ST. MARY'S UNIVERSITY

SCHOOL OF POST GRADUATE STUDIES

FACTORS AFFECTING EFFECTIVENESS OF CONSUMER PRODUCTS DISTRIBUTION:
IN CASE OF ETHIOPIAN TRADING BUSINESS CORPORATION

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SGS/0039/2011B

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ADDIS ABABA, ETHIOPIA

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RESEARCH TOPIC:

Factors Affecting Effectiveness of Consumer Products Distribution:

In case of Ethiopian Trading Business Corporation

By: Ermias Tilahun

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DECLARATION

I, Ermias Tilahun, declare that this work entitled "**Factors Affecting Effectiveness of Consumer Products Distribution: In case of Ethiopian Trading Business Corporation**." is outcome of my own effort for partial fulfillment of the requirement for the award of the degree of Master of Business Administration [MBA], specialized in General Management and has not been submitted for any degree in this University or any other Universities. All sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor Mohammed Mohammednur (Asst. Prof).

By: Ermias Tilahun (Writer of the Thesis)

Signature_____

Date_____

ENDORSEMENT

This is to certify that this thesis works entitled "**Factors Affecting Effectiveness of Consumer Products Distribution: In case of Ethiopian Trading Business Corporation**" undertaken by Ermias Tilahun Ejjigu for the partial fulfillment of the requirements for the Degree of Master of Business Administration [MBA], specialized in General Management at St. Mary's University, is an original work and has been submitted for examination with my approval as a university supervisor.

Mohammed Mohammednur (Asst.Prof.)   _____ _____

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   Assistant Professor at St. Mary's University

   June, 2021

   Addis Ababa, Ethiopia

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Acronyms and Abbreviations

FMCG --------Fast Moving Consumer Goods

ETC---------- Ethiopian Trading Enterprise

CPI-------------Consumer price indices

ETBC----------Ethiopian Trading Business Corporation

Alle--------------A trade name for Ethiopian trading business

Corporation Consumer Trading product Unit.

SPSS----------- Statistical Packages for Social Science Studies.

Abstract

Market stability is fundamental issue for government and society. Market is instable when price of goods are inflated and scarce of commodity supplies are occurred. It is a challenge for Ethiopian government and the society. Government of Ethiopia implemented many regulation mechanisms to tackle the problems. Furthermore the government engaged in consumer product market distribution business through its enterprise, Ethiopian Trading Business Corporation. However the challenge continues. The central focus of this study is identifying major factors that affect consumer product distribution business effectiveness of ETBC in achieving its objective market stability. This research is a casual research tried to identify factors affecting ETBC Consumer product distribution business. Major variable studied in this research are market research, Stock of demanded commodities, price of corporation goods, financial capability and distribution centers performance. The study made by collecting data from sampled employees of ETBC consumer product trading business unit. The data is collected through closed questionnaires and analyzed using SPSS (25 ver.) Descriptive statistics, correlation analysis and regression analysis are applied to the collected data. Findings show that independent variables financial capacity, price of corporation goods, and stock of demanded goods are among the independent variables that affect significantly the dependent variable effectiveness of consumer product distribution of ETBC to meet its objective consumer product market stability. The corporation should design price, finance, and inventory strategies to improve its effectiveness in consumer products distribution.

Key words: Marker stability, Market research, Price of goods, financial capability.

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Most of the time manufacturers do not reach to all consumers directly by their own capacity. Since world is wide and broad, their primary task is designing and manufacturing products based on consumer needs. They deliver their products to the market through different intermediaries. One way of reaching to consumers is through wholesalers. Wholesalers are among intermediaries who buy goods in bulk from manufacturers and then resale to retailers (Pride.M., 2009).In Ethiopia's market situation, consumer goods wholesale businesses are controlled by few traders. Consumer goods are also called fast moving consumer goods are products that are sold quickly and relatively low cost (Jayanthi.R, 2017). Fast moving consumer goods are goods comprising low-cost products with a short shelf life that are constantly in high demand (Signé L., 2018). Government believes that these traders have created their own net works that are not managed by market principles and government regulations. As a result consumer product market is not stable, price of commodities are inflated, and artificial short of supply created. To tackle these problems Ethiopian government implement control and follow up system from federal to zonal level by different institutions and organizations. The government also implement new license and registration proclamation to facilitate and control traders and market failures (Federal Negarit Gazette, Proclamation No/980/2016).Besides the above effort the government established a public enterprise called Ethiopian Trading Enterprise (Alle) in2013 that enabled the government directly to engage in the consumer goods market to play a role in wholesale distribution that buys consumer goods from foreign and local market and forward it to retailers for the purpose of meting consumer needs and market stability.

ETC later consolidated by new government Business Corporation called Ethiopian Trading Business Corporation in 2015 and where in the wholesale distribution business is executed as one business wing. Though the intension of the government in directly engaging in wholesale market through established public enterprise is acceptable, challenges of market stability related to consumer products market are continues. Basically this study focused on some major factors that affect effectiveness of ETBC from achieving its purpose i.e. meeting consumer products market stable. According to the researcher review there are few studies done on different issues of consumer product market related to former enterprise (ETE).Little said about effectiveness of the current Ethiopian Trading Business Corporation consumer products distribution business. This research tried to assess effectiveness of Ethiopian Trading Business Corporation particularly from Consumer Products Trading Business Units side. Here the researcher noted that there is no major difference between the previous Ethiopian Trading Enterprise and Consumer Products Trading unit of ETBC in purpose and mission except in structure in which the later is one unit under Ethiopian Trading Business Corporation.

1.2. Back ground of the organization

The Ethiopian Trading Business Corporation is the Public Enterprise established on 22nd December, 2015 by the council of Ministers to Article 5 of the Definition of Powers and Duties of the Executive Organ of the Federal Democratic Republic of Ethiopia Proclamation No.916/2015 and Article 47/1 of the Public Enterprises' No.25/1992 with the capital of Birr 3,836,000,000.00.The corporation consolidated the former four business enterprise known as Ethiopian Grain Trade Enterprise, Ethiopian Fruit and VegetableSh.co, Procurement Service Enterprise and Ethiopian Trading Enterprise(Alle).The corporation restructure the consolidated enterprises in to four departments/Units. These are:

- Grain and Coffee Trading business Unit
- Fruit and vegetables Trading business Unit
- Consumer Products Trading business unit (Alle) and
- Procurement and consultancy service Unit.

Among the four units, Consumer Product Trading Business Unit is the responsible department for wholesale distribution of consumer products. Previously known as Ethiopian Trading Enterprise;(Alle Bejimila),which purchases commodities from local and International Markets and Distributes it with competitive price through the retailers for the purpose of stabling commodities market and meeting consumers' needs. Consumer products Trading Business Unit main operations are:

- Incorporating international best business practice in workers day-to day activities
- Setting up modern and efficient stores carrying a broad assortment of products sourced from international and local suppliers, and
- Maintaining lean supply chain to increase the availability of high in-demand
  FMCG. Main categories of consumer products traded by the corporation are:
    - Beverages, Commodities, Groceries, Home care, Personal Care, Snacks and Sweets, Stationary (www.etbc-ethiopia.com).

1.3. Statement of Problem

As clearly described in the background study section above, Ethiopian Trading Business Corporation is a public enterprise engages in consumer goods wholesale business market in Ethiopia. It purchases basic commodities from local and international markets through one of its unit, **Consumer Products Trading Business Unit**, and distributing them to selected retailers for the purpose of meeting local consumer needs and make the consumer products market stable. The Government of Ethiopia established Ethiopian Trading Business Corporation to play one of its strategic roles in stabling consumer products market. But according to Ethiopian Central Statistics Agency reports, consumer goods are scarce in the market and general commodity price inflation has increased by 19.1% and price inflation of food and food related items is going up time to time and reached to two digits 23.1% by January (CPI, Jan 2021).Other secondary reports like 2019/2020 corporation report, annual 2019/2020 corporation's magazine and realities on the ground show that the corporation performance increases year to year but do not bring consumer product market stability as needed. Besides the researcher made pre assessment study through interviewing some retailers who buy commodities from ETBC and distributes to consumers at corporation distribution centers, by interviewing Consumer association of Gulele and Arada kifleketema, discussed with some sales women /men of the corporation at distribution center /Pissa and Kaliti/ and perform some physical observation how the distribution centers performs their business. According to the pre assessment study made, the researcher observed that the corporation is not supplying consumer commodities to the market sufficiently as need, and price of corporation goods are not competitive. All the above facts have an adverse impact on corporation's effectiveness in its consumer products distribution business to meet its mission i.e. stabilizing consumer products market. Therefore this research tried to study some significant

factors that affect the ETBC consumer products distribution business to achieve its mission consumer goods market stability. The pre assessment study made by the researcher shows that the following factors are believed to be among determinant factors for effectiveness of the corporation in doing its consumer products distribution business. These are: Market research, financial capacity, price of Corporation goods, stock of demanded commodities, and distribution center Performance.

