

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

**AN ASSESSMENT OF PHYSICAL DISTRIBUTION
PRACTICE ON THE CASE OF KADISCO PAINT FACTORY**

BY:

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JULY, 2010

SMUC

ADDIS ABABA

**Assessment of Physical Distribution Practice on the Case of
KADISCO Paint Factory**

**A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF
MARKETING MANAGEMENT**

**IN PRACTICAL FULLFILLMENT OF THE REQUIRMENTS
FOR THE DEGREE OF BACHELOR OF ARTS IN MARKETING
MANAGEMENT**

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Chapter One

1. Introduction

1.1 Background of the Study

Physical distribution refers to planning, organizing & controlling of all move-store activities that facilitates product flow from point of raw material acquisition to point of final consumption & of the attendant information flow, for the purpose of providing sufficient level of customer service (and associated revenues) consist with the cost incurred for over coming the resistance of time & space in providing the service (Khanna, 2002:15).

Physical distribution involves planning, implementing & controlling the physical flow of goods, service & related information from point of origin to point of consumption to meet customer's requirements at profit (kotler & Armstrong 11th edition, 2006:419).

According to (Reeder, Brierty, Reeder, 2004:345) physical distribution encompasses those necessary tasks to deliver the completed products to customer or channel intermediaries.

KADISCO was established in year 1979 as the only adhesive & Glue manufacture in Ethiopia.

Its products were successfully accepted by shoe, leather, wood working and construction industries.

In private investors and free market economy policy of the country, KADISCO entered a technical corporation agreement with a well known Italian paint manufacture & began the production of decorative and protective paints in Ethiopia (Company profile).

Through its continued Endeavour for future investment & development, KADISCO has increased its product range and has started the manufacturing of auto paints, industrial paints, auto body fillers & traffic paints.

In KADISCO's orientation of quality product supply to all sectors of industries, it has been successful supply of its products for the major industries and construction sites in the country. And at this very moment KADISCO is working hard to introduce its products for export market. Thus, this study was attempt to asses the physical distribution practice on KADISCO paint factory.

1.2. Statement of the Problem

According to khanna [2005:15], Physical distribution is the art and science of determining requirements, acquiring them, distributing them; finally monitoring them in operationally ready for entire life & it includes activities like freight transportation, warehousing, material handling, protective packaging inventory control, plant & warehouse site selection, ordering processing, market forecasting & customer service.

The other author sherlekar (2004:417) generally, classified distribution as physical distribution which includes: ordering processing, transportation, warehousing, inventory management, material handling, packaging & customer service & channel members include wholesalers, agents & Retailers.

Thus, this research tried to focus on the physical distribution activity practice in KADISCO Paint Factory. Even if the company was in a good position but currently the company is facing challenge with regard to delay supply of raw material by vendor to manufacturer, that make physical distribution practice become difficult to deliver on time to its agents, wholesalers, and industrial customers & delay transportation of goods as order of distributor which affect the customer satisfaction level of industrial users.

The student researcher tried to investigate problems, related with physical distribution & finding possible solution.

1.2 Research Questions

In order to do this the researcher was attempted to answer the following basic research questions:

- What factors affect physical distribution practice in the company?
- What are the current distribution practices of KADISCO?
- Does the firm have enough vehicles to deliver goods to distributors?

1.3 Objective of the Study

The research has general & specific objectives as follows:

1.4.1 General Objective

To asses physical distribution practice on KADISCO paint factory.

1.4.2 Specific Objective

- To identify factors affecting the distribution practice in the company.
- To explain the current distribution practice of KADISCO.
- To determine if the firm have enough vehicle to deliver goods to distributors.

1.4 Significance of the Study

This study would have importance for different parties in different perspectives.

To the organization

The researcher believes that this paper would contribute a lot to the company [KADISCO] by managing properly so as to achieve distribution objectives.

To student

The title on physical distribution practices creates good opportunity for student researcher to get more knowledge in this area and to have experience in conducting research.

To others

It can serve as input for other researcher who is interested to make future study on physical distribution.

1.6. Delimitation of the Study

The study was delimited to physical distribution practice of KADISCO paint factory. Even if the company distribute its product through 10 agents which is found in Addis Ababa. However; the student researcher delimited to 5 agents which is located around teklehamanot, kera, mexico, and gofa mazorita. This is because the mentioned agent shops have relatively high sales volume than others. And student researcher takes the past five years sales documents (from 1997-2001). Moreover the research was delimited to two product line i.e. Quartz and Gypsum paints.

1.7. Research Design and Methodology

1.7.1 Research Method

In order to asses' necessary data and address the problem mentioned the student researcher used descriptive research method because it helped to realize the objective and in order to answer the research questions.

1.7.2. Population and Sampling Technique

Employee of KADISCO, marketing manager and general manager, and customers were used as a sample. There was 15 employee all of them were used. To this end census was used for workers. But the number of customer was difficult to determine. So that total sample of 150 customers was taken using non-probability sampling particularly using convenience sampling technique. Because the researcher used respondent that have homogenous character (response) and also use available respondent at a certain specific time and place with the help of convince.

1.7.3. Types of Data Collected

To make the study complete Primary data was collected.

1.7.4. Method of Data Collection

Primary data was collected by conducting interview and questionnaire. The interviews were conducted with general manager and marketing managers and questionnaires were distributed to employees and customers.

1.7.5. Data Analysis Method

Both Quantitative and Qualitative data analysis were used by the student researcher. In Quantitative data analysis techniques, descriptive data analysis was used to summarize the findings, percentage were computed to get total picture of data were presented in the form of table.

Qualitative data analysis used for the answer collected from interview.

1.8. Limitation of the Study

During the presentation of this research study, the student researcher was constrained by various limitation, among the major limitation some of customers were not willing to fill the questioner, not only the customers; those managers selected for interview were busy so that it was difficult to get their response.

