalers, distributors and retailers (Vibhash & Lakshmi, 2008). When designing channels, producers should consider five service outputs, these include; the number of units purchased on/in one occasion, the average time customers of that channel wait for receipt of the goods, the degree to which the marketing channel makes it easy for customers to purchase the product, product variety, the add- on services (e.g. credit, delivery, etc) provided by the channel (da Silva, 2008). Like other areas of

business marketing channels require careful administration, as superior channel management policies and strategies help a firm attain a differential advantage (Shusterman, 2013). When administering effective marketing channels, producers should consider a) Channel strategies and programs, b) Partner onboarding, 3) Transactions reporting and incentives and 4) monitoring (Behan & Lamoureux, 2015). Lastly, the other aspect of marketing channels reviewed is technological innovations which facilitate the integration of structures, physical flows, and information within the same distribution channel (Tummala et al., 2006).

2.4   Research Gap

In most cases direct sales, one of the channel models, is e-sales, which is contributing much in the case of the literatures; but the cases of Ethiopia, the researcher believes that due to various reasons like the telecom and internet technology has not well developed these days, or for the coming few years. That can be seen as a time gap between the literature and what happens in Ethiopia.

There is a theoretical Gap, and the issue of the car sales distribution has not been well covered in literature of earlier study carried for the case of Ethiopia. Many studies on distribution channel were conducted in various places of different culture, political and economic systems, therefore, it is important to conduct another study in order to understand the performance trend especially on sales of car in Ethiopia.

The other gap is most of the literatures discussed as if that they do not consider product shortage in supply of products, however, the car import or assembly in Ethiopia is limited due to the foreign currency shortage; and selling of products may not strictly adhere to one of the channels. Most of the time there is a fluctuation of demand that couldn't be fulfilled only by the availability of vehicles.

The other theoretical gap is with Mr. Fengi, Wu which put that inter-channel competition as positive effect for the company performance, however, the researcher believes that inter-channel competition in small degree is necessary, but may affect the performance in creating a negative contraction and conflict of interest between channels.

The other theoretical gap is with Mr. Mc Farland, who put industrial distributers are mor qualified than alternative agencies. Industrial distributors are normally few in numbers and deal with lot of industries which have different design aspects, and industrial distributers may not be qualify with all effect of industries. However, the vehicle channel deal only on vehicles which are not very different with each other in design, and it is easier to qualify them.

There is time gap that the studies indicate that all technological including IT is well adapted situation, however the IT technology of the researcher's country is far behind to implement the IT technologies in companies and channels.

2.5   Conceptual Review & Hypothesis

The conceptual framework is developed after review of related literature on the study variables and summarized as research propositions. A channel design affects sales of its product (Obaji, 2011). The channel control and administration have an impact on company performance in aspects of sales growth, profitability and effectiveness (Bello & Gilliland, 1997). Cooperation and coordination among channel members are vital and required so that the channel will operate efficiently and all channel members will achieve their goals in-terms of sales growth and profitability (Lynn & Robert, 1996). The researcher chose these variables due to the fact that these are some of the most important variables that affect distribution channel effectiveness of companies. The researcher also proposes hypotheses about how factors of channel distribution effectiveness affect company sales performance summarized as follows and represented as a model in Fig. 2
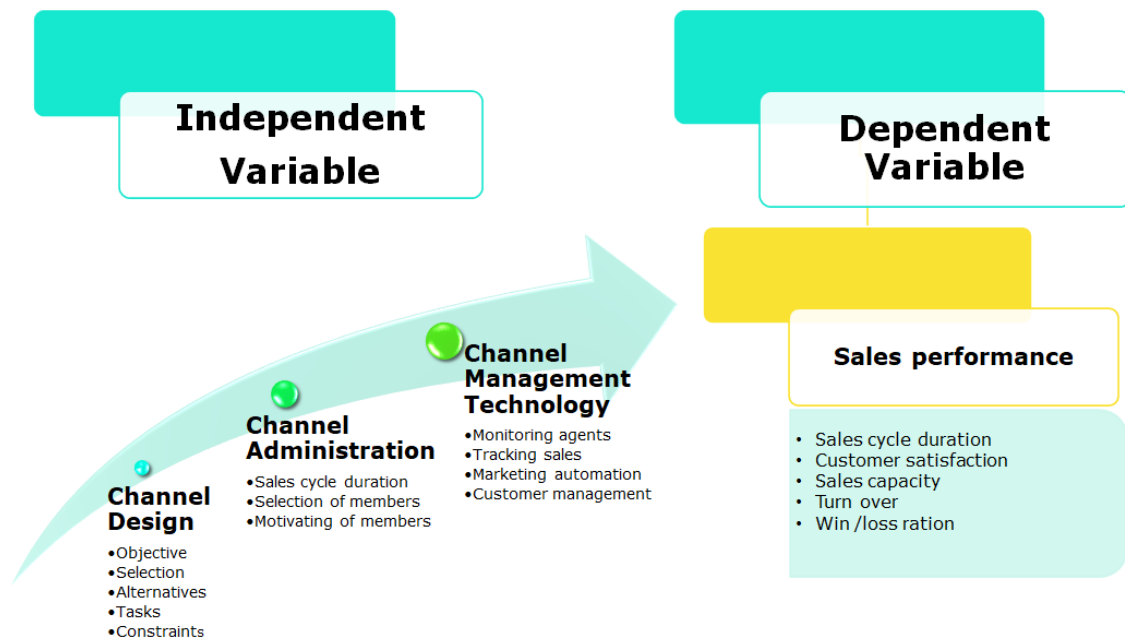
Figure 2: Conceptual framework

Source: Variables adopted with modifications from Iyer & Villas-Boas, 2003

The aim of this research is to investigate the relationship between channel design (CD), channel administration (CA), and channel management technology (CMT) with company sales performance (CP). The variables are taken from different papers discussed in the literatures taking into consideration the availability of data. The regression model of this study is estimated in the following form: $CP = \beta 0 + \beta 1\ CD + \beta 2\ CA + \beta 3\ CMT + \varepsilon$

Source: Developed for the research based on the literature review and the hypothesized connections presented in the conceptual framework the following three hypotheses were tested:

H0: Channel design has no effect on company sales performance.

H1: Channel design has positive effect on company sales performance.

H0: Channel administration has no effect on company sales performance.

H1: Channel administration has positive effect on company sales performance.

H0: Channel management technologies has no effect on company sales performance.

H1: Channel management technologies has positive effect on company sales performance.

From the literature reviewed, it is very clear that there is insufficient information about vehicle sales channel and how they are managed especially in Ethiopia. In this study the researcher endeavors to investigate how distribution channel design, administration, and the technologies used by channel intermediaries affect sales performance of vehicles in Ethiopia.

CHAPTER THREE

METHODOLOGY

3.1 Description of the study

The main research objective of this study was to identify the factors which are affecting the logistics performance from the perspective of logistics service providers, specifically, freight forwarders and transit service providers who are engaged/ licensed to provide import and export services to their customers.

For any organization it could be manufacturing, agriculture, government/non-government service, whatsoever, needs the service of logistics for movement and storage of goods, finance and information from the point of origin to the points of consumptions in an efficient and effective manner to satisfy the needs of the customer or user in forward and reverse moves as defined by councils of logistics management (CSCMP, 2018). Therefore, the study focused on logistics performance of Ethiopian logistics service providers.

3.2 Research Design and approach

Cross-sectional study type of research was applied to assess the factors affecting Logistic performance. Also, descriptive research design was used to describe independent and dependent variables and it is a scientific method of carrying out a systematic or formal inquiry in which data is collected and analyzed in order to describe the current conditions concerning the specific field problems at hand.

The study used probability method for selecting the sample in which each in relation to the study is included. Used simple random sampling method to conduct the probability method. Also, the researchers applied a research strategy which is survey to collect the intended data through structured questionnaire.

Accordingly, the study used close ended questionnaires to meet research objectives. The data was analyzed using Statistic Package for Social Sciences (SPSS) through descriptive analysis techniques. The result was also analyzed using tables.

3.3   Population and sample

3.3.1   Sample Design

The study adopted five sampling steps of as indicated by (Malhotra et al., 2006); these steps are closely interrelated and relevant to all aspects of the research. Those are identified target population, determine the sampling frame, select sampling techniques, determine the sample size and execute the sampling process.