1.4 Research Questions

In order to achieve the objective of the research the following questions are believed fundamental questions.

- What is the effect of making market research on effectiveness of consumer products distribution?

- What is the effect of maintaining financial capacity on effectiveness of consumer products distribution?

- What is the effect of maintaining enough stock for demanded commodities on effectiveness of consumer products distribution?

- How fixing affordable sales price of corporation's goods affect effectiveness of consumer products distribution?

- What is the effect of distribution center performance on effectiveness of consumer products distribution?

1.5. Objectives of the study

1.5.1 General Objective

The main objective of this research is **to assess some major factors that affect effectiveness of consumer products distribution at** Ethiopian Trading Business Corporation and reached result that can be used as an input in improving the performance and business tasks of the corporation.

1.5.2 Specific Objectives:

1. To investigate effect of making market research on effectiveness of consumer products distribution.

2. To examine effect of maintaining financial capacity on effectiveness of consumer products distribution.

3. To assess the effect of maintaining adequate stock for demanded commodities on effectiveness of consumer products distribution.

4. To examine the effect of fixing affordable sales price of corporation's goods on effectiveness of consumer products distribution.

5. To assess the effect of distribution centers performance on effectiveness of consumer products distribution.

1.6. Significance of the study

Since this study focused in assessing some major factors that affect effectiveness of consumer products distribution business of Ethiopian Trading Business Corporation regarding to consumer market stability, primarily the result found and recommendation forwarded would be useful to decision makers of the corporation. Besides it would be used for other organizations which are involving or plan to involve in consumer products distribution business in Ethiopia. Another significance of the study would be it is useful for other researchers as input for further study.

1.7. Scope of the Study.

Ethiopian Trading Business Corporation is a public enterprise has four departments to accomplish its business activities. One of its departments, Consumer Products Trading Business Unit is directly involving in wholesale distribution of consumer goods. It has seven stores and distribution centers in different part the country. For this reason it is difficult to cover all branches and employees in terms of time, budget and system constraints. Therefore this study focused only Addis Ababa head office and Addis Ababa stores. Data are collected from employees of the corporation due to time and cost constraints. There are other factors that affect corporation's consumer products business in achieving its mission. For example product branding, transport service, packaging, discounting etc. But this study is limited only to some major factors: These are market Research, financial capacity; price of corporation's goods, stock of demanded commodities, and distribution center Performance.

1.8. Definition of key terms

- **Consumer goods**: Consumer goods are also called fast moving consumer goods are products that are sold quickly and relatively low cost (Jayanthi. R, 2017).

- **Fast moving Consumer goods**: Fast moving consumer goods are goods comprising low cost products with a short shelf life those are constant in high demand (Signe L., 2018).

- **Market research**-is a process of systematic collection, analyzing, and interpretations marketing data for decision making (Kotler & Armstrong, 2012).

- **Financial capacity/capability**- may refer an organizations liquidity, solvency, and an ability to raise, deploy, and service capital flows (debt or Capital) (Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan, 2001).

- **Price of goods**- Price is the sum of all the values that customers give up to gain the benefits of having or using a product or service (Kotler & Armstrong, 2012).

- **Market stability**: Market Stability is simply lack of market instability which is explained by inefficiencies and distortions of the market in different events (Zelazny J., 2016).

- **Effectiveness:** Effectiveness is doing the right thing; the degree to which goals are achieved (Pamela S. Lewis, Stephen H. Goodman, Patricia M. Fandt, and, Joseph F. Michlitsch, 2007).

1.9 Organization of the Paper

The final research has five chapters. The first chapter deals with introductory parts which consists of introduction, background of the study, background of the company, statement of the problem, objectives of the study, significance of the study, Scope and limitations of the study and organization of the paper. The second chapter deals with review of related literature (Theoretical, Empirical, and Conceptual literatures) while the third chapter contained research methodology. The fourth chapter contained the findings and interpretation of the study on the factors Affecting Effectiveness of wholesale Distribution Business In case of Ethiopian Trading Business Corporation. The final chapter (fifth chapter) is composed of summary of findings, conclusions and recommendations.

CHAPTER TWO

LITRATURE REVIEW

2.1 Theoretical Literature.

In this section of literature review underlined theories and principles that are related to this research are discussed. Theories and principles are base buildings for a research that support and show the direction of a research. Below are some theories that are related to this research.

2.1.1 General Overview of Wholesale Distribution Business

Most producers do not reach their end users directly by their own capacity and channel. This is basically due to customers are many, nature of the product, cost, time, and space constraints. Thus, manufacturers need intermediaries that distribute their products to customers or to end users. They use marketing channels and institutions that direct flow of products from manufacturer to customers. One type of intermediaries is wholesale distributors. Wholesaling is a business activity in selling goods or services to those who buy for resale or business uses (Keller L. &kotler, 2012). Wholesale distribution is a business activity that bridges collection from producer and retailers to end users (Tollens, 1997).Wholesalers plays many roles in the distribution channel. These are transactional function (buying, selling and risk taking), Logistics functions (Assorting, storing, transporting) facilitating functions (financing and Marketing information research) (Berkowitz, Kerin, Hartley, and Rudelius, 2000).

According to a study made by PWC Africa, 2016, consumer goods market in sub-Saharan Africa in which Ethiopia is included, is being attractive due to consecutive economic development, demographic change, and urbanization. Urbanization has playing significant role for life style change that consumers are waiting in work and do not have time to prepare

their food. Therefore there is a tendency to buy fast foods from supermarkets. According to the same study Ethiopia has great market opportunity for consumer goods but with major challenges. Some the challenges are:

➢ Financial sectors are not working with consumer goods wholesalers and retailers as needed.

➢ Problem of getting foreign currency,

➢ High taxes imposed on consumer goods imported from abroad,

➢ High transport cost.

2.1.2 Objectives of government involving in wholesale distribution business.

Governments involve in business for social, political and economic reasons. Some of them are: stabilize market at macro level, to correct market failures, to ensure social wellbeing of citizens, for regulation etc. Several theories support government intervention in the market. Socialist theory argued that main reason for government to intervene in market is to achieve equality in the society and ensure wellbeing of the citizen by establishing state ownership (Putnins. J. T,nd) According to the same paper , Ken Free market theory argue that economies are unable to maintain full employment and it supports government intervention to promote full employment and macroeconomics stability through action including government spending.

Motivators for state owned enterprise are developing strategic centers and boosting the national economy, as well as social, fiscal and political considerations (PWC, 2015).As indicated in its mission and purpose statement ETBC, it is engaged in consumer goods wholesale distribution business to stable consumer goods market that results meeting consumer needs. ETBC stated in its mission statement that market stability is achieved by doing the following marketing

activities: offer competitive and stable wholesale price, provide wide product assortment, bring stores and distribution center closer to customers, availability of products and make strong relationship with customers.

2.1.3 Measuring Effectiveness of Distribution Business

The ultimate goal of every firm must be satisfying customer needs (Pride. M., 2011).It is accomplished mainly by rendering quality service and quality products with affordable price and creating consistent supply of demanded goods. Effectiveness is doing the right thing; the degree to which goals are achieved (Pamela S. Lewis, Stephen H. Goodman, Patricia M. Fandt, and, Joseph F. Michlitsch, 2007).The most successful wholesalers are those adopt their services to meet target customers needs (Keller L & kotler 2012). In this connection effectiveness of ETBC can be measured by evaluating whether achieved its goal or not i.e. Market stability. Primary beneficiaries from stable market are customers. This study tries to assess some major factors affecting effectiveness of ETBC in achieving its goal. These are making market research, financial capacity, Price Corporation of goods, Stock of demanded goods, and distribution centers performance.