1.9. Organization of the Study

This study organized in to four chapters. Chapter one deals with the background of the study, statement of the problem, objective of the study, significance of the study, delimitation of the study, research design and methodology and organization of the study. While Chapter two covers review of related literature. Chapter three overviews data presentation, analysis, and interpretation parts of the study. And final Chapter four consists of summary, conclusions and recommendations. And finally questionnaires and interview check lists, bibliography are attached to the study.

Chapter Two

Review of Related Literature

2.1 Overview of Physical Distribution

According to Khanna (2002:15) describe physical distribution as the art & science of determining requirements; acquiring them; distributing them & finally, maintaining them in an operationally ready condition for their entire life.

Moreover, Shelekar's (2003:85) explains physical distribution as a marketing activities relating to the flow of raw materials from the suppliers to the factory and the movement of finished goods from the end production line to the final consumer or user. Marketing agencies such as dealers, merchants and mercantile agents manage the flow of goods and perform the function of physical supply—right up to the consumer's homes and stores.

Also, Shelekar (2004:147) explains physical distribution as the process delivering the product to the user or consumers promptly, safely & in time. Physical distribution involves management (planning action & control) of the physical flow of raw materials & finished goods from the point of use consumption to meet the customer need at profit.

2.2 Overview of Physical Distribution Management

Khanna (2002:14) defined physical distribution as a subject of study is relatively new field, although the various elementary factious have been carried out always by various other departments. The discipline aims at an integrated management. It recognized related activities. That were previously scattered amongst various units with in the firm. Its late development was evidenced by the fact that the first text book on the subject appeared in 1961 in United Sates.

2.3 Components of Physical Distribution

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

2.3.1 Transportation

Transportation is essential & one of the most important components of physical distribution. Its important is illustrated when a strike in rail ways, an airline or road transport paralyzes country (Khanna, 2004:17).

Moreover, Bowersox & Closs (2003, 29) define transportation as the operational area of logistics that geographically positions inventoried. Because of its fundamental importance & visible cost, transportation has received considerable managerial attention over the years & currently almost all enterprises, big & small, have managers responsible for transportation.

I. Functions and Principles of Transportation

Bowersox & Closs (2003:312) pointed out that, transportations provides two major functions: Products movement and product storage.

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

b) Product storage: refers to less common transportation function which products are temporarily stored on vehicles until they reach to their final destination.

Also, Bowersox and Closs (2003:314) explain that, there are two fundamental principles guiding transportation management and operations. These guidelines are: economics of scale, and economics of distance.

c) Economic of Scale: refers to the characteristics that transportation cost per unit of weight decrease when the size of the shipment increases. This is because fixed expenses associate with moving a load can be spread over the loads weight. As such a heavier load allows costs to be “spread out” there by decreasing costs per unit of weight.

d) Economic of Distance: refers to the characteristics that transportation cost per unit decrease as distance increases. The rational is similar to that to that of economy of scale.

II. Fundamental Factors of Transportation

According to Altekar (2005:247) explains that, there are three factors which are fundamental to transportation performance, i.e. cost, speed, and consistency. And also Altekar, describe cost as direct cost which includes the payment for movement between two geographical locations and expenses related to administration. And indirect cost of maintaining in-transit inventory. And the second factor is speed which is the time required to complete a specific movement of goods from one place to another. And speed and cost are related in two ways. On one hand, greater the speed of transportation higher is the transportation charges. But on the other hand greater speed would result in lesser time of inventory in-transit being unavailable. Hence the trade off is required to be made and balance has to be struck. And the third factor is consistency, which is refers to the variation in time required to perform a specific movement. Consistency is reflection of dependability of the transport.

III. Mode of Transportation

As shelekar (2004:434) explained that, there are five means of transport at our disposal: railways, roadways, waterways, airways, and pipelines.

i) Railways: Are becoming more responsive to specific customer needs, emphasizing bulk industries & heavy manufacturing. And now a day railways become the most preferable modes of transportation for shipping bulk commodities because of its lower cost.

ii) Road ways: this is the most popular & commonly used mode to transport goods. Trucks are used to transport the product. The freight payment could be prepaid, to pay, or to be done after safe delivery of the product at the final destination.

iii) Air ways: The newest but least utilized mode of transportation is air freight. Its significance advantage lies in the speed with which the shipment can be transported but it's very expensive compared with other mode of transportation. This mode of transportation is used for high value products, for perishable products, emergency products & for short life items like fashion items.

iv) Water ways: This is oldest mode of transportation used to move extremely large shipment. It's cheap but it is also very slow water transport ranks between rail & road transport in terms of fixed costs.

v) Pipelines: This kind of transportation is used for the movement of large quantities of liquids & gases over long distance. This mode is normally used for petroleum products, gases, crude, and manufacturing chemicals. The basic nature of pipeline is unique in comparison to all of other mode of transport, which they operate seven days in week & twenty-four hours in a day. & pipelines have high fixed cost & low variable cost among the transport modes.

IV. Elements of Transportation Cost

According to Agrawal (2003:222) there are various element of transportation cost: tariff of transportation: which refers to the freight charge of various modes of transport to be paid for movement of goods from one location to another, transit time cost: which deals with the cost of inventory in transit. This element of transport cost is longer, it means that the product of the company remains in transit for longer periods of time to result in to higher transit time cost, obsolescence and deterioration cost: these elements of transport cost involves cost caused due to deterioration and obsolescence in the physical attributes of the product during transit. There are certain categories of products which are perishable and delicate in nature, whose physical attributes deteriorate over period of time gradually resulting in to the devaluation of the product, protective packaging: is for specific products and modes of transport required for specific products and modes of transport. When there is a requirement for a specific package and such cost under total transport cost, transit insurance cost: is the cost of insurance paid to insurance company to cover various types of risks. At advent of containerization, this cost has been minimized due to lesser chances of damages of goods during transit, miscellaneous costs: a part from the above elements of transport costs, such as local taxes, especially when goods are shipped through roadways.

2.3.2 Inventory Management

According to Sherleker (2004:428) describe inventory management as the heart of the game of physical distribution with regard to managerial decision like size, location, handling and transporting of inventories.