3.3.2   Target Population

The aggregate population of the study was the total logistics service providers/ freight forwarders and transit service providers operating in Ethiopia and also who are engaged in import and export activities while licensed and registered by EMAA (Ethiopian Maritime Affairs Authority) to conduct the logistics service in the country including customs clearing agents. According to EMAA, then, there are more than 251 service providers who are active and registered to render the logistics service and customs clearing by combination of all activities or just some of the logistical activities.

Table 1: Population

Population category	Population, Numbers
Company executives	18
Sales Executives and Supervisors	72
Distributers/Channels	85
Organizational & Public Customers	35
Total	**210**

3.3.3   Sampling frame

The sample frame of the study was operations units of the sales and marketing functions of companies who are responsible for leading and managing the day to day sales activities of all parties vehicle companies, channels, and customers, who the researcher believe to get the required information to address the research question. Accordingly, these targets were addressed by structured questionnaire.

3.3.4.   Sampling unit

According to (Kothari, 2004) the researcher has to decide one or more of sampling that he has to select for his study. The sampling unit of this study was the respondents of the companies, channels, and organizational customers.

3.3.5   Sampling techniques and procedure

3.3.5.1   Sampling techniques

Purposive sampling was used to select executives, sales executives, and distributers or channels; and organizational customers were selected from public organizations, who are convenient for the researcher. Purposive is a non- probability sampling technique that enable the researcher to select respondents based on who has the required information; that is key informants (Sekaran, 2003). A single-stage sampling procedure is one in which the researcher has access to names in the population and can sample the people (or other elements) directly. Based on this the researcher nominated the sample and put names for his sampling technique.

3.3.5.2   Procedure

The researcher seek authorization from sales companies and relevant authorities before collecting data, and presented an introduction letter from the University indicating that the study is purely for academic purposes. The researcher calls every person recognized for interview and inform the purpose and get convenient time appointment and place for

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survey. As per the convenience of the sample the researcher sends the questioner by e-mail, and personally by hand.

3.3.6   Sample Size

According to Mugenda and Mugenda (2003), it's impossible to study the whole targeted population, hence the researcher uses a specific method to scientifically arrive on an appropriate sample size to be used in the study.   The ever-increasing need for a representative statistical sample in empirical research has created the demand for an effective method of determining sample size. To address the existing gap, Krejcie & Morgan (1970) came up with a table for determining sample size for a given population for easy reference it is enclosed as Appendix 2. Accordingly, from a population of 210 a sample size of 138 respondents was selected.

Table 2: Sample size

Population category	Population	Sample Size	Sampling technique
Company executives	18	5	Purposive
Sales Executives and Supervisors	72	45	Purposive
Channels/Agents	85	58	Purposive
Organizational Customers	35	30	Convenience
Total	**210**	**138**	

3.3.7   Data source and type

The researcher used a questionnaire survey method to collect primary data from vehicle assembly company executives, and sales staff, agents, distributors, and retailers. The questionnaire was used because respondents can read and write the answers. The respondents possess the information required to answer the questions and are willing to answer the questions honestly and it is also less expensive for data collection (Amin,

2005). The respondents record their answers within closely defined alternatives on a Likert scale.

Both primary and secondary data were used in this research.

Primary Data:. The primary data was collected using questionnaire as a method of data collection.

Secondary Data: Since secondary data is also as important as the primary data, the researcher collected essential data from secondary sources. The Company's data about the number of customers, number of branches, etc. were taken from few company's annual report. Other secondary sources of data also include, research papers, internet sources, and articles from different magazines.

3.3.8. Data collection procedure

In research, there are numerous methods, and procedures to be applied such as Historical Method, Experimental Method, Survey Method, Descriptive Method and Case study Method. Out of these methods, the descriptive method was selected which is believed to be the most appropriate to the study under investigation. Therefore, the research used questionnaire as a major data collection tool.

3.3.9 Data collection instrument

A questionnaire was used to collect quantitative data from the respondents. A questionnaire is a written set of questions that were used to obtain information about the study objectives from the selected respondents (Amin, 2005). A questionnaire was used, because it helps to investigate motives and feelings in Likert scaling (Creswell, 1994). The questionnaire has closed-ended questions divided into sections that represent the different variables of the study.

The variables measured by operationally defining concepts. For instance, the questionnaire designed to ask responses about how sales channel design, administration and the technologies used by channel intermediaries affect sales performance

of vehicles of the company. The variables operationalized into measurable elements to enable the development of an index of the concept. A five-point Likert scale {(5) strongly agree, (4) agree, (3) not sure (2) disagree, (1) strongly disagree} were used to measure both the independent and dependent variables.

3.4 Variables of the study

The objective of the study is to identify the effectiveness of channels on car sales performance. Therefore, the study consists of dependent and independent variables. Channel design, channels administration and channel management technology are the major independent variable of the study. The dependent variable, sales performance, was evaluated by three specific independent variables: channel design, channel administration and channel management technology.

Channel design is the first independent variable which is expressed as a function of ten questioners, which includes dimensions of the business sectors, selection of channels, tasks and constraints of the sector. It is to evaluate the effectiveness of the channel design in having good cooperation and with the company for mutual busines relationship.

The second independent variable is channel administration which is expressed as a function of sales cycle duration, selection of members and motivating members or channels. It is to evaluate channels effectiveness with ten independent dimensional questions that were used to measure the variable importance to the sales performance.

The third independent variable of the study is channel management technology. It is to evaluate the CMT though questions of tracking of orders, assisting of clients, customer feedback and customer management system in investigating it though questions that was responded by the respondents. The variable is expressed as function of ten dimensions of questions which was evaluated by the respondents.

Company sales performance is the dependent variable with was analyzed by the above three independent variables. The variable had nineteen question which were evaluated

by the respondents. Customer satisfaction, turn over and profitability are the most outcome of effectiveness.

3.5   Validity and Reliability

A reliability test is used to assess consistency in measurement items (Cerri, 2012). Cronbach's alpha is used to measure the internal consistency of the measurement items. Higher Alpha coefficients indicate higher scale reliability. Specifically, Nunnally as cited in Eze et al., (2008) suggests that scales with 0.60 Alpha coefficients and above are considered acceptable As shown in the table below, Scale Reliability Cronbach Alphas coefficients for effectiveness variables range from 0.755 to 0.809. The scale of channel administration and channel management technology developed in this study also demonstrates high internal consistency, with a Cronbach coefficient of 0.809 and 0.811 respectively. And the overall Cronbach alpha coefficient for expected-scale items is 0.778. Therefore, the expected scales used in this study demonstrate high reliability

Table 3: Reliability of Variables

Variables	Cronbach's Alpha Coefficients	N of Items
Channel Design	0.795	9
Channel Administration	0.809	9
Channel Management technology	0.811	10
Sales Performance	0.755	9
Reliability of total Scale	**0.778**	**37**

Source: Own Computation of Data Survey (2020)

Validity refers to the extent of which a test measures what we actually wish to measure (Blumberg et al., 2005). The questionnaire was produced from other research paper by Boontharika Banjongjit (2010), and adapted by the researcher based on the purpose of the research. Pilot testing allows assessing the questioner 's validity and the likely reliability of the data (Ranjit, 2011). It also enables the researcher to know whether the design of data collection instruments is successful in meeting the research objectives and in obtaining meaningful responses. Therefore, pilot test was conducted and this validation

was made to get some evidence on whether the content of the items was relevant in helping to answer the research questions as well as to check the clarity of the questions.

3.6 Data Analysis

The data collected is edited, coded and later analyzed using SPSS computer program. The first-hand data was entered into Ms. Excel and exported to SPSS package. Quantitative data presented in form of descriptive statistics using mean and standard deviations for each of the variables used in the study. Correlation and regression technique used to measure the relationships between the variables of the study. The correlation technique based on Pearson's coefficient (+ or – to show the direction of the relationship between the variables) and significance tested at 95% confidence levels based on two tailed correlation and significant more than or equals to 0.05. A positive correlation indicates a direct positive relationship between the variables while a negative correlation indicates an inverse relationship between the two variables. The regression analysis checks the adjusted R2 values and significance values to determine the magnitude of the influence of the independent variables on the dependent variable (Amin, 2005).