2.1.4 Market stability

Market Stability is simply lack of market instability which is explained by inefficiencies and distortions of the market in different events (Zelazny J., 2016).It is characterized by low price stability and is good for consumers because it lessens cost of capital and overall price of goods (Almgren k, 2014).According to Tejvan P (2019), fundamental concept of market stability is framed in economics theory as market equilibrium. Market equilibrium is a situation where for a particular good supply is equal to demand. Where a market is in equilibrium; there is no

tendency for prices to change. On the other hand market disequilibrium is a situation where market is imbalance-creating disequilibrium prices, surpluses, and shortages.

2.1.5 Market Research

Market information system is a back bone for the success of business organizations. Market information system is one component in many business organization structures. It is composed of people, procedure and equipment to assess market information (Kotler& Armstrong, 2012).There is several ways of collecting and analyzing market information. One way of collecting and analyzing information using scientific methods is called market research method. The main focus of market research is identifying the customer, the company, and the competition. The core part of market research is identifying the relationship among customer, company, and completion. Companies must understand and respond to what customers want from their products. (Albaum S. and Scott S, 2012).Through marketing research it is possible to measure Market, pricing, customer satisfaction, products ,distribution, purchase behavior and other important information that are used for decision making.(Kotlerand Armstrong, 2012).

2.1.6. Financial capacity

Any organization cannot perform tasks and get complete gesture without strong financial capacity. Finance is driven factor of any activity whether business or non business activities. It deals with long term investment and working capital.

The term working capital refers to a firm's short-term assets, such as inventory, and its short-term liabilities, such as money owed to suppliers. Managing the firm's working capital is a day-to-day activity that ensures that the firm has sufficient resources to continue its operations and avoid costly interruptions. This involves a number of activities related to the firm's receipt and disbursement of cash. Some questions about working capital that must be answered are the following: (1) How much cash and inventory should we keep on hand? (2) Should we sell on credit? If so, what terms will we offer, and to whom will we extend them? (3) How will we obtain any needed short-term financing? (Stephen A. Ross, Randolph W.Westerfield, and Bradford D. Jordan, 2001).

Wholesalers finance their suppliers by ordering early and paying bills on time, and they finance their customers by giving credit. (kotler& Armstrong, 2012).

2.1.7. Stock of demanded goods

Maintaining enough goods at distribution centers and stores is a crucial factor for wholesalers. Wholesalers are required to maintain demanded goods in needed quality and quantity adequately. This is usually archived through well organized system of inventory management.

Inventory management also affects customer satisfaction. Here, managers must maintain the delicate balance between carrying too little inventory and carrying too much. With too little stock, the firm risks not having products when customers want to buy. To remedy this, the firm may need costly emergency shipments or production. Carrying too much inventory results in higher-than-necessary inventory-carrying costs and stock obsolescence. Thus, in managing inventory, firms must balance the costs of carrying larger inventories against resulting sales and profits.(kotler& Armstrong, 2012)

2.1.8 Price of corporation goods.

Price is the sum of all the values that customers give up to gain the benefits of having or using a product or service. (kotler and Armstrong 2012).Pricing is one element of marketing mix. It has decisive factor for a market. There are several factors affect pricing a product and services. Some are cost of a product, transportation charges, competitor's price, type of markets, customer satisfactions. Therefore price of a product has significant role on product market and should be arrived after proper market research study.

> *If customers perceive that a product's price is greater than its value, they won't buy it. If the company prices a product below its costs, profits will suffer. Between the two extremes, the "right" pricing strategy is one that delivers both value to the customer and profits to the company, Price of a product should be between customer perception and cost of a product (Kotler& Armstrong, 2012).*

According to Whelan and Mesefer(1996) the willingness and ability of buyers to purchase goods will decrease if price increases. On the other hand the willingness and ability of sellers to offer goods will increase. This reaction is an opposite way to a change in price.

There are some products that are not affected on this theory. Tremendous effort is applied by companies to analyze their costs and prices. Customer will look elsewhere if price is high, too low, and the firm won't be able to cover their cost making the product (Charles T.Horngren ,Srikant M.Datar , and Madhav V.Rajan, 2012).Companies price a product or a service mainly depends on the demand and supply for it. Customer, competitors, and costs are three influences of prices.(Horngren @et.al., 2012).

2.1.9 Distribution Center performance

Distribution or logistic facilities are essential platforms to store and distribute products to customers. Without having these facilities it would be difficult to effectively distribute a products or services. In order to meet customer needs wholesalers must decide on the best way to store, handle, and move their products and services so that they are available to customers in the right assortments, at the right time, and in the right place. Logistics effectiveness has a significant impact on both customer satisfaction and company costs (Kotler and Armstrong, 2012).Physical Distribution called Marketing logistics has includes many activities like ware housing, inventory management, transportation and logistics information management functions. All these help to get the right product and service to the right customer in the right place at the right time. (Kotler and Armstrong, 2012).Determining the number and location of suppliers, warehouse, productions/operations facilities and distribution cost is one of the strategic responsibilities of top management that have major impacts on the success of both supply chain management and the business itself (Stevenson, 2012).

2.2 Empirical Review

In this section of literature review the study going to show what other researchers say directly or indirectly about the variables that are main focus of this research.

2.2.1. Factors affect wholesale distribution business effectiveness.

Market Research

Today engaging in business is not as simple as in the previous time because of the world is in dynamic process. Market research is an essential activity of marketing that enable to identify measure and quantify market dynamics. To be fit in a certain business industry or market, an organization should implement a strong marketing information system. According to a research made by Auba. B and Olalekenk. A, (2015) titled *The Role of Market Research on the Performance of Business Organization ,*there is a positive relationship between market research and effectiveness and performance of business organization. That mean marketing research process plays significant role in the performance of business organization.

Stock of demanded goods

Product availability with demanded quantity and type is a crucial factor for success of wholesale business organization goal. According to a study made by penel2014, besides to product brand and advertisement, maintaining enough commodities in stores and distribution centers for demanded stock has significant role on commodity market and costumer behavior. A study made by (Grubor A., & Milićević N,2015).*titled, Measuring On-shelf Availability of FMCG Products,* it concludes maintaining adequate level of stock on shelves and stores is an essential task of wholesales' and retailers' businesses. If they don't accomplish this task, both

wholesalers and retailers will be affected negatively. Negative effect of out- of stock situation influences the wholesale business market.

Distribution Center performance

According to a study by Netsanent, 2015, titled' *Assessment of Effectiveness of Government Intervention in The market*', findings shows that Ethiopian government engaged in the market by establishing public distribution enterprise was not satisfactory because inflated price, distribution centers location proximity, lack of bulk supply and financial capability are among the significant factors that hindered the organization in achieving business goals.

Financial Capacity

Similarly Fikadu. 2016, studied in his thesis, '*Assessment of Ethiopian Cash and Carrey wholesale enterprise's effect on FMCG in Ethiopia*: case of ETC' findings show that Ethiopian government impact on the market was limited mainly due to weak financial capacity that resulted in the enterprise didn't supply enough stock to consumers, unable to expand distribution centers.

Price of goods

Commodity Price inflation is a challenge for many wholesale business organizations in the world. Customers are highly responsive for those factors. As price of products increases with that competitors or substitute product customer shift to the other companies. Thus, maintaining affordable price to commodities is a primary task of wholesale distribution business. In a case study on Wal-Mart Inc. made by Hayden.P at@el,2002, It is about how Wal-Mart staying on top, the study noted besides expanding branches, supply chain

management, brand products, skilled manpower, customer handling and other factors its price strategy "lowest Price" played significant role to be number one retailer and distributer. This strategy is succeeded because Wal-Mart buys in bulk and sale these bulk products with small margin and finally earns substantial profit from mass distribution.