Other author, Closs and Bowersox (1996:282) explains inventory management as the integrated process that operationalized the firm's and the value chain's inventory policy.

On top of that, Altekar (2005:226) explains inventory management as a key to any successful distribution business and provides every information need to know about the receipt and movement of goods, the sale, removal or disposal of goods, and the precise valuation and status of goods remaining in inventory at any time.

The term inventory can be used to mean several different things such as: the stock on hand of material at a given time (tangible asset which can be seen, measured and control, an itemized list of all physical assets, to determine the quality of items on hand, and to determine the value of the stock of goods owned by an organization at a particular time (Agrawal, 2003:154).

The functional classification of inventory by Agrawal (2003:156) is based on its utility and inventory can be placed in one or more of the following categories.

a) Working stock: also called cycle or lot size stock and it is an average amount of inventory in stock that result from lot sizes to get benefits of minimum ordering and holding costs, quantity discounts, favorable freight rates.

b) Safety stock: also called buffer stock, functions of this inventory is to meet short-range variation in either demand or replenishment.

c) Anticipation stock: which refers to the anticipation or seasonal stock refers to holding high level of inventory to meet the peak seasonal demand, erratic requirements, or inconsistently in the production capacity.

d) Pipeline stock: is also called transit stock or work-in-process inventory. It is used when goods in transit from manufacturer to be delivered to a customer are called pipeline stock. Further more, raw materials and components being processed, waiting to be processed, or being moved to become finished goods also come under the function of pipeline inventory function.

e) Decoupling stock: this inventory is accumulated between the various department's activities or stages to reduce the requirement for completely synchronized of operations.

f) Psychic stock: This is used to window display of an inventory in order to stimulate demand and act as a silent sales man. This function of inventory generates an impulse-buying tendency, fulfilling the need of promotion function.

I. Types of Inventory

According to Khanna (2002:102) there are two types of Inventory associated with distribution. These are: location and transit inventory.

Location Inventories are the combined stock of raw material also & finished products & work in process. The level of each & the combination of inventory levels, must be determined to minimize the over all cost. These inventories are marinated main with a view to meeting the seasonal variation in the demand for production or for consumption. Where as, Transit Inventories are the material in transition or the pipeline, & include the raw materials in transit from the vendor's depot to the manufacturing center, & finish products on the move from the production center to the consumption center. The quantity in transit is directly propositional to the lead time.

II. Elements of Inventory Costs

According to Argawal (2003:158) there are various elements of inventory costs. This includes:

a) Procurement Costs: These cost of a product are due to several factors includes cost of order processing which involves use of stationary & services, cost of staff & the executive time spend on order processing, cost of transmission of an order from the purchase department to the supplier, Which includes: cost of postage & follow up messages over the telephone, by telegram telex, etc. ,cost of transportation including freight, transit insurance, & protective packaging, cost invoice pricing, including checking, approval, book entries and payment procedures, cost of receiving, handling, inspecting, &

entry in the stock register/computer, cost of final feeding of data in the logistics information system.

b) Carrying Cost: The carrying cost of stored good includes space rent for the storage goods, the cost of working capital locked in the inventory, the cost of insurance of goods, cost of spoilage in the quality of goods in storage, breakages in handling, cost of deterioration due to passes of time and change in weather; and cost of obsolescence of goods or depreciation.

c) Stock-Out Costs: The stock out cost is the economic consequence of either an external or an internal shortage. An external shortage occurs when a customer order is not filled, where as an internal shortage occur when an order of a group\department within organization is not filled. Internal shortage can result in lost production (idle resources) and a delay in completion date, whose cost depends on the reaction of the customer to the out-of-stock situation. The external shortage incurs back orders costs, present profit loss of potential sales, and future profit cost due to loss of corporate image, affecting future sales. The back order cost is due to in the delay in the supply of goods to the customers.

2.3.3 Warehousing

According to Kumar & Meenakshi (2006:359) defined warehouse as all activities required in the storing of goods between the time they are transported to the customer. These activities include break bulk, making product assortment for delivery to customer's, storage & loading.

Khanna (2002:189) pointed out that, warehouse as it is a location with adequate facilities where volume shipments are received from production center broke down, reassembled in to combinations representing. Particular order or orders, & shipped to the customer's location or locations.

Warehouse is a part of the company's logistics framework that stores items raw materials, packing materials, tools, and work in process of finished goods at

and between The point of origin and the point of consumption & also provides information to management on the status and condition of the items being stored (Havaldar and cavale 2007:15.24).

I. Functions of Warehousing

As Agrawal (2003:200) the function of warehousing can be properly discussed in two heads, namely; economic and operational functions.

i) Economic Function: The category of function is directly related to the logistical costs. The economic function warehouses are: consolidation, in this the function of warehouse to receives and consolidates goods from different production plants and then dispatches the same to particular customers. The second function is break bulk, which refers to the transshipment of goods from the production plant in bulk quantity by low rate volume shipment to the distribution warehouse and hen reshipment in small quantity to different customers. The next economic function of warehousing is stock piling used for seasonal storage of goods to select business, and finally value-added service. This service is also provided by warehouse such as packaging and labels.

ii) Operating Function: Includes receiving of goods, up-to-date recording of goods showing stock position, storing of goods at an appropriate place and in minimum area, proper handling of goods, receiving to receive order, processing and filling, dispatching of good, and marketing intelligence and act as an intermediary between the company and customer.

II. Types of Warehouse

According to Agrawal (2003:197) there are two broad basis on which warehouses, namely; on the basis of ownership; and on basis of services;

On basis of ownership, private and public warehouses are involved.

Private Warehouse: is warehousing facilities operated by and owned or leased by a company handling its own goods. They are used by a firm. The major benefits of private warehousing include control, flexibility, cost, and other

intangible benefits. Where as, Public Warehouse: are warehousing which are owned and operated by organizations like government, cooperatives, or a company in the private sectors. The space of public warehouse can be used by any other company, or organization or individual public on certain terms and conditions of payment on the basis of services.