3.6.1 Descriptive Statistics

The descriptive part of the statistical procedures includes frequency, mean score values, and standard deviation. Frequencies, and percentage are used to describe some important demographic characteristics so as to describe the appropriateness of respondents in relation to this study.

Mean score values have been used to compare the levels effectiveness of channels on sales performance. For this purpose, the mean score comparison technique that was adopted by (Zaidotal & Bagheri, 2009, pp. 338-346) was employed. For a five-point Likert scale, according to Zaidotal and Bagheri, mean score values of are classified into three levels of ranges. Table 4 presents the mean score ranges and their level of description.

Table 4: Mean score ranges & descriptions

Mean score	Level of description
<3.34	Low
3.4-3.79	Moderate
>3.80	High

Source: (Zaidotal & Bagheri, 2009)

3.6.2   Inferential statistics

In this study inferential statistics has been used for different purposes. One of the purposes of survey study is to draw conclusion about the population based on sample information. This study based on 113 sample respondents, draws conclusion on respondents. This conclusion requires to test whether the sample mean is acceptable to represent the population mean. Moreover, inferential statistics has been employed to make some necessary tests to check beforehand whether the data is fit for multiple linear regression analysis.

Finally, this has been conducted regression analysis to determine how well the independent variable have accounted for the variance in their respective variables.

3.7   Research Ethics

The application of moral standard to research. Moral standards are principles that reflect beliefs about what is ethical and what is unethical. More simply, they can be thought of as rules distinguishing right from wrong First and foremost, the researcher has an obligation to respect the rights, needs, values, and desires of the informant(s). Participant observation invades the life of the informant (Spradley, 1980) and sensitive information is frequently revealed. This is of concern in this study where the informant's position and institution are highly visible. The below actions were taken by the researcher to protect the informant's rights:

- The research objectives prepared verbally and in writing so that they be understood by the participants,
- The informant was informed of all data collection devices and activities,

- The informant's rights, interests and wishes considered first when choices are made regarding reporting the data,
- The researcher protects research participants from any harm that may related to information collection,
- The researcher refrain from data cooking/manipulation,
- The researcher confidentially shares results,
- Participant's rights to privacy; especially phone call & observational studies,
- The researcher had to protect the respondents and himself from the world wide pandemic, Covid-19, by using necessary protective materials, and obey the regulation put by the Ministry of Health.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter contains the presentation and interpretation of data collected. Primarily the data was collected through questionnaires and from secondary sources and these were discussed mainly using descriptive and inferential statistics. The data collected through questionnaire were summarized and analyzed using statistical software called Statistical Package for social science (SPSS). Most of the measurement items were measured in a five-point Likert-scale types ranging from 1- strongly disagree to 5- Strongly agree.

The analysis of the study was structured and conducted to answer questions by addressing the objectives of the research. Therefore, the main concern of this chapter is to analyze and present the data collected on effectiveness of the car sales channels in Ethiopia.

The reliability and validity test, descriptive statistics of all the variables used in this study and the results of hypothesis testing i.e. the estimated parameters of the regression equation, their significance, the connection between the independent variables and dependent variable according to the sign and the value of the parameters for the regression model are presented and discussed in detail.

4.1   Questionary Distributed and Returned

The researcher distributed one hundred thirty-eight questionaries, and received one hundred nineteen. In order to make the collected data suitable for the analysis, all questionnaires were checked for completeness. All returned incomplete questionnaires were considered as errors and removed from the survey data and the return rate was 82 %. The collected data were 5 from company Executives, 40 from Sales Executives, 44 from

distributers or channels and 24 from organizational customers. Totally 113 questionnaires were found to be valid and used for the final analysis.

Table 5 : Summary of questionary distributed and returned

Description	Number of respondents	Respondents in Percentage (%)
Questionnaires distributed	138	100%
Questionnaires returned	119	86%
Questionnaires not returned	19	14%
Questionnaires returned but Disregarded	6	4.35%
Questionnaires used for analysis	**113**	**82%**

Source* Own Survey, 2018

4.2 Demographic characteristic of the respondents

It is necessary to analyze the demographic profile of the respondents to validate reliability of the data collected. Accordingly, the respondents were asked to respond to their education level, year of experience, and rank in their organizations. The information processed by SPSS were summarized as follows. So this section presents the respondent profiles result from 113 questionnaire.

Table:6 Demographic characteristics of the respondents

Variable	Category	Frequency	Percent
	Male	91	81%
Gender	Female	22	19%
	Total	**113**	**100%**
	BSC	35	31%
	MBA	9	8%
	CD	31	27%
Education Level	Primary	11	10%
	None	7	6%
	HS	20	18%
	Total	**113**	**100%**
	0-5	4	**4%**
Years of Experience	6-10	22	**19%**
	11-15	39	**35%**

	16-20	24	**21%**
	21-25	18	**16%**
	26 and above	6	**5%**
	Total	**113**	**100%**
	CEO	5	4%
Position category	Sales Executives	35	31%
	Customer	30	27%
	channel	43	38%
	Total	**113**	**100%**

Source* Own Survey, 2018

4.2.1 Gender analysis of the respondents

The study sought to find out the gender of the respondents. Table 4 shows that 81% of the respondents interviewed were male while 19% were female. The researcher believes that the male vs female ratio of the respondents for the research considered both genders in considering the female enrolment in the Ethiopian situation.

4.2.3 Education level of the respondents

As summarized in the table 6 above, majority of the respondents (47%) were qualified in first degree, (19%) respondents qualified in college Diploma, 4% were qualified in high school, and 8% and 7% were qualified in primary school and masters degree respectively. This is an indication that the majorities of the respondents have bachelor degree which enables them to provide more reliable information for this study and enable the respondents to have idea of the objective of the study. The education level of the respondents is from all level of education and understanding, that helped the researcher to get adequate and relevant information for the data collection.

4.2.3 Work experience of the respondents

The table 6 depicts the experience of respondents in target business area. Respondents experience is critical to obtain a wise and objective response. The majority of the respondents were worked in the sector for 11 to 15 years, comprising 35% (n=39) of the total participants. Twenty-four (24) respondents i.e. 21 % have been within the sector for 16-20, twenty-two (22) respondents i.e.19% have been 6-10 have been in the sector, and

twenty-four (24) respondents have been in the sector for twenty-one and above years. The respondents have different experience due to their vary experience, thus it helped the researcher to get reliable and all-round feed back on the enquiry of the questioner.

4.2.4   Job position of the respondents

Participant are from vehicle sales companies, channels & organizational customers. job position is the variable which was considered in the study mainly from sales companies. The researcher included the job position in the study to see whether the study included participants from different level. Different level of respondents help to feed complete information which the researcher was looking for.

The result from table 6, indicated that the majority of the respondents 38% (n=43) were channels (people from distributers, or dealers), 31% (n=35) were Sales Executives & Supervisors, and 27% (n=30) were organizational customers, and 4% (n=5) were company Executives. In terms of the respondent's position in the sector, the majority of the respondents were channels or distributers assigned by the companies. Consequently, the respondents were appropriate to collect data about channel effectiveness for sales performance, because they were in a suitable and critical and related position. Besides, the study was incorporated participants from all levels to see their diversified perceptions towards the subject matter.

4.3   Analysis of car sales channel effectiveness in Ethiopia

The descriptive statistics that is intended to give general descriptions about the data (both dependent and independent variables) is presented below. The total number of observations for each variable was 113. Accordingly, frequency, mean and standard deviation values of each variable was used so as to show the overall trend of the data.

This section tries to find out the outlook level of the parties on the channels operation with regards to satisfaction with one another for the sake of the sales performance of companies. The respondents value judgments were computed using statistical tools such as mean and standard deviation. The mean indicates the sample group averagely agrees

or does not agree with the different statements. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement. On the other hand, standard deviation shows the variability of an observed response from a single sample (Marczyk, Dematteo and Festinger, 2005).

4.3.1 Analysis of car sales channel design

Channels design is one of the variables to be checked by the respondents with ten questions.