2.2.2 Consumer goods market stability:

Market stability is important for macro economy of countries and growth. Market stability is the reverse of market instability which is a situation where a market is not functioning well or market failure. As cited in a Jackseon @ et,al (nd), research made by Dollary and Wallis (2001)describes market failure as the ''inability of a market or system of market to provide goods and services either at all or in an economically optimal manner''.

As indicated above in statement of problem section, food and food related price inflation is increasing in alarming rate for consecutive years. Ethiopian government believes that instability of consumer product market is caused by artificial and illegal trade practice. To elevate the problem government intervened in the market by establish state owned distribution enterprise called Ethiopian trade enterprise in 2013(PWC ,2015).According to a study made by Tollins,(1997),Africa's whole sale market is undeveloped and poorly coordinated because of poor marketing infrastructure, weak flow of market information, poor distribution system.

2.3. Research gaps.

As indicated above in reviewed literature the impact of issues of this study price of product, availability of product, financial capability and distribution at reach on effectiveness of former Ethiopian government public enterprise ETE have assessed. ETBC is established after ETC is consolidated in 2018.The effectiveness of ETBC is less studied. This study this fill gap and add knowledge towards some major critical factors that affect effectiveness of ETBC.

2.4 Conceptual Framework

Wholesale and distribution businesses require many assortments to achieve their objectives. There are many factors identified, studied and proved in marketing and in other business disciplines that affect success of wholesale distribution business. Related to this, market research, price, promotion, type of products, type of service, place, financial capacity and customer relation are some of major determinant factors for success or failure of wholesale and distribution business organizations. In this study the following factors are assessed and about their effects on effectiveness ETBC for achievement of its mission consumer goods market stability.

Independent Variables   Dependent Variable

Market research

Financial capacity

Stock of demanded goods

Price of corporation goods

Distribution centers performance

Effectiveness of consumer products Distribution
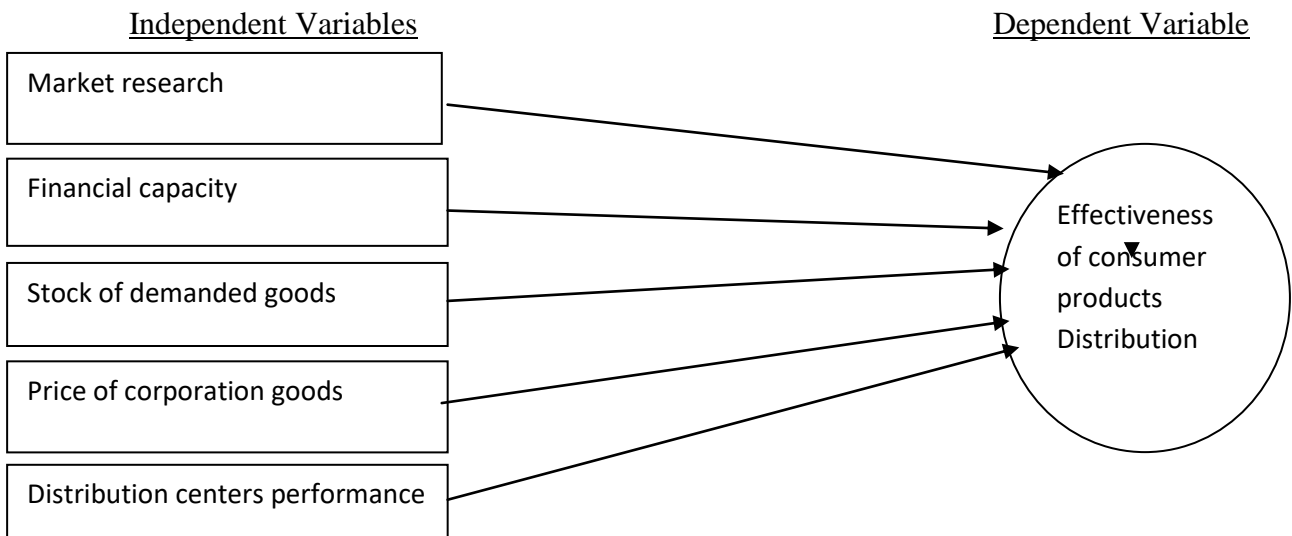
Fig 2.1.Conceptual model based on the adaption of kotler @ et l (2005)

2.5 Research hypothesis

Based on the assumed casual relationship given in the conceptual model the following hypotheses were developed for testing.

H1. Making market research has a significant effect on effectiveness of consumer product distribution.

H2. Maintain financial capability has a significant effect on effectiveness of consumer products distribution.

H3. Holding enough stock of demanded goods has a significant effect on effectiveness of consumer products distribution.

H4. Fixing affordable price of goods has a significant effect on effectiveness of consumer products distribution.

H5: Distribution centers performance has a significant effect on effectiveness of consumer products distribution.

CHAPTER THREE

Research Design and Methodology

3.1 Research Design

This research focused on the effect of some major factors affecting the effectiveness of Ethiopian Trading Business Corporation related to consumer products distribution in the market. This kind of relationship is best described as cause and effect relationship. Therefore this research used a Casual Research Design, which determines the relationship between causes and effects. It is known as explanatory research that assesses and explains variation of independent variables causing changes in dependent variable.

3.2. Research Approach

According to Creswell & W. Creswell D. (2018 p.)Research approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation. This research basically follows mixed research approaches i.e qualitative and quantitative research approach. Qualitative research helps to examine the observation, attitude, opinions of employees, experts and mangers towards major factors that affect corporation's effectiveness regarding accomplishment of its mission. In addition will follow quantitative the research approach to measure correlation of independent variable and dependent variable.

3.3. Population and Sampling techniques

Ethiopian Trading Business Corporation is engaged in wholesale and distribution business in seven areas of the country through its stores and distribution centers. It has 640 employees in total throughout the country. It is not manageable and affordable to include all employees and distribution centers for study. As indicated above in the scope of the study the research is limited to Addis Ababa head office and Addis Ababa distribution centers.

3.3.1 Target population

Target population for this study will be employees of Ethiopian Trading corporation consumer product unit employees found in Addis Ababa head quarter and three branches found in Kaliti, Megenagna, and Merkato.

Total number of employees working in Ethiopian trading corporation consumer product trading unit is 319 in Addis Ababa. Of these, 187 employees are security guards, janitors, and laborers. The reaming 132 employees assumed to be target population for the study. Because they are directly or indirectly involved in wholesale distribution tasks. The researcher believed that the variables studied require related work experience, technical knowhow, and academic level. These employees are target population for this study.

3.3.2 .Sample size

There are many constraints in research to include all elements of a population in a study. To over constraints and make possible a study about a certain population researchers should select some element from the population so that the selected items will represent the whole population. This is achieved through sampling, which is a process of drawing representative systematically from a

given population. Since, researchers neither have time nor the resources to analysis the entire population so they apply sampling technique to reduce the number of cases (Techerdoost ,2016) .

This study selected systematically samples of representatives from target population to save time and resources. It used probability sampling method to determine sample size. As indicated above the target population is those who are directly and indirectly involve in the work. So simple random sampling method is believed proper, which gives equal chance to all members of the target population to be selected.

Based on the given assumption this research used (Yamane's, 1973) simplified formula to determine sample size at 95% confidence level and 5% allowable error.

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

Where **n**= sample size

N= the total employees that are included to determine sample size

e=allowable error, Thus for the total population 132, sample size is determined as follows:

$$n = \frac{132}{1+132(.05 \times .05)}$$

n=99

3.4 Data Source

In order to achieve the objective of the study already stated, primary data are used. The primary data are collected from employees of the corporation.

3.5 Data Collection Instrument.

Through closed questionnaire and physical observation at distribution centers is made. Besides discussion was made with customers and employees are additional.

3.6 Validity and Reliability

Validity and Reliability are important concepts used to evaluate the quality of research. The two concepts help to measure credibility of research findings. Reliability and validity are the two important and fundamental features in the evaluation of any measurement instrument or tool for a good research (Haradhan 2017).