On the basis of services there are six types' warehouses.

Bonded Warehouse: It is licensed and authorized by the custom authorities for storing of goods till import duty due on it is paid-owned either by the government or private parties.

Field Warehouse: The warehouse are managed by public warehousing agency in the premises of a factory or company which needs the facility for borrowing from a bank against the certification of goods in storage or in process by on independent professional warehouse man.

Cold Storage: It is another type of warehouse which provides facility to preserve the perishability of goods against payment of storage charge for the space utilized by different parties.

Distribution Warehouses: These warehouses are generally located nearer to the market owned or leased by the manufacturers to stock their final products for immediate supply to different parties.

Buffer Storage warehouses: These warehouses are built at strategic location with adequate transport and communication facilities and the goods are stored in huge quantities and future transmissions to distribution warehouses.

Export and Import Warehouses: This ware house is located near the port from where international trade is undertaken. They provide transit storage facilities for goods waiting onward movements.

III. Elements of Warehousing Costs

As Agrawal (2003:207) there are basically three types of warehousing cost, namely: warehousing infrastructural development cost, working capital cost, and miscellaneous cost.

Warehousing infrastructural development costs. Which includes, cost of procurement of storage space, handling and transfer cost, administrative cost, and cost incurred in direct and indirect physical facilities. The second type of cost is working capital cost: which is involved in goods stored in warehouse as inventory. And at last miscellaneous cost: includes tax to be paid insurance paid for covering risks, and the risk of product obsolescence or deterioration.

IV. Warehouse Location Selection Criteria

There are various factors that should be considered before making decision on warehouse location. These factors are market service area and cost of distribution from the warehouse to the market area, satisfaction of transport requirements and facilities available, availability of various infrastructures: power, water, road, and other important utilities, labor costs in the area, the potential for later expansion, cost of land for the warehouse and other related costs.

2.3.4. Packaging

As Agrawal (2003:247) defined packaging as it is the general group of activities which concentrate in formulating the design of package and producing an appropriate and attractive container or wrapper for the product which will protect the attribute of the product till it is used by the user by the user and\or creates a demand.

Also, Khanna (2002:179) define packaging as the use of containers & parts, together with the decoration & labeling of product in order to contain, protect & identify the merchandise & facilitate the use of product.

In favor of that; Gupta (2001:222) explains packaging as it is handling & storage of finished goods. It is also expansion protection from loss & damage.

I. Types of Packaging

According to Agrawal (2003:247), packaging is generally categorized in to two board types, namely; consumer packaging and Logistical Packaging.

Consumer Packaging is often based on marketing considerations in terms of advertising and sales value. Where as, Logistical or Industrial Packaging is what facilitates product flow during manufacturing, shipping, handling, and storage. It includes shipping containers for consumer goods, industrial packaging for production related materials, and institutional packages.

2.3.5 Material Handling

Material Handling is basically related to facilitate the movement of goods. It is an art and science involving the moving, packing, and storing the goods in any form, say, raw materials, components in process, semi-finished or finished products (Agrawal, 2003:272).

The basic material handling considerations which are listed below:

a) Type of product to be handled

Type of product to be handled is the first and foremost consideration to decide to material handling facility for instance, cranes and hoists are most suitable for the lofting jobs of very heavy materials and conveyors for high volume products. The physical characteristics of the product like. Wight, size, shape, etc., coupled with nature like solid, gas, liquid, etc., have significant impact on the selection of the materials handling equipments and facilities.

b) Types of production system

Basically, there are two types of production systems, namely; intermittent and continuous. Materials handling equipment like lift trucks, pallets, hand trucks and trolleys would be more useful in intermittent production system than a continuous system. These devices would not be so commonly used in

continuous production system, because fixed-path equipment would be more reliable and more economical in many cases. Conveyors, cranes, hoists, pipelines, etc., are more commonly used in mass production or continuous production system.

c) Types of Building

The numbers of floors also determine the material handling system. For instance, lift trucks and conveyors suit most to single-storey building. However, gravity flow with pipelines and shutters are most economical methods of materials handling for multi-storeyed buildings.

d) Material Handling Cost

Another major consideration in the development of materials handling facilities is the cost of various equipments and associated costs. There are two set of elements of materials handling costs: Equipment cost and Operating Cost.

i) Equipment Cost: includes cost of material handling device, usable life of the device, and resale or scrap value. Where as,

ii) Operating Cost: includes fuel costs, repair and maintenance cost, insurance cost, and labor cost.

2.3.6 Order Processing

The small business owner is concerned with order processing- another physical distribution functions- because it directly affects the ability to meet he customer service standards defined by the owner. If the order processing system is efficient, the owner can avoid the costs of premium transportation or high inventory levels. Order processing varies by industry, but often consists of four major activities a credit check, recording of the sale, such as crediting a sales representatives commission account, making the appropriate accounting entries and locating item, shipping, and adjusting inventory records. Technological innovations, such as increased use of the Universal Product

Code, are contributing to greater efficiency in order processing (Ghosha, 1998:86).

As Agrawal (2003:25) ordering processing is the set of activities for receiving, recording, assembling of products for dispatch to fill the customer order.

Also, Havaldar and Cavale (2007:15.16) define order processing as getting order in time from customers, checking on the status of execution and delivery. Order Processing is a key to customer service and satisfaction. Order processing includes activities like receiving, recording, filling, and assembling of products for dispatch (sherlekar, 2003:426).

I. Functions of Order Processing

According to Agrawal (2003:260) the major functions of order processing is Order entry, credit checking, Inventory availability check, order acknowledge, Order editing and modification, order pricing, order status inquiry, Price and discount extension, Back order processing, Raise Invoice, Prepare transportation and shipping advice, Shipping scheduling, Reserve inventory/safety stock and their release; Reassign order source; Verify shipment; and Return processing in case of defective delivery.

The function of order processing can also be discussed more systematically in five steps, namely order planning, order transmittal, order handling, order picking and assembly, and delivery.