Table 7: Descriptive statics of reaction on Channel Design

Reaction		N	Mean	Standard Dev.
Re. 1	Channels promote or display vehicles on their showroom for sales & promotion purpose	113	3.80	0.166
Re. 2	Channels use various ways in which customers can access vehicles they like to purchase	113	3.74	0.156
Re. 3	Channels are flexible on methods of payment for vehicles	113	3.65	0.123
Re. 4	Distribution channels are flexible on methods of delivering the vehicles	113	3.61	0.155
Re. 5	Distributers prefers to display vehicles near to other sellers	113	3.70	0.124
Re. 6	It is easy to advertise the vehicles for distribution channels	113	4.04	0.184
Re. 7	Vehicle sales channels have made good progress in understanding how to effectively reach to buyers design channels for distributing the vehicles	113	3.97	0.157
Re. 8	Channels first analyzes customer needs and interest before deciding to hold the vehicles for display the vehicles	113	3.83	0.149
Re. 9	Channels deals with retailers and customers respectfully and treats them well	113	3.80	0.069
Re. 10	Channels give payment terms to create opportunity retailers and customers to do business profitably	113	3.80	0.111
	Total mean	**113**	**3.79**	**0.139**

Source: Own Computation of Data Survey (2020)

The above table 7 descriptive statistics clearly depicts the corresponding arithmetic mean of every construct totals (total of every individual categorical construct). The reaction of all respondents has a mean score of greater than 3. The easiness of advertisement by the distribution channel has the highest mean score, 4.04, and the distribution channels flexibility is the smallest mean score, 3.61, but which still high. The channels have made progress in understanding how to reach buyers has also the second high mean score, 3.97.

 The main objectives of the channels in display vehicles appropriately for promotion and payment flexibility have also favorable mean score.   In other words, in the current study indicates from the respondents of the channel design increases and boosts the business taks and overall performance of the channels and the companies.

On the subject of channel design, it can be seen from the above table indicates the majority of the respondents with a mean >3.80 and agree that the job channel design contribute much to the business of car sales companies.

For the channel design considering objective, selection, tasks and constraints of the channels the above table shows the respondents are agreement with a total mean of 3.79.

4.3.2   Analysis of car sales channel administration

Table 8:   Descriptive statics of reaction on Channel Administration

Reaction		N	Mean	Standard Dev.
Re. 1	Vehicle sales companies has good commission policies in Ethiopia	113	3.60	0.069
Re. 2	There should be good communication between the vehicles sales companies and their channels	113	3.69	0.119
Re. 3	Vehicle sales companies should frequently train their channel on customer management	113	3.70	0.097
Re. 4		113	3.78	0.138

	I am satisfied with the recognition programs by the company for channels, retailers, and distributors who meet or exceed their sales targets			
Re. 5	Channels has made good progress in understanding how to manage the distributing and sales of vehicles	113	3.68	0.125
Re. 6	Vehicles assembly organizes periodical meetings with channels to review its distribution policies to protect distributors and retailers	113	3.60	0.097
Re. 7	Vehicles assembly of sales companies share industry intelligence information with channels and retailers to boost vehicles sales	113	3.70	0.100
Re. 8	Vehicles assembly or sales companies offers sales support to strengthen the channel partner relationship with retailers and customers	113	3.60	0.122
Re. 9	The way vehicles assembly or sales companies manages the channels of the vehicles has played a significant role in meeting the customer's needs	113	3.65	0.092
Re. 10	The way vehicles assembly or sales companies manages the channel of the vehicles has had a significant impact on its sale performance	113	3.95	0.161
	Total mean		**3.69**	**0.112**

Source: Own Computation of Data Survey (2020)

In order to evaluate the sales cycle duration, the selection of members and motivating members, the respondents were asked ten questions. The first was the commission policy of the companies to channels which has a mean score of 3.60. even though this is acceptable, it shows the companies should improve it. The channels got training, recognition by the companies, meeting and do share intelligence information from the company to channels and vise versa with mean score of 3.70, 3.68, 3.60 and 3.70 respectively.

Companies management of the channels had significant effect and impact of the busies with the highest mean ratio of 3.95. the total reaction of the respondents on the channel administration has total mean of 3.69, which confirm that channel management has effect on the company and channel efficiency.

4.3.3 Analysis of Channel management technology

Table 9: Descriptive statics of reaction on Channel Management Technology

Reaction		N	Mean	Standard Dev.
Re. 1	Channels have been provided with technologies to enable them share, distribute and gather sales information with customers of their retailers	113	3.56	0.127
Re. 2	Technologies have improved the communication among channels, and retailers to customers	113	3.72	0.151
Re. 3	Some staff of channels, and retailers have not fully embraced use of communication technologies to facilitate sells of vehicles	113	3.60	0.149
Re. 4	Technologies have improved information flow among Vehicles assembly sales companies' staff, and channels	113	4.00	0.214
Re. 5	Technologies have helped to manage inventory more accurately and quickly reducing stock-outs at channels hence improving sales	113	3.80	0.210
Re. 6	The IT innovations have increased integration of vehicles assembly or sales companies and channel tasks which has improved the cost of selling the vehicles	113	3.59	0.125
Re. 7	Channels use different public service giving areas to promote and sell its vehicles	113	3.51	0.104
Re. 8	Channels or distributers use IT to promote and distribute its vehicles	113	3.51	0.114
Re. 9	The sales technologies used by companies enable it to analyze the profitability of the vehicles	113	3.70	0.139
Re. 10	Distribution channels optimizes sales by using social media (Telegram, Twitter, Facebook, YouTube, etc.) to show the features of vehicles	113	3.68	0.136
	Total mean	**113**	**3.67**	**0.147**

Source: Own Computation of Data Survey (2020)

In order to monitor agents, tracking sales, marketing automation and customer management the respondents were asked ten questions. One of the questions which the respondents were asked was "technology has improved information flow among parties", and the mean was 4.00 which the highest score. Technologies help and manage of inventory has a mean score of 3.80 which is high.

In contrary the channels use of public service giving areas and IT to promote the products have mean score of 3.51 each, which is least mean of all. The shows IT has positive impact on channel management, however the situation in Ethiopia hasn't gone far.

The total mean score of the channel administration question was 3.67 which shows channel administration has a positive effect on company sales performance.

4.3.4 Analysis of Sales performance implication

Table 10: Descriptive with different performance attributes

	Relationship with different performance attributes	N	Mean	Standard Dev.
Channel Design				
1	The current level of easiness which the customers purchase the vehicles affects sales performance	113	4.00	0.138
2	The various ways in which customers can access the vehicles sales performance	113	4.10	0.121
3	Channels flexibility on methods of paying for the vehicles sales improves sales performance	113	4.10	0.125
4	Channels flexibility on methods of delivering the vehicles improves sales performance	113	3.99	0.127
5	The location of channels near other vehicle sales areas affects sales performance	113	4.10	0.099
6	The means used to advertise the vehicles affect sales performance	113	4.10	0.170
7	Dealing respectfully with the customers of / retailers/ distributors determine sales performance	113	4.00	0.152
8	Payment terms for channels or distributors of the vehicles play role on sales performance	113	4.10	0.169
	Total	**113**	**4.06**	**0.138**

	Channel Administration			
9	Vehicles assembly or sales companies commission policies led to high affect sales performance	113	4.20	0.143
10	The good communication between the companies, and channels and retailers affect sales performance	113	3.90	0.120
11	Vehicles assembly or sales companies frequently train channels, retailers, on customer management to improve sales performance	113	3.80	0.133
12	Recognizing channels, retailers and distributors who meet or exceed their sales targets affects sales performance	113	4.00	0.113
13	Vehicle companies sharing vehicles industry intelligence information with channels, retailers / distributors boosts sales performance	113	3.60	0.117
14	Sales support offered by companies to strengthen the channel partner relationship with customers has led to improvements in sales performance	113	3.80	0.144
	Total	**113**	**3.88**	**0.128**
	Channel Management Technologies			
15	Technologies used by staff of companies to share, distribute and gather sales information sales performance	113	3.90	0.104
16	Technologies have enabled channels staff, and retailers to easily reach customers which has improved sales performance	113	3.80	0.127
17	Technologies have helped to manage inventory more accurately and quickly reducing stock-outs at vehicles assembly or sales companies, channels and retailers hence improving sales performance	113	3.70	0.140
18	The electronic business technological innovations have increased integration of vehicles assembly or sales companies and channels tasks which has improved sales performance	113	3.80	0.122
19	Using social media (telegram, Twitter, Facebook, YouTube, etc.) to show stories and success of the vehicles brand sales performance	113	3.80	0.111
	Total	**113**	**3.80**	**0.121**

Source: Own Computation of Data Survey (2020)

The research questionnaire designed using 5 point likert scale to collect appropriate responses, in relation to this the respondents indicated the extent they agree with the statements by choosing: 5- Strongly Agree, 3-Neutral, 2-Disagree and 1-Strongly Disagree. Based on the response of the respondents. mean computed on the above table 4.12 mean (M) score of 0-1.50 means that the respondents strongly disagree, between 1.5 to 2.50 means they disagree 2.50 to 3.50 means the respondents were neutral, 3.50 to 4.50 means they agree and a mean above 4.50 means the respondents strongly agreed.