Validity

According to M.Sounders, 2009Validity is defined as a concept concerned with whether the findings are really about what they appear to be about. William.J &BarryJ, 2007framed three basic approaches to establish validity is: Face or Content validity, Criterion validity, Construct validity. The first approach of validity is content validity that refers to subjective agreement among professionals that a scale logically reflects the concept being measured. The study achieved content validity by making questions clear and understandable. The second validity approach is criterion validity, which deals about the ability of measure to correlate with other standards measures of similar constructs or established criteria. The researcher done the study by following research standards. The third one is construct validity which deals with the consistency of the questions with the responses intended by the researcher. The validity of this study is assured by structuring the questionnaire according to the specific objectives.

Reliability

Reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings. It can be assessed by posing the following three questions (Easterby-Smith et al. 2008:109):

1) Will the measures yield the same results on other occasions?

2) Will similar observations be reached by other observers?

3) Is there transparency in how sense was made from the raw data?

Golafshani (2003) defines reliability as the extent to which results of a study are consistent over time and there is an accurate representation of the total population under study. According to Toke et al., (2012), the aim of reliability analysis is to find the extent to which a measurement procedure produced the same result if the process is repeated over and over again under the same conditions. The most common technique used in the literature to assess the scale"s reliability and stability is use of the Chronbach Alpha Statistics. Chronbach Alpha should be over 0.70 to produce a reliable scale and any scale with Chronbach Alpha less than this standard should be eliminated Sekaran (2005). The reliability statistics table below shows the value of Chronbach Alpha is greater than 0.70 which is 0.746 and reliability of the study meets the above standard.

Reliability Statistics	
Cronbach's Alpha	N of variables
.746	6 variables (Market research, Price of goods, financial capacity, supply of demanded goods, distribution center performance, effectiveness of distribution

3.7. Methods of data analysis

Before stating the process of analysis, the raw data are verified and checked for errors and omissions. Then after the verification, the data is analyzed using computer packaged software called SPSS (Statistical Package for Social Science).

Some of the statistical Package used in this research are:

- Descriptive statistical analysis will be used to analyze background information of respondents in the form of frequency and percentage

- Measure of central tendency will be used to assess effectiveness of distribution of the business organization using mean and standard deviation.

- Correlation analysis will be used to measure relationship between independent and dependent variables

- Regression analysis will be used to determine impact of independent variables on dependent variable

3.8 Ethical consideration

In data collection appropriate ethical procedures was followed. Confidentiality was ensured for the information by not recording the name of the respondent or other identifiers. While conducting the research, respondents was informed that the data collection process was carried out whenever they were willing to cooperate. In addition to this, any information collected via the instrument would never be used for any other purpose other than its academic intent i.e. the data would be kept confidential. They were also made to know that before it is publicized, the researcher will provide them the copy of the publication.

CHAPTER FOUR

Data Analysis, Findings and Interpretations

In this section of the research findings and results are discussed about effectiveness of ETBC based on the data collected through questionnaire.

4.1 Response Rate

The data is analyzed using Statistical Package for Social Science (SPSS, 2.5 Version). All data are collected from employee of ETBC. Based on the sample size 99 questionnaires were distributed and 87 were returned. Among returned questionnaires 6 were not filled correctly and rejected and 81 were filled correctly. Thus, the response rate is 83%, which is considered adequate based on Fowler (2002) a 75 percent response rate.

4.2 Findings and interpretation of the study

Observing the demographic trend or characteristics of our sample population before starting the data analysis is useful to make the analysis more meaningful for the reader.

The purpose of demographic analysis in the research is to describe the characteristics of the sample such as proportion of male and female in the sample, academic qualification of respondents and experience of respondents. Accordingly these information are summarized and described in tables shown below.

4.2.1 Demographic Profile of respondents

Table 1profile of respondents

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	46	56.8	56.8	56.8
Female	35	43.2	43.2	100.0
Total	81	100.0	100.0	
Age				
20-29	9	11.1	11.1	11.1
30-39	36	44.4	44.4	55.6
40-49	26	32.1	32.1	87.7
50-59	10	12.3	12.3	100.0
Total	81	100.0	100.0	
Service year				
1-2	9	11.1	11.1	11.1
3-4	23	28.4	28.4	39.5
Above 4 years	49	60.5	60.5	100.0
Total	81	100.0	100.0	
Educational status				
10/12 Grade Complete	13	16.0	16.0	16.0
10+2/4 Diploma	19	23.5	23.5	39.5
Bachelor Degree	36	44.4	44.4	84.0
Master's Degree	13	16.0	16.0	100.0
Total	81	100.0	100.0	
Current position in the organization	Frequency	Percent	Valid Percent	Cumulative Percent
Top Manager	3	3.7	3.7	3.7
Middle Manager	22	27.2	27.2	30.9
Line Manager	56	69.1	69.1	100.0
Total	81	100.0	100.0	

Source: Own survey result 2021

Gender

The above demographic profile table shows that respondent's gender is dominated by male which is 56.8% and female's are 43.2%.

Age

It is possible to conclude that in general ages of the respondents are at young age level, which is 44.4% of respondents are between 30-39 old age and 11.1% are between 20-29 old age.

Service Year

Service year of employees is another important element of profile for the research. Since the organization is established in 2018, it is not that much longer as some other organization. So that service years of employees is no longer accordingly.60.5% of respondents are being serving the corporation more than 4 years .This is a good percentage that is believed these respondents have knowledge about operation of the organization.

Educational Status

Another valuable respondents' profile is educational status.44.4% of respondents are degree holders and 16% are Master's Degree holders. This is good proportion of respondents' towards educational Status that is helpful for strength of the research in collecting valuable research data and for further analysis.

Current position of employees

From the above frequency table we can conclude that majority of the respondents are line managers who are operational workers. They share 69.1% of the total respondants.27.2% of the respondents are middle level manager and the remaining 3.7% are top level management. This mixture looks good to have valid data.

4.2.2. Descriptive analysis

The mean or average is a measure of central tendency that offers a general picture of the data without unnecessarily covering one with each of the observations in the data set.

Table 2. Mean and Standard deviation values of variable

Variables	Mean	Std. Deviation	N
Effectiveness of consumer products distribution.	3.48	0.69	81
Distribution centers performance	2.66	0.35	81
Financial capacity	3.53	0.46	81
Market research	2.93	0.55	81
Price of cooperation's goods	3.08	0.52	81
Stock of demanded goods	3.47	0.43	81

Source: Own survey result 2021.

The mean statistical values of the items were based on the 5 point Likert scale and will be illustrated through the following assumptions: if the mean (M) score is below 2.5 it implies that the respondents agree with the statement, if the mean score is equal to 2.5 it indicates that the respondents prefer to stay Neutral, and finally if the mean score is above 2.5 it implies that the respondents' disagree with the statement stated in the questionnaires. Accordingly, the mean scores have been computed for all independent variables that includes market research, stock of demanded commodities, finance, price of corporation goods, distribution centers performance and for dependent variable effectiveness of consumer products distribution . As we can see from the mean and standard deviation table above all mean values of variables are above 2.5. It implies that respondents are not comfortable with effectiveness of ETBC in its

consumer distribution business as expected. The result shows that the independent variables have significant impact on dependent variable effectiveness of consumer products distribution. Mean values of independent variables Finance capacity (*M=3.53, St.Dev. =.46*) and stock of demanded commodities (*M=3.47, St.Dev. =.43*) have significant effect on dependent effectiveness of consumer products distribution. The least mean value scored for Market Distribution Centre performance (M=2.66, St.Dev=.35)