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

b) Order transmittal: refers to a series of events that occur between the time a customer place an order or send an order and the seller receives then order.

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

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

e) Order delivery: the last function of order processing is order delivery. The time from when a carrier picks the shipments until it is delivered to the customer's receiving dock, i.e. transit time. This transit time has a direct and major impact on sellers total order cycle time or customers' replenishment cycle time. Hence, proper load planning fleet management are essential functions of total order processing.

Chapter Three

Data Presentation, Analysis and Interpretation

This chapter deals with data presentation, analysis and interpretation of the study which is based on the data gathered from respondents of customers and employees of KADISCO Paint Factory.

As mentioned before, the data were obtained through questionnaires and interview. The questionnaire was distributed to customers of agent shops and employees found in the head office of KADISCO. Out of unknown number of customers considered as target population, 150 of the customers were selected as a sample respondent using convince sampling technique while the employee of KADISCO found in the head office as well as marketing managers were considered as a sample respondents. 150 copies of questioners were distributed to customers and 15 copies of questioners were distributed for employees. Who are composed of sales persons, secretary, mangers, and others.

The information obtained from manager and customers is summarized by using descriptive statics where raw data is computed in percentages. The summarized data then analyzed by applying descriptive analysis method using tables, following detail explanations, At last, interpretation is made to demonstrate implications of major findings.

3.1 General Characterize of Respondents

Table1. Below indicates the general characteristics of respondents, which include sex, age, educational level and background of customers and employees, occupation of the customers and position of the employees.

Table 1. General Characteristics of the Respondents

No.	Item	No of respondent		Percentage (%)	
		Customer	Employees	Customer	Employees
1	Sex				
	• Male	98	10	65.33%	66.67%
	• Female	52	5	39.67%	33.33%
	Total	150	15	100%	100%
2	Age				
	• 16-25	-	-	-	-
	• 26-35	30	4	20%	26.67%
	• 36-45	51	6	34%	40%
	• 46-55	69	5	46%	33.33%
	• Above	-	-	-	-
	Total	150	15	100%	100%
3	educational level				
	• High school complete	23	-	15.33%	-
	• Certificate	48	3	32%	20%
	• Diploma	50	10	33.33%	66.67%
	• Degree	29	2	19.33%	13.33%
	• More than first degree	-	-	-	-
	Total	150	15	100%	100%

As indicated in item 1 of the table 1, among respondents 98(65.33%) of customers and 10(66.67%) of employees 52(34.67%) of customers and 5(33.33%) of employees were male and female respectively. from this we can infer that, the majority of sample respondent are male. moreover, the male customers have more external exposure than female customers. In the item2 of table 1 the age of respondent is explained and 30 (20%) of customers and 4(26.67%) of employees found in the age of range 26-35, 51 (34%) of customers and 6 (40%) of employees are in the age of 36-45, 69 (46%) of customers and 5 (33.33%) of employees are in the age of 46-55. This implies that there are few respondents whose age is 26-25 years so that we can say that all respondents

are mature enough to give correct response to the question raised. In item 3 of table 1 the education level of respondents explained in detail 23 (15.33%) of customers are high school complete and in this no category of employees, 48(32%) customers and 3 (20%) of employees have certificate, 50 (33.33%) of customers and 10 (66.67%) employees respectively in the level of Diploma, 29(19.33%) of customers and 2(13.33%) of employees have degree. As a result, it is safe to say that they give reliable information about physical distribution practice of the company.

Table 2. Customer’s Response on Occupation

1	Occupation	customers	Percentage (%)
	<ul style="list-style-type: none"> • Industrial customer • Wholesaler • Retailers • Agents 	86 38 21 5	57.33% 25.33% 14% 3.33%
	Total	150	100%

According to table 2 respondents (customers) asked to give response on their occupation. Thus, 86(57.33%) of them replied industrial customers, 38 (25.33%) answered wholesaler, 21 (14%) and 5 (3.33%) of them said are retailers and agents respectively. this implies that most of respondents are industrial customers.

Table 3. Employees Response on there Position in the Company

1	Position on KADISCO	employees	Percentage (%)
	<ul style="list-style-type: none">• Sales person	8	53.33%
	<ul style="list-style-type: none">• Manager	2	13.33%
	<ul style="list-style-type: none">• Secretary	2	13.33%
	<ul style="list-style-type: none">• Other	3	20%
	Total	15	100%

As revealed in table3, we can conclude that 8 (53.33%) of the employees are sales persons and 2 (13.33%) of employees are managers, 2(13.33%] and 3 (20%) of respondents are included in the option of secretary and other respectively. from this we can conclude that the majority of respondent have better understanding about the company as well as customers needs and wants and help the company to have better information with respect of to physical distribution practice the company.

3.2 Analysis of finding of the study

The student researcher tried to investigate the effectiveness and efficiency of physical distribution practice of KADISCO from the point of view of customers as well as employees of the company. And also various questioners were asked to sample respondents mainly related with distribution practice, delivery performance, satisfaction level to wards distribution practice, availability of transportation facility and order execution of the company. Therefore, in this section of the study responses from customers and employees are summarized in the form of percentages and presented below.

3.2.1 Response of Customers of KADISCO

This below tables (from table4 – table8) shows, the response of customers in relation to physical distribution practice of the company.