The table 10 shows that the channel design attributes on sales performance has eight questions and the average mean score 4.06, thus all respondents have agreed that all attributes have effect on the sales performance of vehicles.

The channel admiration attributes has six questions that the respondents were replied with an average mean score of 3.88, which shows that the channel administration attributes have effect on the volume of car sales,

The table also shows that the management attributes have five questions which the average mean score is 3.80 which shows that the channel management has effect on the volume of car sales in Ethiopia.

Based on the findings on Table 10, majority of sales performance scores an average of 3.80; this implies that the sales performance is highly related to the independent variables. As is seen on the table 10, channel design, channel administration, and channel management technology has high effect to low effect respectively.

4.4   Correlation Analysis

The correlation coefficient represents the relatedness of two variables, and how well the value of one can be used to predict the value of the other. The correlation coefficient r ranges between -1 and +1. A positive r values indicates that as one variable increase so does the other, and an r of +1 indicates that knowing the value of one variable allows perfect indication of the other. A negative r value indicates that as one variable increases the other variable decreases, and an r of -1 indicates that knowing the value of one variable

allows perfect prediction of the other. A correlation coefficient of 0 indicates no relationship between the variables

This study employs the correlation analysis, which investigates the strength of relationships between the studied variables. Pearson correlation analysis is used to provide evidence of convergent validity. Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo & Festinger, 2005). General guidelines correlations of .10 to .30 are small/weak, correlations of .30 to .70 are moderate, correlations of .70 to .90 are large/strong, and correlations of .90 to 1.00 are very large. In order to determine the most influencing factor for predicting company performance relationship between all variables was determined through correlation analysis before proceeding to regression analysis.

As per Table 11 below, the coefficients show that two of the independent variable channel design and channel administration are correlated with week positive correlation coefficient of .224; channel design and Channel management technology are correlated with very low positive correlation coefficient of .187 which is weak; however, channel administration and channel management technology are very- very week which is .051. The table shows that all independent variables are statistically correlated in small or weak level with each other.

Table 11: Correlation analysis

		CD	CA	CMT	SP
Channel Design	Pearson Correlation	1	.224	.187	.352
	Sig. (2-tailed)		.009	.024	.000
	N	113	113	113	113
Channel Administration	Pearson Correlation		1	.051	.269[**]
	Sig. (2-tailed)			.295	.002
	N	113	113	113	113

Channel M. Technology	Pearson Correlation				1	.025
	Sig. (2-tailed)					.395
	N	113	113	113	113
Sales Performance	Pearson Correlation					1
	Sig. (2-tailed)					
	N	113	113	113	113

Source: Own Computation of Data Survey (2020)

Regarding the relationship between the independent variables, the table below clearly shows that channel design and channel administration statistically significant correlation with each other with a significance level of p<0.05, the increase in one put positive influence on the other. The correlation between channel management technology and channel performance is not significantly significant with p>0.05. The very week correlation corresponds to a very low relationship between the channel technologies and company sales performance.

4.5   Regression Analysis

The aim of this research is to examine effect of channel effectiveness on company sales performance, by investigating the relationship between the determinants factors Channel design (CD), Channel administration (CA), and Channel management technology (CMT), with company sales performance (CP) of vehicles sales companies in Ethiopia. The variables are taken from different papers discussed in the literatures taking into consideration the availability of data. A multiple linear regression model was used to determine the relative impact of each independent variable in explaining the influence on company sale performance. The model of multiple regression of the variables include $\beta 0$, $\beta 1$, $\beta 2$,… βn and regression coefficients was developed and conducted in the following form:

$$CP = \beta 0 + \beta 1\ CD + \beta 2\ CA + \beta 3\ CMT$$

Source: Developed for the research

4.5.1   Diagnostic Analysis

Before run a multiple regression, analysis diagnostic checking whether multi collinearity occurs, and the data are normally distributed.

4.5.1.1   Multicollinearity Test

According to Brooks (2008), Multicollinearity occurs when some or all of the independent variables are highly correlated with one another. If the multicollinearity occurs, the regression model is unable to tell which independent variables are influencing the dependent variable. The consequences of multicollinearity are large variances, wider confidence interval, insignificant t ratio, and high R^2 but few significant t ratio. There is no one unique method to detect the multicollinearity problem, it only has some rules of thumb, which are high R^2 but few significant t ratio, high pair wise correlation coefficient, and Variance Inflation Factor (VIF) or Tolerance. This study used VIF or Tolerance method to test the presence of multicollinearity problem in a regression model.

According to Burns and Bush (2003), the VIF is a single number, and a rule of thumb is that as long as the VIF is less than 10, multicollinearity is not a concern. With a VIF of greater than 10 associated with any independent variable in the multiple regression equation, it is prudent to remove that variable from consideration or to otherwise reconstitute the set of independent variables.

Table 12: Multi collinearity table

Variable	T	Sig,	Collonari statics	
			Tolerance	VIF
Channel Design	3.621	.000	.910	1.098
Channel Administration	2.853	.005	.943	1.060
Channel Management Technologies	-.514	.609	.964	1.037

Source: Own Computation of Data Survey (2020)

The value for VIF starts at 1 and has no upper limit. A general rule of thumb a value of 1 indicates there is no correlation, a value between 1 and 5 indicates moderate correlation, between a given predictor variable and other predictor variables in the model, but this is often not severe enough to require attention, and a value greater than 5 indicates potentially severe correlation between a given predictor variable and other predictor variables in the model. In this case, the coefficient estimates and p-values in the regression output are likely unreliable.

The p-value for channel design, and channel administration are statistically significant at the 0.05 level. The researcher can trust this finding, because multicollinearity is within acceptable levels for the channel design and channel administration. The p-value for channel management technology is not statistically significant. However, multicollinearity is high for the variable; so its tests of significance are suspect. Despite the non-significant test results, the researcher cannot say with confidence that channel management technology is poor predictors of test score.

The multi collinearity Table-12 of the study above indicates that the value of VIF of all independent variables is well below 5. The VIF values for each of the predictor variables channel design, channel administration and channel management technology are 1.098, 1.060, and 1.037, respectively which are moderate correlation and is often not severe enough to require attention. Generally, it indicates that multicollinearity will not be a problem in the regression model of the study.

4.5.1.2 Normality Test

An assessment of the normality of data is a prerequisite for many statistical tests because normal data is an underlying assumption in parametric testing. There are two main methods of assessing normality: graphically and numerically. The researcher is interested in the **Tests of Normality** table and the **Normal Q-Q Plots,** which the numerical and graphical methods to test for the normality of data, respectively.

Shapiro-Wilk Test

Table 13: Test of Normality table

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Sales Performance	.085	113	.045	.978	113	.064

Source: Own Computation of Data Survey (2020)

The above table presents the results from two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. The Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples), but can also handle sample sizes as large as 2000. For this reason, the researcher used the Shapiro-Wilk test as our numerical means of assessing normality.

If the **Sig.** value of the Shapiro-Wilk Test, is greater than 0.05, the data is normal. If it is below 0.05, the data significantly deviate from a normal distribution. As the table shows the Sig. value is 0.64 which is greater than the 0.05, the sales performance, dependent variable is normally distributed.