4.2.3. Correlation Analysis

Under research investigation we are expected to understand concepts beyond the means and standard deviations of the dependent and independent variables so we need to know how one variable is related to another which comes with the concept of correlation. Correlation is the relationship between two variables. So, we would like see the nature, direction, and significance of the bivariate relationship of the variables used in the study. The bivariate Correlations procedure computes the pair wise associations for a set of variables and displays the results in a matrix. It is useful for determining the strength and direction of the association between two scale and ordinal Bivariate Correlations. As noted above, a Pearson correlation matrix indicates the direction, strength, and significance of the bivariate relationships of all the variables in the study. According to Field (2005) correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1.The general symbol for the correlation coefficient is „r‟. So, a perfect positive relationship (r=+1.00) indicates a direct relationship and an „r‟ of -1.00 indicates a perfect negative relationship. Hence, in this study Bivariate Pearson Coefficient (r) was used to examine the relationship between the five independent variable by using a two-tailed test of statistical significance at the level of 95% significance, $P < 0.05$. Interpretation of correlation

coefficient (r) size is as follows: if the correlation coefficient falls between 0.1 to 0.20, it is slight correlation or small; if it is between 0.20 to 0.40 is low correlation or weak relationship, if it lies between 0.40 to 0.70 moderate; if it falls along 0.70 to 0.90 high correlation or substantial relationship and if it is within 0.90 to 1.00 it is very high correlation or very strong correlation between variables (B.Burns&R.Burns, 2008)

Table 3 Corelation matrix of variables

		Effectiveness of consumer products distribution.	Distribution centers performance	Financial capacity	Market research	Price of cooperation's goods	Stoke of demanded goods
Effectiveness of consumer products distribution.	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	81					
Distribution centers performance	Pearson Correlation	.187	1				
	Sig. (2-tailed)	.094					
	N	81	81				
Financial capacity	Pearson Correlation	.631**	.153	1			
	Sig. (2-tailed)	.000	.173				
	N	81	81	81			
Market research	Pearson Correlation	.192	.052	.214	1		
	Sig. (2-tailed)	.085	.644	.055			
	N	81	81	81	81		
Price of corporation's goods	Pearson Correlation	.578**	.281*	.570**	.370**	1	
	Sig. (2-tailed)	.000	.011	.000	.001		
	N	81	81	81	81	81	
Stock of demanded goods	Pearson Correlation	.370**	.111	.480**	.328**	.370**	1
	Sig. (2-tailed)	.001	.326	.000	.003	.001	
	N	81	81	81	81	81	81
**. Correlation is significant at the 0.01 level (2-tailed).							

*. Correlation is significant at the 0.05 level (2-tailed).
Source: Own survey result 2021.

The above correlation table illustrates that independent variables financial capacity, Price of corporation goods and stock of demanded goods are significantly correlated.

(r=.631,P<01,r=.578,p<01, and r=.370,P<.01 respectively).This implies Financial capacity, Price of corporation goods and stock of demanded goods have significant effect on the dependent variable effectiveness of consumer products distribution.

4.2.4. Regression Analysis

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables (multiple regressions) (Andy field, 2009). The model of regression shows how much of the variance in the measure of variables is illustrated by the underlying dimensions of predictors of the model. As of Field (2006), Multicollinarity is not the problem of this model, because VIF of the model approaches to 1.The value of VIF ranges between 1.009 to 1.860.The tolerance of the variables ranges between 0.538 and 0.991.

Table 4: Multicollinearity coefficients

Model	Collinearity Statistics	
	Tolerance	VIF
Distribution centers performance	.917	1.090
Financial capacity	.587	1.703
Market research	.812	1.231
Price of corporation's goods	.573	1.746
Stock of demanded goods	.714	1.401

a. Dependent Variable: Effectiveness of consumer products distribution.
Source: own survey result, 2021

Based on this figure it is possible to conclude that there is no Multicollinarity effect and the inter relationships among independent variables doesn't cause concern. Therefore as the indication of statistics that Multicollinarity is not the problem of the study.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688[a]	.473	.438	.51888

a. Predictors: (Constant), Stock of demanded goods, Distribution centers performance, Market research, Financial capacity, Price of corporation's goods

b. Dependent Variable: Effectiveness of consumer products distribution.

Source; Own Survey 2021.

The model summary displays that the significant and percentage of variation of effectiveness of consumer products distribution which is caused by independent variables.

Multiple correlations R of +.688 represent the combined correlation of all the independent variables. Adjusted R2 tells us that 47% of the variation in effectiveness of consumer products distribution can be explained by variation in the five independent variables taken together. This leaves 53% unexplained.

Table 6:Anova a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.101	5	3.620	13.446	.000[b]
	Residual	20.193	75	.269		
	Total	38.294	80			

a. Dependent Variable: Effectiveness of consumer products distribution.

b. Predictors: (Constant), Stock of demanded goods, Distribution centers performance, Market research, Financial capacity, Price of corporation's goods
Source: Own survey result 2021.

In the ANOVA sub table we have the F value of 13.446 which is significant with $p < .001$. This informs us that the five independent variables taken together as a set are significantly related to the dependent variable. The chance of obtaining these results assuming the null hypothesis to be correct is less than 1 in 1,000. The multiple correlations are therefore highly significant.

Table 7:Coefficients[a]

Model	Un standardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.417	.668		-.625	.534
Distribution centers performance	.055	.174	.028	.317	.752
Financial capacity	.642	.166	.424	3.878	.000
Market research	-.047	.117	-.037	-.399	.691
Price of corporation's goods	.424	.146	.322	2.902	.005
Stock of demanded goods	.090	.159	.056	.568	.572

a. Dependent Variable: Effectiveness of consumer products distribution.
  Source: Own survey result 2021.

The standardize beta value shows the number of standard deviations that the outcome will change as a result of one standard deviation change in predictor. The standard deviation units are directly comparable; therefore, they provide a better insight in to the importance of a predictor in the model. The large value of beta coefficient in an independent variable has the more important determinant in predicting the dependent variable. The standardize beta value for financial capacity is 0.424. This implies that, this variable has relatively strong degree of importance for analyzing the effect on effectiveness of consumer products distribution than others .The standardized beta values for price of corporation goods, stock of demanded goods ,and distribution centers performance are .322, .056 and .028 respectively.

R-square value indicates only the variance in the effectiveness of consumer products

distribution as it is explained by independent variables. When we look at the detail to what extent each independent variable influence the dependent variable: Financial capacity, Price of corporation goods and stock of demanded goods were found to be determinant factors for effectiveness of consumer products distribution in decreasing order. This implies those three independent variable have significant effect on corporation effectiveness to achieve effectiveness of consumer products distribution.

Normality and Linearity

Regarding normality and linearity of data collected, the graph annexed at the end of the paper shows that the data are normal and linear. This implies the data collected and processed are valid.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter provides summary of findings, conclusions and recommendation of the study.

5.1 Summary of findings

Ethiopian Trading Business Corporation is government owned enterprise established in 2015 and engaged in Ethiopian consumer product trading market. This study focused on measuring effectiveness ETBC Consumer product distribution business operation from its goal stabilizing consumer product market. The research has studies major factors that affect effectiveness of the corporation in achieving its main mission consumer goods market stability. The research is a casual research in which how an independent variables: making market research, Stock of demanded commodities, financial capability, Price of corporation goods, and corporation distribution centers performance are caused the dependent variable effectiveness of consumer products distribution. The research is made by collecting data related to independent and dependent variables from employees of ETBC consumer product unit staff through closed questionnaires. The researcher used random probability sampling method to collect data. The data collected through questionnaires are analyzed using SPSS (2.5 versions). The response rate is 83% which is believed adequate. Descriptive analysis, Co relational analysis, and regression analysis is applied to analyze data.

The researcher gave proper attention and followed procedures for relevant ethical issues, validity and reliability of the research while the research is made.

The demographic result illustrate that male proportion is a dominant gender from total respondents. Related to age we can conclude that the staff is dominated by youth. The

educational status of respondents can be said well which is 44% of respondents are Degree holders and 16% are Masters Graduates. This is good educational status proportion for the research.

The findings also show that mean values of all variables are above 2.5.the correlation and regression analysis illustrate that financial capacity, price of corporation and Stock of demanded goods are significantly correlated (r=.631,P<01, r=.578,p<01, and r=.370, P<.01 respectively) with the dependent variable effectiveness of consumer products distribution. It implies these variables have significant impact on effectiveness of Ethiopian Trading Business corporation consumer product distribution business. The regression analysis also showed that the combined correlation of all the independent variables is R+.688.