Table 4. Responses of Customers towards Physical Distribution the Company

No.	Item	Respondents customer No.	Percentage [%]
1.	Have you ever faced a problem with a company's physical distribution practices?	-	-
	• Never	25	16.67%
	• Sometimes	55	36.67%
	• Most of the time	70	46.67%
	• Always		
	Total	150	100%
2.	Have you ever suggest company to improve the problem with regard to distribution practice?		
	• Yes	80	53.33%
	• No	70	46.67%
	• If yes, specify		
	Total	150	100%
3.	Is there any improvement on distribution activity you get from KADISCO?		
	• Yes	38	25.33%
	• No	112	74.67%
	• If yes, specify		
	Total	150	100%

As it is revealed in item 1 of table 4 customers were asked if they faced problem with regard to distribution practice of company, 25(16.67%) of them answered sometimes, 55(36.67%) of them said most of the time, and the rest of them 70(46.67%) respondents always. The above finding indicates there is a problem towards physical distribution practice of the company. Therefore, In relation to this, an interview was made to the company's marketing manager. And manager replied that the company a faced problem towards distribution practice. This is because the company distributes its products mainly through agents. So it doesn't use many alternatives because the management group worried about the cost and the quality deterioration, so that it was difficult to reach to those customers as their desired level. As managers said the company

is planning to have additional agents than before and other alternatives to address target customers so as to improve distribution practice of the company. As indicated in table 4 & item 2 customers were asked if they suggest the company to improve the problem with regard to distribution practices. 80 (53.33%) replied “Yes”. And some of respondent justify their reason that they suggest the company to improve problems like delay of on time delivery service and order execution of the company & the majority 70 (96.67%) answered “No”. This indicates that most customers not getting improvement to the problem they suggest. As indicated in item 4 of table 3 the respondent asked if there is any improvement on distribution practice of the KADISCO. Thus 38(25.33%) of them said “yes” and the rest of them 112(74.67%) responds “No”. there fore it might be said that, the customers are not getting improvement. According to marketing manager response on interview, the manager said these related problems are now getting solution as the company gives it a special attention. By having close communication with agents, the company is improving distribution activity. This is because agents know the need and wants of target consumer because they have direct contact with them.

Table 5. Customer Response to Delivery Performance of the Company

No.	Item	No. of respondents	Percentage[%]
1	Do you get delivery service you prefer? <ul style="list-style-type: none">• Yes• No• if No, justify the reason	30 120	20% 80%
	total	150	100%
2	How do you evaluate the delivery performance in relation to distributing the company's products? <ul style="list-style-type: none">• very good• good• medium• poor• very poor	10 30 22 30 58	6.67% 20% 14.67% 20% 38.67%
	Total	150	100%

As it is revealed in item 1 of table 5 to the 100% of customers were asked if they get delivery service they prefer from the company. 30(20%) answered “yes” and the majority 120 (80%) replied ‘No”, and they justify their reason that they don’t get delivery service they prefer due to inadequacy of vehicle in the company. this indicate that the customers are getting poor delivery service from the company. The possible reason may be as the marketing manager said this is due to lack of available transportation facility. Also as it is indicated item 2 of table 5 of customers were asked to give response on delivery performance in relation to distribute practice of the company. Thus, 58 (38.67%) of them replied Very poor, 30 (20%) answered poor, 22 (14.67%) of them said medium, 30 (20%) and 58(38.67%) answered good & Very good respectively. as evident here; majority of customers responds that delivery service is poor and better to agents. As marketing manager answered on interview that agents gets delivery service due to recently started scheduled delivery service with in a week to all company’s agents. And for the future the

company is planning to provide better delivery service to target customers who are not satisfied with delivery performance of the company.

Table 6. Customer’s Response on Order Processing Capability

No.	Item	No. of respondent (customers)	Percentage (%)
1	How fast did you get product you order from the company’s?		
	• very fast	13	8.67%
	• fast	24	16%
	• medium	10	6.67%
	• slow	33	22%
	• very slow	70	46.67%
	Total	150	100%
2	Have you had a delay of order for the product or service offered by KADISCO?		
	• Yes	16	10.67%
	• No	134	89.33%
	• If yes, specify		
	Total	150	100%

As shown in item 1 of table 6 the customer was asked to give response on order processing (execution) of a company. Thus, 70 (46.67%) of them replied Very Slow, 33 (22%) of them answered slow, 10 (6.67%) of the respondent replied medium, the remaining 24(16%) and 13(8.67%) of them said fast and very fast respectively. therefore it might be said that, customers are not satisfied with order execution of the company. Regarding the item 2 of table 6 the customer were asked if they had delay of order for the product or service offered by the KADISCO. 16 (10.67%) replied “yes” and some of respondent justify their reason that there is a delay of order execution in the company due to inadequacy of raw material. And the rest of them 134 (89.33%) answered “No”. Also from this we can understand that there is a delay of product as order of customer. Concerning this marketing manager was asked the following question. As manager, what is your opinion about the company should do to improve delay of order. The manger said the company is currently trying to

improve this problems even through there are uncontrollable situations, like lack of available import raw materials & shortage of electric power supply. So that the company is trying to improve this problems by manufacturing product by working par time & also by ordering raw material from foreign in advance so as to have available manufactured product when needed by target customers. This might improve delay of order execution of the company.

Table 7. Customer’s Reflection towards Physical Distribution Practice of the Company

No.	Item	No. of respondent (customers)	Percentage (%)
1	Are you satisfied by the distribution practice of the company? <ul style="list-style-type: none"> • Yes • No • if No, specify 	11 139	7.33% 92.67%
	Total	150	100%
2	How do you evaluate distribution practice of the company? <ul style="list-style-type: none"> • very high • high • medium • low • very low 	- 10 17 34 89	- 6.67% 11.33% 22.67% 59.33%
	Total	150	100%

As we can observe in item 1 of table 7, 11 (7.33%) of total respondents replied “yes” and the majority 139 (92.67%) answered ‘No”, and some of respondent specify their reason by replying that they are dissatisfied with distribution practice of the company because the company don’t distribute its product as there desired level, this implies that customers are not satisfied with distribution practice of the company. regarding item 2 of table 7 the customer were asked to evaluate distribution practice of the company. Thus 89 (59.33%) of them replied very low, 34(22.67) of them answered low, 17(11.33) of

them said medium, and the remaining 10 (6.67%) of the respondents replied high. From this we can notice that, the majority of respondents evaluate it as v. low the distribution practice of the company. Regarding this the marketing manager was asked the following question. What kind of service should offer the companies with respect to distribution practice to satisfy customers. The manager replied that the customers will be satisfied if we provide them on time delivery for the product they buy, distributing products at right time & quantity, On time order execution, distributing the company's product as desired level of customer, & also to make available transportation for the product they buy, to have agents near to customers to fulfill their needs without going far. If the companies provide these offers as marketing manager opinion the customer might be satisfied towards distribution activities.