Normal Q-Q Plot

In order to determine normality graphically, we can use the output of a normal Q-Q Plot. If the data are normally distributed, the data points will be close to the diagonal line. If the data points stray from the line in an obvious non-linear fashion, the data are not normally distributed.
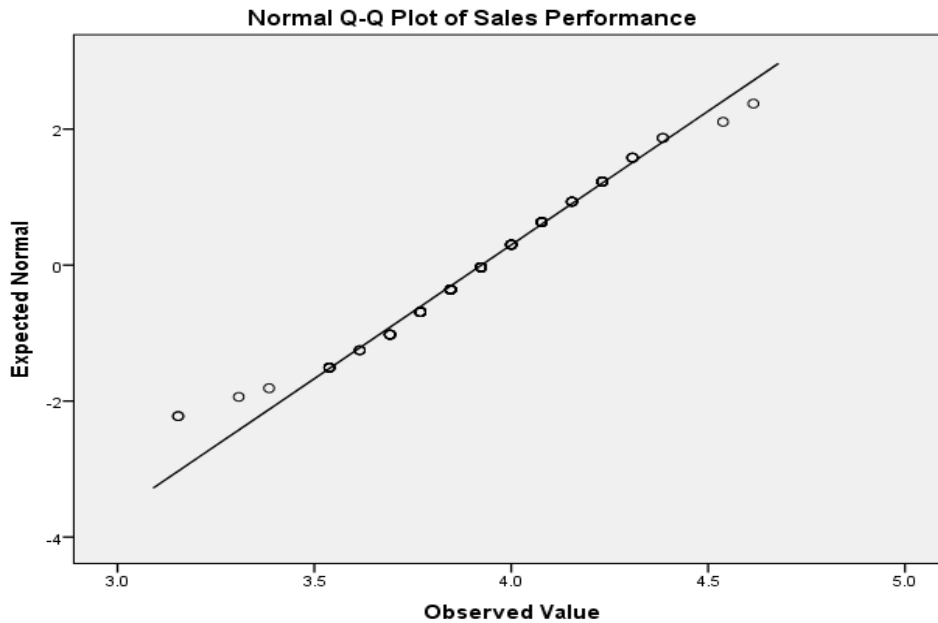
Figure 2: Normal Q-Q Plot

The same data from the same individuals are now also being analyzed to produce a Normal Q-Q Plot as below. From this graph, the researcher concluded that the data appears to be normally distributed as it follows the diagonal line closely and does not appear to have a non-linear pattern. It is safe in assuming that the data is normally distributed. This means that at least one of the criteria for parametric statistical testing is satisfied.

4.5.2   Regression Results

The regression model below presents how much of the variance in the measure of company performance is explained by the underlying variables or predicators of channel effectiveness (the model).

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.450[a]	0.203	0.181	0.22994	1.671

Source: Own Computation of Data Survey (2020)

The R-squared of the study is .203, which means that 20.3% of the total variation of company sales performance is explained by the total variation of channel effectiveness determinants channel design, channel administration, and channel management technology. Whereas, the adjusted R-squared is .181, which means that 18% of the total variation of company sales performance is explained by the total variation of channel design, channel administration, and channel management technology, by taking into account the number of independent variables and sample size. Although, the remaining 79.7% and 82% of the change is explained by other factors which are not included in this study model. Both the R-squared and the Adjusted R square values in this study are found to be sufficient enough to infer that the fitted regression line is very close to all of the data points taken together (has more explanatory power). R Square is just greater than 20% which is still enough for reliable conclusions for such data (Cameron Trivedi, 2009; Hsiao, 2007, and Nyamsogoro, 2010). Compared to coefficient of determination or R, Adjusted R-square is more reliable in measuring a regression model's goodness of fit. The main disadvantage of using coefficient of determination or R-square is more to do with bias of number of independent variables included into the model, which implies that the more independent variable added into the model, the more R-square increasing. Worst of all, this condition does not take into consideration whether independent variable included is significant or insignificant influencing dependent variable. Meanwhile, that situation were not applied in the case of using adjusted R-square ((Marczyk, Dematteo, & Festinger, 2005).

The ANOVA

The hypotheses of interest in an ANOVA are as follows:

- $H_0: \mu_1 = \mu_2 = \mu_3 \ldots = \mu_k$
- H_1: Means are not all equal.

where k = the number of independent comparison groups.

μ_1, μ, $\mu_{3, \text{ and }}$ μ_4 are population data of four groups, Executives, Sales executives, Channels, and customers respectively which were considered as four groups for ANOVA test.

In the research, the hypotheses are:

- H_0: $\mu_1 = \mu_2 = \mu_3 = \mu_4$
- H_1: The means are not all equal.

Table 15: ANOVA table

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.360	3	.489	8.251	.044
Within Groups	6.877	109	.063		
Total	7.237	112			

Source: Own Computation of Data Survey (2020)

The ANOVA table shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of 8.251 and p- value (.044), which is fairly less than p<.05, the model is significant. Therefore, the researcher refutes the null hypothesis, and the result lends to the hypothesis that there is a statistically significant difference in the group mean and associated p-value on the data of effectiveness of sales performance.

According to Table 16 below, the regression standardized coefficients for the three independent variables, i.e. channel design, channel administration, and channel management technology are 0.325, 0.251, and -0.045 respectively. Their significance levels are 0.000, 0.005, and 0.609 respectively. The significant values of channel design, and channel administration are less than 0.05; it indicates that there is significant relationship between them and the company sales performance. And these determinant factors which are perceived to be important in predicting company performance. Since the significance values of the channel management technology is greater than 0.05 there is no significant influence in predicting company performance. That is also shows that the

channel management technology has small negative influence on the company sales performance.

Table 16: Regression table

<table>
<tr><td colspan="11" align="center">Coefficients^a</td></tr>
<tr><td rowspan="3">Model</td><td rowspan="3"></td><td colspan="2" align="center">Unstandardized Coefficients</td><td align="center">Standardized Coefficients</td><td rowspan="2" align="center">T</td><td rowspan="2" align="center">Sig.</td><td colspan="2" align="center">Collinearity Statistics</td></tr>
<tr><td rowspan="2" align="center">B</td><td rowspan="2" align="center">Std. Error</td><td rowspan="2" align="center">Beta</td><td rowspan="2" align="center">Tolerance</td><td rowspan="2" align="center">VIF</td></tr>
<tr></tr>
<tr><td rowspan="4">1</td><td>(Constant)</td><td>2.852</td><td>0.298</td><td></td><td>9.575</td><td>0</td><td></td><td></td></tr>
<tr><td>Channel design</td><td>0.152</td><td>0.042</td><td>0.325</td><td>3.621</td><td>0</td><td>0.91</td><td>1.098</td></tr>
<tr><td>Channel Administration</td><td>0.172</td><td>0.06</td><td>0.251</td><td>2.853</td><td>0.005</td><td>0.943</td><td>1.06</td></tr>
<tr><td>Channel Management technology</td><td>-0.03</td><td>0.058</td><td>-0.045</td><td>-0.514</td><td>0.609</td><td>0.964</td><td>1.037</td></tr>
<tr><td colspan="9">a. Dependent Variable:</td></tr>
</table>

Source: Own Computation of Data Survey (2020)

The developed regression model:

SP = 2.852 + 0.325CD + 0.251CA +(- 0.045CMT)

4.6 Hypothesis Testing

 The following section demonstrates the impact of each explanatory variable on company.

Table 17: Summary of the Research Hypotheses

Hypothesis	Result		Reason
Ho: Channel design has no effect on sales performance	**Ho:** Reject		β = 0.321, p<0.05
	H1: Accept		
Ho: Channel administration has no effect on sales performance	**Ho**: Reject		β =0.251, p<0.05
	H1: Accept		
Ho: Channel management technologies has no effect on sales performance	**Ho**: Fail to reject		β =-0.045, p>0.05
	H1: Reject		

Source: own computation of Data Survey (2020)

Hypothesis testing of the relationship between channel design (CD) and company sales performance:

HO: Channel design has no significance effect on company sales performance.