5.2. Conclusion

Consumer goods market in Ethiopia is an agenda for the government and the society. Ethiopian Central Statistical Agency reports, other government institution reports, and realities on the ground shows that price inflation and shortage of goods supplied are critical challenges of consumer goods market. Ethiopian government is engaging in the market directly through its enterprise called Ethiopian Trading Business Corporation. Although ETBC is currently plays role to make the market stable, the challenge continues. This study tried to identify major factors that affect effectiveness of ETBC in distribution consumer products. This research tried to examine whether making market research, stock of demanded goods, price of corporation goods, financial capacity and distribution centers performance affect effectiveness of ETBC in its consumer goods distribution business.

From the above (chapter four) analyzed result we can conclude that financial capacity, Price of corporation's goods, and Stocks of demanded goods are highly correlated with independent variable effectiveness of consumer products distribution. This implies the above three variables are determinant factors that affect effectiveness of Ethiopian Trading Business Corporation consumer goods wholesale distribution business. According to findings distribution center performance and making market research are less correlated and least significant. This does not mean these two variables are not important variable but the corporation does not countered problems as high as significant independent variables. The financial capability may occur due to the corporation do not get goods from local and foreign suppliers and credits from banks. The findings related to price of corporation goods indicated that corporation price of goods are incompatible with the market prices of goods. A finding regarding stock of corporation goods shows that there is shortage in demanded goods supply.

The researcher got some observation on this issue when pre assessment study was made. In general the corporation should design and implement appropriate strategy to be effective in wholesale distribution of consumer products.

5.3 Recommendations

By relying on the study findings, the researcher suggests the following points as credible recommendations to the problem.

In order to improve ETBC consumer products distribution performance and make substantial contribution to consumer product market stability, the corporation should give special attention to financial capacity, fixing affordable price goods, and maintain adequate stock of demanded goods.

5.3.1 Concerning Financial capacity
In order to make ETBC financially capable;

- ETBC should create strong relationship with local and foreign supplier to get credit purchase. Since receiving goods on credit is one source of working capital.

- ETBC should create strong relationship with private and government banks. This helps ETBC to get adequate borrowing to perform consumer product distribution effectively. Here government have role in facilitating precondition for borrowing from banks example collateral issues.

- Government engaged in the distribution business to elevate problems related to consumer products market and make stable the market. Thus, in order to make the consumer product market stable, government of Ethiopia should invest much in ETBC to boost consumer products distribution.

5.3.2 Concerning Price of Corporation goods.

Consumers are sensitive to price of goods. Therefore ETBC should take care about pricing of consumer goods.

- ETBC should implement appropriate price strategy to set competitive price

- ETBC should avoid unnecessary overheads and wastages

- ETBC should make Periodic price revision and give discount. This enables the corporation not to hold many old stocks of goods and working capital as well.

5.3.3. Concerning Stock of demanded goods

Make available at the right time, place and type of demanded goods is crucial task of ETBC's consumer product distribution. This can be achieved by making proper market research and identifying:

- What type of consumer goods? /Identifying consumer needs/

- When demanded goods should be available? /Understanding season of consumer needs/

- How many demanded goods should to stock? /holding adequate stock/

The study also recommends:

- Further study is should be conducted to about other factors that hinders ETBC in its effectiveness in doing business.

- Further research should be also conducted with the same issue by other researcher to have complete study in many sides.

- The researcher should undertake another research on the same issue in the future from different angles and a comparative research with other similar private limited companies.

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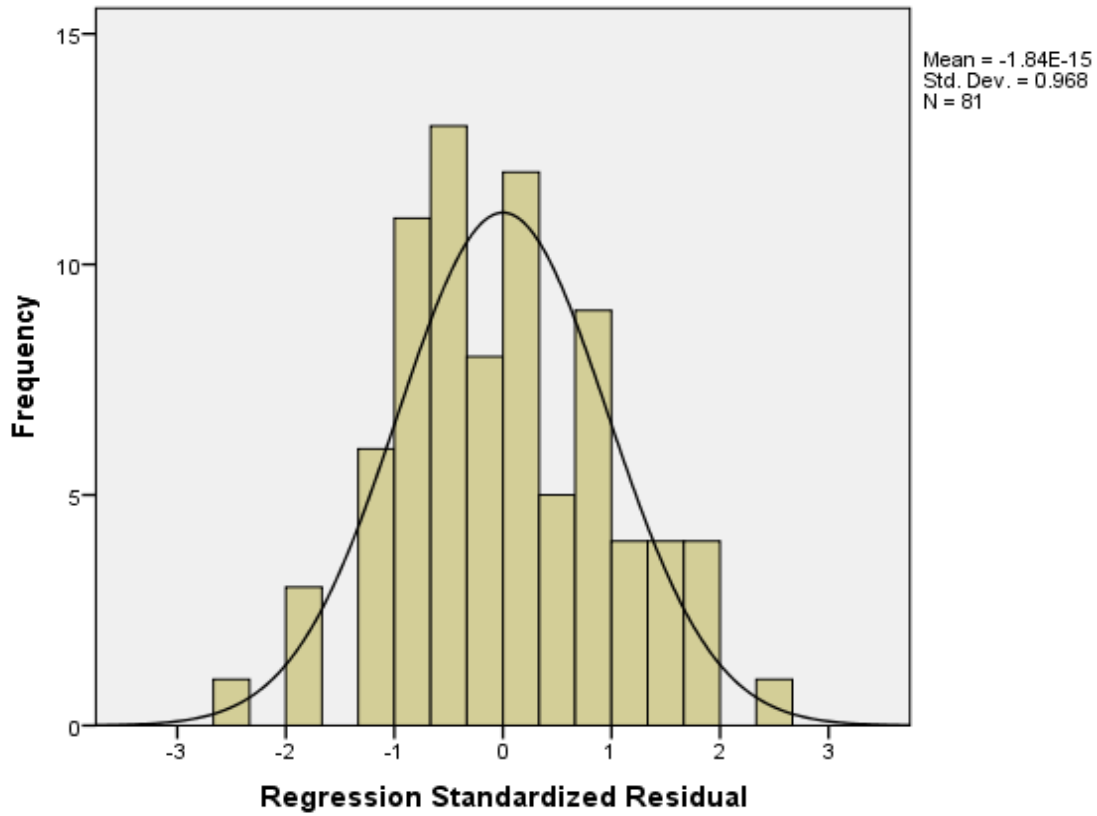
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Appendix

Appendix: A Histogram

Histogram

Dependent variable: Effectiveness of consumer products distribution

Mean = -1.84E-15
Std. Dev. = 0.968
N = 81

Frequency

Regression Standardized Residual

Appendix: B Normal P-P Plot of Regression standardized residual

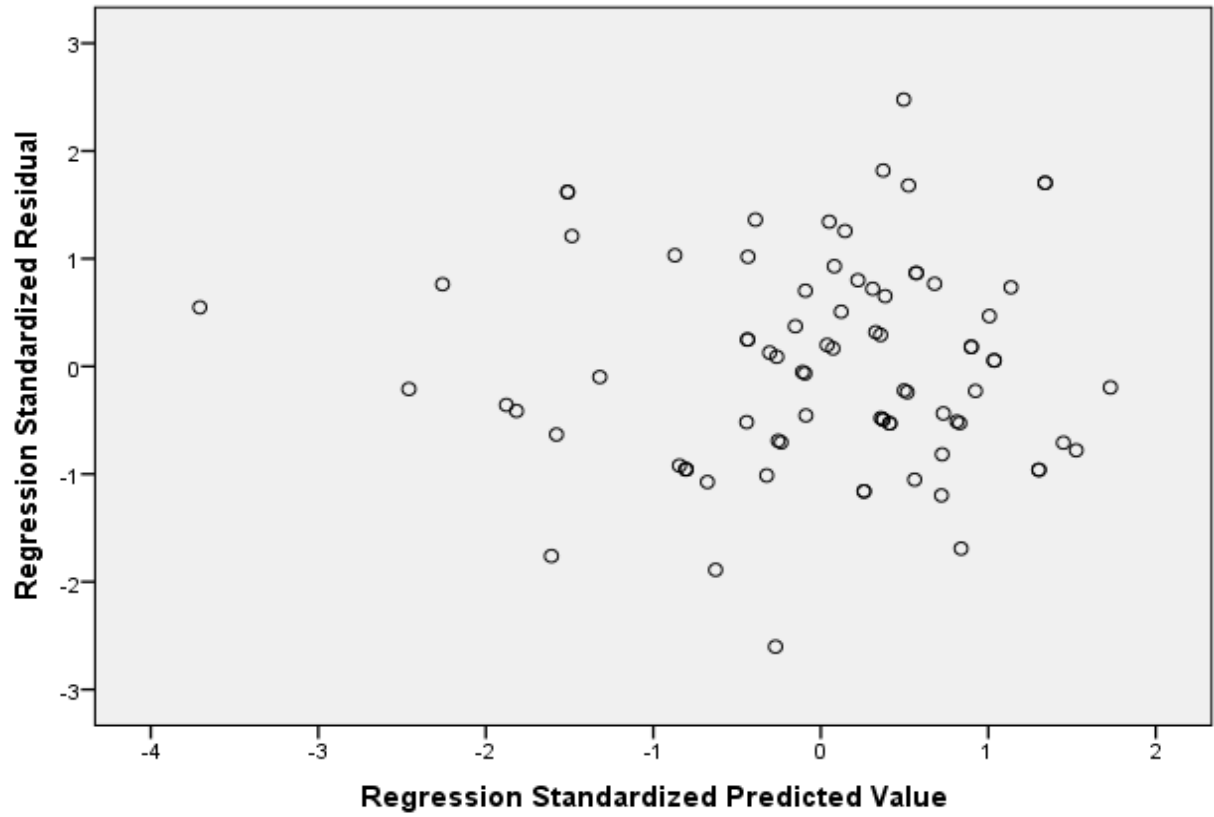**Normal P-P Plot of Regression standardized residual**