Table 8. Customer's Response towards Availability of the Transportation Facility

No.	Item	No. of respondent (customers)	Percentage (%)
1	How do you evaluate the availability of transportation to give delivery service for product you buy?		
	• very High	10	6.67%
	• High	22	14.67%
	• Medium	16	10.67%
	• Low	34	22.67%
	• very Low	68	45.33%
	Total	150	100%

As shown in table 8, customers asked to give response on availability of transportation to give delivery service for the product they buy. Thus 10 (6.67%) of them replied v. high, 22 (14.67%) answered high, 16 (10.67%) of them said medium, 34 (22.67%) & 68 (45.33%) of them replied low and Very low respectively. From this we can understand that customers are getting poor delivery service. Regarding this marketing manager as asked if the company

have enough transportation facility to deliver its products and the marketing manager replied frankly by saying the company don't have enough transportation facility to give delivery service to target customers but the company in on the way to purchase additional services to strength the transportation capability of the company. This implies that finding solution for the problem of transportation is solution for this problem too.

3.2.2 Response of Employee's of KADISCO

This below tables (from Table 9 – Table 13) shows, the response of employees in relation to physical distribution practice of the company.

Table 9. Employee's Response towards Distribution Practice of the Company

No.	Item	No. of respondent (employees)	Percentage (%)
1	Have you ever faced a problem on company's product with respect to distribution practice of the company?		
	• Never	2	13.33%
	• Sometimes	3	20%
	• Most of the time	7	46.67%
	• Always	3	20%
	Total	15	100%
2	Do you agree that the company is currently in a good position with regard to distribution practice?		
	• Strongly agree	3	20%
	• Agree	2	13.33%
	• Neutral	5	33.33%
	• Disagree	5	33.33%
	Total	15	100%

According to item 1 of table 9, employees were asked if they faces a problem with respect to company's distribution practice & among total respondents 2

(13.33%) answered never, 3 (20%) answered sometimes, 7 (96.67%) of them said most of the time, the remaining 3 (20%) of them replied always. from the above, we can conclude that the company faced a problem towards physical distribution practice of the company.

As indicated also in item 2 of table 9 the employees asked to respond if the company is currently in a good position with regard to distribution activity and among respondents 3 (20%) of them replied strongly agree, 2 [13.33%) of them said agree, 5 (33.33%) of them answered neutral and the remaining 5[33.33%] said disagree. so as indicated in item 1 and 2 the employees have kind of doubt regarding the distribution practice of the company due to lack of transportation facility, delay order execution This problem may lead the customers to be highly dissatisfied by the company distribution practice. So that the customers may shift to competitors if they didn't get better service. For this reason the company is trying to improve problems related with distribution activity not to loss target customer's (industrial customers).

Table 10. Employee Response towards Order Processing Capability

No.	Item	No. of respondent (employees)	Percentage (%)
1	Do you agree that the company is capable of distribution its product is order to customers? <ul style="list-style-type: none"> • Strongly agree • Agree • Neutral • Disagree 	2 4 4 5	13.33% 26.67% 26.67% 33.33%
	Total	15	100%
2	How do you measure the order execution of the company as order of customers? <ul style="list-style-type: none"> • Very high • High • Medium • Low • Very low 	- 4 2 5 4	- 26.67% 13.33% 33.33% 26.67%
	Total	15	100%

From the above table item 1 of table 9, we can observe that their response on capability of order execution of the company. Thus, 4 (26.67%) of respondent who answered very low, 5 (33.33%) of them answered low, 2 [13.33%] of them replied medium and the rest 4 (26.67%) said high. from this clearly easy to understand that the company was not capable of distributing it product as order of customers. Regarding, the response of employees to question asked to measure order execution of the company as order of customers. 1(6.67%) of them replied V. high, 3 (20%) answered high, 2 [13.33%] of them said medium, 5 (33.33%) and 4 (26.67%) of them replied low and very low respectively. As this also indicate that the company is not executing order on time. And the reason for this is as mentioned earlier by marketing manager this is due to

inadequate of import raw material and shortage of electric power supply which are uncontrolled fact for the company.

Table 11. Employee’s Response on Availability of Transportation to Delivery Product

No.	Item	No. of respondents (employees)	Percentage [%]
1	How do you evaluate the company’s transportation availability towards distributing its products at right time and quantity?		
	A. Very high	-	-
	B. High	3	20%
	C. Medium	3	20%
	D. Low	4	26.67%
	E. Very low	5	33.33%
	Total	15	100%

As indicated in table 11 employees were responds, 3 (20%) of employees respond High, 3 (20%) of them replied medium, 4(26.67%) and 5(33.33%) of them answered low and very low respectively. This above finding tells us the company has inadequate transportation facility to deliver its product to target customers.

Table 12. Employees Evaluation towards Satisfaction Level of Customers

No.	Item	No. of respondents (employees)	Percentage (%)
1	To what extent do you think that your customers are satisfied with the distribution practice offered by the company? <ul style="list-style-type: none"> • Very high • High • Medium • Low • Very low 	5 2 2 6 -	33.33% 13.33% 13.33% 40% -
	Total	15	100%

According to table 12, the employee’s response to satisfaction level of customers. Thus, 5 (33.33%) Very high, 2 (13.33%) of them answered high, 2 (13.33%) & 6 (40%) of them said low. This implies that employees have kind of doubt that target customers are dissatisfied by physical distribution practice of the company. From this we can conclude that the company knows the problem of regarding physical distribution practice. And as marketing managers response the company is trying to improve the problems by offering best service & product in the future.

Table13. Employee’s Evaluation towards Distribution Activities.