Conclusion: According to the regression table result beta is 0.325 and is significant (0.000) at 95%. The significance level is below the cut-off value we have set (0.05), we reject the null hypothesis and accept the alternative hypothesis. An increase by 1% of channel design will result in 0.325% increase on company sales performance, holding other variables constant.

Hypothesis testing of the relationship between channel administration (CA) and company sales performance:

HO: Channel administration has no significant effect on company sales performance.

Conclusion: According to the regression table result beta value is 0.251 and is significant (0.005) at 95%. The significance level is below the cut-off value we have set (0.05), we reject the null hypothesis and accept the alternative hypothesis. An increase by 1% of channel administration will result in 0.251% increase on company sales performance, holding other variables constant.

Hypothesis testing of the relationship between channel management technology (CMT) and company sales performance:

HO: Channel Management Technologies has no significant effect on company performance.

Conclusion: According to the regression table result beta value is -0.045, and p is 0.609. The significance level is above the cut-off value, (0.05), and that the researcher fails to reject the null hypothesis and cannot accept the alternative hypothesis. In short, the researcher cannot accept the null hypothesis, but only find evidence against it.

4.7   Discussions on Findings

The study was designed and carried out to examine the effectiveness of channel on company sales performance. As discussed on the introduction part of this study, most of the Ethiopian car sales companies use different sales channel to distribute the products to different parts of the country.

This paper has particularly tried to see three factors that have effects on firm sales performance as proposed by and adopted from the works of Pieterson, 2009.

The regression model was significant and thus reliable for making conclusions and recommendations (F=8.251; Sig. = 0.044). The most significant predictor of company sales performance was channel design (Beta= 0.325, t= 3.621, Sig. = 0.000) followed by channel administration (Beta= 0.251, t= 2.853, Sig. = 0.005). Channel management technology was found to be an insignificant predictor of company sales performance.

The findings revealed that channel design, and channel administration were strong predictors of company sales performance whereas channel management technology is found to be an insignificant predictor of company performance. The research's finding has partial similarity with that of another research Brandenburger & Nalebuff, (1996) Frazier & Lassar (1996) in that channel design has significant effect on company performance.

The Channel control or administration result is consistent with Anderson, Lodish, & Weitz (1987) and Bello & Gilliland (1997) in that of channel control and administration improve sales of the company. Coelho & Easingwood (2003) positive significant association between channel cooperation and administration company performance is that Co-

operation between partners can help improve the competitiveness of the chain and the interaction between firms. However, this research result is consistent Morgan and Hunt (1994), Smith & Barclay (1997) and Bucklin & Sengupta (1993). The results indicate that even though channel cooperation and administration have a positive impact on company performance, it is not very crucial.

The unexpected negative but small coefficient of the channel management technology might happen due to the channels which are in regional cities weren't satisfied due to the low network coverage of the country, that may change in future when the network and digital put in to a better state. The improper management of technology and the presence of low levels of competition in the channel system may originate positive outcomes on the channel management technology.

The regression analysis of the current study also showed that there are other factors other than the ones found to be significant by this study. This is because the adjusted R-square comes out to be 18.1% implying that the rest 82.9% of company performance is to be determined by other factors (i.e. other than the ones that come significant in the current study). This is true in that other researches on the area have come up with many other factors that influence company sales performance. The conclusion by Matthew, Samuel, and Patrick (2012) showed that factors like transportation optimization, delivery service improvement, channel pricing, trading partner collaboration and regulatory compliance as other means of improving effectiveness of channels and sales performance.

The hypotheses raised at the beginning of the study were also addressed in the analysis. The researcher accepted two of the hypotheses, Channel design and channel admiration; and failed to reject one of the null hypotheses Channel management technology. The findings of the t-test results also showed that the independent factors affecting company performance have differences among the group of respondents.

The research findings showed that the influence of channel design and channel administration on the sales performance of vehicle sales companies in Ethiopia are moderate, positive and significant. The companies apply appropriate channels of distribution relative to current market trends, basing the distribution channels on the need to target great value for customers and the use of distribution channel with aim of

minimizing cost of distributions. It is, therefore, recommended that the distribution channel differentiation should be customer/market driven. This would ensure that firm products and services are accessible at the convenience of their customer thereby preventing them from incurring extra costs. Lastly, the management of companies should recognize that out of others channel design and management strategies are ideal strategies to remain competitive in the industry.

CHAPTER- 5

SUMMARY OF FINDINGS, AND RECOMMENDATIONS

This chapter aims to review the findings of the research and conclude the findings with regard to the objectives of the study to examine the effectiveness of the distribution system on company sales performance. Recommendation that focuses on how the problem identified could be addressed was and further research work for future recommended was included in this chapter. Limitations during study were also included at the end of this chapter.

5.1.   Major Research Findings

The main objective of this study as put at the first chapter of the study is to examine the effect of channels effectiveness company sales performance of the vehicle sales companies in Ethiopia by investigating the relationship between the determinant factors of channel design, Channel administration, and Channel management technology with company sales performance.

Following the literature review and the results from the empirical research, a number of conclusions and implications based thereon can be drawn. This section will list the major findings from the study, draw a conclusion from each finding and provide the implication of the finding.

a) Major finding 1

From the correlation analysis, the factors (independent variables); channel design, channel administration, and channel management technology were found out to be correlated with company sales performance (i.e. dependent variable).

All these three variables are correlated to each other that the impact of the one has some impact on the other. These are some of the factors or variables that affect the company sales performance, there are also other factors which are not covered by the researcher but related to these variables.

b) Major finding 2

From the regression analysis, it's observed that only two factors (i.e. channel design and channel administration) out of the three studied independent variables come out to significantly affect company sales performance. When put in the order of significance from high to low, channel design, and channel administration affect company performance.

c) Major finding 3

From hypothesis test it's observed that channel management technology has a negative effect on the company sales performance.

This can be concluded that the IT development of the country is infant stage and the channels may haven't started to utilize it and its resources properly.

5.2. Conclusion

Distribution channel means "the chain of business or intermediaries through which a good or service passes until it reaches the end consumer". A distribution channel can includes wholesalers, retailer, distributer and even the internet. Channels are broken in to direct and indirect forms, with a "direct" channel allowing the consumer to buy the good from manufacturer, and an "indirect" channel allowing the consumer to buy the good from a wholesaler. from the project I can conclude that a distribution channel is important factor for sales of product in a better way as long as its has good channel design and channel administration. So, every company should maintain a good distribution channel. A company distribution channels directly affects every other marketing decision. Company sales force communication decision depends on how much motivation and support its channel partners need. A company develops or acquires certain new product and may depend on how well those products fit the capability of its channel members

In general, the study looked at the relationships between the determinant factors of effectiveness channel design, Channel administration, Channel management technology on Company sales performance in vehicle sales companies in Ethiopia. From the findings,

the relationships between channel design and channel administration with company sales performance were found to be positive and significant whereas, channel management technology was insignificant. It also examined the variance in company sales performance that is explained by the independent variables of channel design and channel administration. Channel management technology was found to be insignificant predictors of company sales performance. Channel design was the most significant predictor. The independent variables combined together accounted for only 20% variance in company sales performance in the vehicles sales companies in Ethiopia. Other factors affecting company sales performance is 80%.

5.3. Recommendations

Basing on the results of this study, recommendations are made that can help to improve performance of vehicle sales companies in Ethiopia. These recommendations do not solely apply to one company, but to most organizations that are committed to improving sales performance and company sales performance through effectiveness of the factors of Channel design, channel control, administration and Channel management technology. In light of the research findings, the following possible recommendations are forwarded:

☐ From the findings, the regression analysis revealed that the model could only explain 20% in variance of the company performance of vehicle sales companies. The researcher recommends that a study be carried out comprising of other variables which were not part of the model to try and predict the company sales performance.

☐ According to the findings, channel design was found to be the major predictor of company sales performance. In a channel administration has also positive effect on performance. Once channels have more communication, commitment, and cooperation with the company, their satisfaction will be increased and also will prefer to continuously work with the sales companies. In addition, a number of channel management and administration issues must be addressed. These are the selection, motivation, training and evaluation of channels members and managing conflict between company and channel members.

☐ According to the findings, relationships between the study variables in sales companies need to put a lot of attention on the significant relationships between the study variables on company sales performance as a means of improving the performance of the company.