Dependent variable: Effectiveness of consumer products distribution
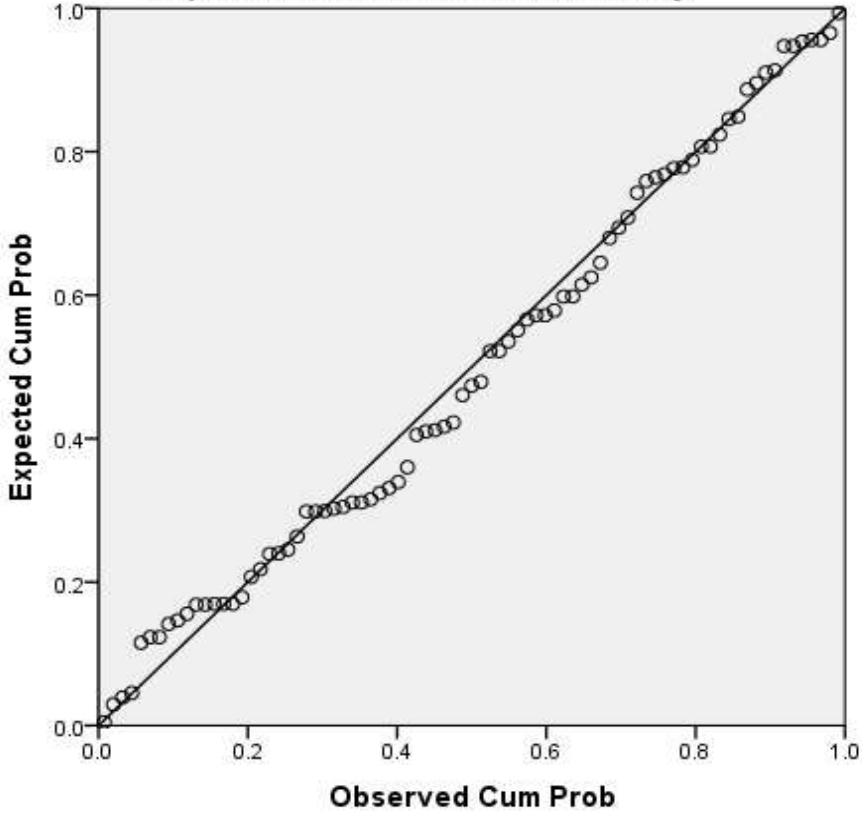
Appendix: C Scatterplot

Scatterplot

Dependent variable: Effectiveness of consumer products distribution

Researcher; Ermias Tilahun, Tel; 0911 455008,E-mail:ermiyastila@gmail.com.

Research Topic; *Factors affecting effectiveness of Consumer Products Distribution:*
In case of Ethiopian Trading Business Corporation.

Dear Respondents:

 I would like to express my sincere appreciation and deepest thanks for your generous time and prompt responses for filling this questionnaire. The purpose of the study is only for the requirement of Master's Degree graduation program. So, I assure you that all information gathered will be kept with utmost confidentiality.

General Instructions for Respondents:

- No need of writing your name, address and company name
- In all cases where an answer options are available please tick in the appropriate box
- Please try to describe honestly the fact as per the questions on the space provided
- Please do not fill this questionnaire if your work experience is < 1 year in ETBC consumer product Trading Unit.

Section one

Demographic Information:

1. Sex

   Male ☐   Female ☐

2. Age

   20-29 ☐   30-39 ☐   40-49 ☐   50-59 ☐   Above 60 ☐

3. Current position in the organization

   Top Manager ☐   Middle Manger ☐   Line manager ☐

4. Year of Services in ETBC

   1-2 ☐   3-4 ☐   above 4 years ☐

5. Educational Status

   10/12 grade complete ☐

   10+2/4/ Diploma ☐

   Bachelor Degree ☐

   Master's Degree ☐

Above Master's Degree ☐

Ser. no	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	Market research					
1	ETBC has strong Market Information System					
2	Market information System of the corporation has skilled professionals					
3	Market information system of the corporation has proper equipment's					
4	Market information system of the corporation uses IT					
5	ETBC makes market research on consumer opinion about supply of demanded goods consistently					
6	ETBC makes market research on consumer opinion towards corporation price of goods consistently					
7	ETBC makes market research on consumer opinion about corporations distribution service of consumer goods consistently					
8	ETBC makes market research about suppliers in the market					
9	Market research is main marketing task of corporation's consumer goods wholesale business					
10	Management of the corporation takes decisions based on market research					
	Stock of demanded Commodities					
11	ETBC has broad assortment of products sourced from international and local suppliers which can stabilize the market					
12	ETBC provides products which are highly demanded by customers in the market					
13	ETBC provides demanded goods on time					
14	ETBC has strong relationship with its local and foreign suppliers					
15	Product availability is among primary marketing task of corporation consumer product wholesale business					
	Finance					
16	ETBC has financial capacity to perform its consumer products wholesale business					
17	ETBC has strong creditors to supply finance					
18	ETBC gets credit purchase service from local and foreign suppliers					
19	ETBC has strategies to maintain sustainable financial capacity					
20	ETBC considers financial management as one primary task of management					
21	Government gives financial support to the corporation					
22	ETBC has financial capacity for huge investment for its consumer product wholesale business					
	Price of corporation Goods					
23	ETBC gives Special attention for pricing of consumer goods					
24	ETBC has strategies for pricing of consumer goods					

Ser. no	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
25	ETBC price of goods are affordable for consumers					
26	ETBC price of goods are competitive regarding other suppliers					
27	ETBC price of goods has reduced customer's cost of burden					
	Distribution centers performance					
28	ETBC has enough distribution centers and stores for its wholesale distribution business					
29	Location of corporation's distribution centers and stores enable to cover large portion of its customers					
30	Costumers are comfortable with service of distribution centers					
31	ETBC is working with retailers to deliver goods to consumers					
32	Holding capacity of corporation's existing distribution centers and stores are capable to perform the business					
33	Capacity and number of existing distribution centers and stores enable the corporation to perform its consumer products wholesales business					
34	Distribution centers are accountable for effective distribution of goods					
35	Distribution centers are fairly distributes products to customers					
36	Distribution centers are ethical and treat customers equally.					
	Effectiveness of consumer products distribution					
37	ETBC has Significant share in consumer product market					
38	ETBC has significant contribution in reducing price of consumer goods in the market					
39	ETBC is working in collaboration with other suppliers in the market					
40	ETBC has significant contribution in increasing availability of consumer goods in the market					
41	ETBC stabilizes consumer goods market					