☐ According to the findings, channel administration was found to be the second major predictor of company sales performance of vehicles companies. In today's business world an increased channel management and its network have become an important source of success and competitive advantage. Vehicle assembly and sales companies' success cannot be reached from own effort alone; having a good partner in distribution is very important. Though the company takes great care about choosing the right distributors or channels.

Due to the increasing importance of the company channel relationship, channel distribution strategies in supporting and boosting firm sales performance in manufacturing and distribution sectors, further empirical research works could be carried out to determine:

☐ Channel design, Channel administration, and Channel management technology predicted 20% of the variance in company sales performance. Further studies should establish what other factors explain the variance in company sales performance of vehicle sales companies in Ethiopia.

☐ The impact of channel management technology on firm's performance.

☐ Further case studies aimed at other related industries may be useful. Extensions for managing companies and channel relationship also warrant firm performance.

☐ Companies should consider different situation and carry-out study how to sale their product or car to the market before select and decide on their channel.

☐ Companies and channels should work closely together to fill the gap between them, and utilize the IT facilities for good performance and mutual benefits.

5.4   Summary

The primary objective of the study was to determine the effectiveness of car sales distribution in Ethiopia.

Based on the conclusions, implications and recommendations derived from the study, discussed in Chapter 5, it can therefore be concluded that the results from this study contribute to the body of knowledge on channels selection, channels motivation, selection, motivation, marketing theory, consumer decision-making theory (with specific emphasis on the channels operation, and administration theory) and knowledge and skills of the car sales in Ethiopia.

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Appendix I: QUESTIONARY

**QUESTION
NAIRE**

**Dear
Respond
ent,**

My name is Getahun Kebede. I am conducting research on the effectiveness of distribution channels on the vehicles sales performance for the case of Ethiopia. There are different aspects regarding the distribution channels of the vehicles in respect of which I would like to get your opinion. I kindly request you to spare some time and fill this questionnaire so that I can accomplish this task. I will keep this data confidential and use it strictly for academic purposes only. The questions require filling in short answers or ticking (✓) the most appropriate options. I am grateful for your assistance.

PART I: BACKGROUND INFORMATION Gender of respondent

Male ☐   ☐
Female

Age of respondent

25-30 years ☐

31-35 years ☐

36-40 years ☐

41-45 years ☐

46 years and above ☐

Level of education

None	Primary	H/S complete	College Diploma	1st or 2nd Degree	Phd

☐ ☐   ☐   ☐   ☐   ☐

Occupation……………………………………………………………………………….

Workplace location …………………………………………………………………….

How long have you been involved in distribution / supporting sales of vehicles?

Less than 1 year	1-5 years	6-10 years	11-15 years	Above 15 years
☐	☐	☐	☐	☐

PART I: VARIABLES

Channel Design	Strongly Disagree	Disagree	Neutral	Agree	Strongly
1. Channels promote or display vehicles on their showroom for sales & promotion purpose					
2. Channels use various ways in which customers can access vehicles they like to purchase					
3. Channels are flexible on methods of payment for vehicles					
4. Distribution channels are flexible on methods of delivering the vehicles					
5. Distributers prefers to display vehicles near to other sellers					
6. It is easy to advertise the vehicles for distribution channels					
7. Vehicle sales channels have made good progress in understanding how to effectively reach to buyers design channels for distributing					
8. Channels first analyzes customer needs and interest before deciding to hold the vehicles for display the vehicles					
9. Channels deals with retailers and customers respectfully and treats them well					
10. Channels give payment terms to create opportunity retailers and customers to do business profitably					

Channel Administration	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Vehicle sales companies have good commission policies in Ethiopia					
2. There is good communication between the vehicles sales companies and their channels					
3. Vehicle sales companies frequently train their channel on customer management					
4. I am satisfied with the recognition programs by the company for channels, retailers, and distributors who meet or exceed their sales targets					
5. Channels have made good progress in understanding how to manage the distributing and sales of vehicles					
6. Vehicle companies organize periodical meetings with channels to review its distribution policies to protect distributors and retailers					
7. Vehicle companies share industry intelligence information with channels and retailers to boost vehicles sales					
8. Vehicles companies offer sales support to strengthen the channel partner relationship with retailers and customers					
9. The way companies manage the channels of the vehicles has played a significant role in meeting the customer's needs					
10. The way companies manage the channel of the vehicles has had a significant impact on its sale performance					

Channel Management Technologies	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Channels have been provided with technologies to enable them share, distribute and gather sales information with customers of their retailers					
2. Technologies have improved the communication among channels, and retailers to customers					

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
3.	Some staff of channels, and retailers have not fully embraced use of					
4.	Technologies have improved information flow among Vehicles assembly sales companies' staff, and channels					
5.	Technologies have helped to manage inventory more accurately and quickly reducing stock-outs at channels hence improving sales					
6.	The IT innovations have increased integration of vehicles assembly or sales companies and channel tasks which has improved the cost of selling the vehicles					
7.	Channels use different public service giving areas to promote and sell its vehicles					
8.	Channels or distributers use IT to promote and distribute its vehicles					
9.	The sales technologies used by companies enable it to analyze the profitability of the vehicles					
10.	Distribution channels optimizes sales by using social media (Telegram, Twitter, Facebook, YouTube, etc.) to show the features of vehicles					

Influence of Channel Design on performance

Channel Design		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The current level of easiness which the customers purchase the vehicles affects sales performance					
2	The various ways in which customers can access the vehicles sales performance					
3	Channels flexibility on methods of paying for the vehicles sales improves sales performance					
4	Channels flexibility on methods of delivering the vehicles improves sales performance					
5	The location of channels near other vehicle sales areas affects sales performance					
6	The means used to advertise the vehicles affect sales performance					
7	Dealing respectfully with the customers of / retailers/ distributors determine sales performance					

8	Payment terms for channels or distributors of the vehicles play role on sales performance					
Channel Administration						
9	Vehicles assembly or sales companies commission policies led to high affect sales performance					
10	The good communication between the companies, and channels and retailers affect sales performance					
11	Vehicles assembly or sales companies frequently trains channels, retailers, on customer management to improve sales performance					
12	Recognizing channels, retailers and distributors who meet or exceed their sales targets affects sales performance					
13	Vehicle companies sharing vehicles industry intelligence information with channels, retailers / distributors boosts sales performance					
14	Sales support offered by companies to strengthen the channel partner relationship with customers has led to improvements in sales performance					
Channel Management Technologies						
15	Technologies used by staff of companies to share, distribute and gather sales information sales performance					
16	Technologies have enabled channels staff, and retailers to easily reach customers which has improved sales performance					
17	Technologies have helped to manage inventory more accurately and quickly reducing stock-outs at vehicles assembly or sales companies, channels and retailers hence improving sales performance					
18	The electronic business technological innovations have increased integration of vehicles assembly or sales companies and channels tasks which has improved sales performance					
19	Using social media (telegram, Twitter, Facebook, YouTube, etc.) to show stories and success of the vehicles brand sales performance					

Appendix II: Determining sample Size for a finite Population

Determining sample Size for a finite Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size. S is sample size.

Source: Krejcie & Morgan, 1970

Appendix III: Major car companies in Ethiopia

I/No.	Automotive company	Address
1	MOENCO	Addis Ababa
2	NYALA Motors	Addis Ababa
3	Paul Ries & Sons	Addis Ababa
4	Michelcots Ethiopia	Addis Ababa
5	Horra Trading	Addis Ababa/Adama
6	Mesfin Engineering	Mekelle
7	Ries engineering	Addis Ababa
8	EBG	Addis Ababa
9	Ethio Nippon	Addis Ababa
10	National Motors	Addis Ababa
11	Ethio Lakes Automotive Company	Addis Ababa
12	BELAYAB Motors	Addis Ababa
13	HOLLAND CAR PLC.	Addis Ababa/D-Zeit
14	LIFAN MOTORS	Addis Ababa
15	ULTIMATE MOTORS PLC	Addis Ababa
16	YANGFAN MOTORS P.L.C	Addis Ababa
17	Maraton Motors	Addis Ababa
18	TVS Motors	Diredawa

Source: TA safe drive magazine 24, 2019