No.	Items	very good	good	medium	poor	very poor
1	delivery performance	3(20%)	3(20%)	2(13.33%)	5(33.33%)	2(13.33%)
2	on time order execution		4(26.67%)	5(33.33%)	6(40%)	
3	availability of transportation facility	1(6.67%)	2(13.33%)	7(46.67%)	5(33.33%)	–
4	distributing at a right time	3(20%)	2(13.33%)	5(33.33%)	5(33.33%)	–
5	safely delivery of product	5(33.33%)	3(20%)	5(33.33%)	2(13.33%)	–
6	promptly delivery of product	3(20%)	2(13.33%)	5(33.33%)	3(20%)	2(13.33%)
7	timely delivery of the product	10(66.67%)	4(26.67%)	2(13.33%)	5(33.33%)	1(6.67%)
8	current distribution practice of the company	1(6.67%)	3(20%)	4(26.67%)	5(33.33%)	2(13.33%)

As can be see in the table 13 employees, had been asked to rate distribution with respect to the company distribution practice. Regarding delivery performance employees, responds 3(20%) of them said very good, 3(20%) of them replied good, 2(13.33%) of them evaluate as medium, and the remaining 5(33.33%) and 2(13.33%) of them replied poor and very poor respectively. Concerning on time order execution, the respondent replied 4(26.67%) of them good, 5(33.33%) of them said medium, remaining 6(40%) of them evaluate as poor. With respect to availability of transportation facility, 1(6.67%) of them answered very good, 2(13.33%) of them replied good, 7(46.67%) of them said medium, and the rest 5(33.33%) of them said poor. About distributing at a right time, 3(20%) of employees replied very good, 2(13.33%) of them evaluate as good, 5(33.33%) of them said medium, and the rest 5(33.33%) of them said poor.

Concerning safely delivery of product, the respondents replied 5(33.33%) of them v. good, 3(20%) of them said good, 5(33.33%) of them as medium and 2(13.33%) of them evaluate as poor. Concerning promptly delivery of the product, 3(20%) answered very good, 2(13.33) of them replied good, 5(33.33%) of them said medium, 3(20%) and 2(13.33%) of them evaluate as poor and very poor respectively. Regarding safely delivery of the product 2(13.33%) of them answered medium, 3(20%) of them said good, and the majority10 (66.67%) of them said v. good. Concerning timely delivery of product 4(26.67%) of them said good, 5(33.33%) of them answered medium, and the remaining 5(33.33%) and 1(6.67%) of them replied as poor and very poor respectively. About current distribution practice of the company, employees respond as 1(6.67%) is very good, 3(20%) is good, 4(26.67%) of them replied medium, 5(33.33%) and 2(13.33%) of them replied poor and very poor respectively. From the figure above we can understand that the company faces a problem with regard to physical distribution practice due to poor delivery performance, delay order execution, and inadequate transportation facility. And as mentioned by marketing manager that the company is trying to improve problems related with distribution activity not to loss target customer's (industrial customers).

Chapter Four

Summary, Conclusion and Recommendation

From the analysis and interpretation made in the previous chapter, the following summary, conclusion and recommendation are drawn up.

4.1 Summary

- Regarding the response made by customers with respect to problem faced by the company physical distribution practices, 46.67% of them, which is the majority replied always.
- Based on response given by customers towards an improvement on physical distribution activity of the company, the majority of respondent, 74.67% of them replied no.
- In relation to response made by customers towards delivery service offered by the company, 80% of them, which is majority replied no.
- Regarding the response made by customers towards delivery performance of the company, 38.67% of them, is the majority replied as very poor.
- The other information which is gathered from customers of the company about whether the customers get product they order from the company, 46.67% of them, which is the majority replied as very slow.
- With regard to the response made by customers in relation to delay of order for the product or service offered by the company, 89.33% of them, which is majority replied no.
- Concerning the response with respect to satisfaction level, majority of respondents i.e. 92.67% of them respond that they are dissatisfied.
- Regarding customers respond on availability of transportation facility to give delivery service, majority of respondents i.e. 45.33% of them replied very low.

- In relation to the response made by employees towards problems faced by the company's product, majority of respondents i.e. 46.67% of them replied most of the time.
- Concerning the response made by employees with respect to the current position of the company, 33.33 % of them, which is majority, replied disagree.
- The other information which is gathered from employees of the company about order execution of the company as order of customers, 33.33% of them, which is the majority replied as low.
- Regarding the response made by employees in relation to availability of transportation in the company, the majority of respondents i.e. 33.33% of them respond as very low.
- Concerning the response of employees with respect to satisfaction level of customers, majority of respondents i.e. 40% of them replied as very low.

4.2 Conclusions

Depending on the findings discussed above the following conclusion are drawn.

- As can be seen from the findings the company use only agents as distribution channel. And the company does not have intention to use any other channel. The reason for this is the management group worried about the cost and the quality deterioration.
- Regarding the delivery performance, the company faces a problem towards on time delivery service. From this we can conclude that the company doesn't have adequate transportation facility to deliver its product.
- Concerning order capability, there is very low performance. From this we can conclude that the company faces problem towards on time order execution and the reason is due to shortage of electric power supply and inadequate raw material.
- Regarding availability of transportation facility, there is inadequate transportation facility. From this we can conclude that the company doesn't have sufficient transportation facility.
- Moreover in relation customer's reflection towards distribution activity, the customers are dissatisfied. From this we can conclude that customers are dissatisfied due to delay of product and service offered by the company.

4.3 Recommendations

According to the majorities that have been discussed so far the following points are recommended by the student researcher.

- In relation to transportation facility, should try to acquire additional vehicle (buy, lease) so as to have enough facility to deliver its product to its target customers since transportation is primary function of physical distribution it need to give due attention to solve this problems.
- The company should improve delay order execution. Because lateness results a gap for entrance of competitor in the market. If the customers do not receive they order timely, promptly, and safely the company loss its customers easily.
- The company should try to have close communication with retailers and wholesalers. Because retailers and wholesalers have direct relation (communication) with target customers. And the company may gather good information regarding the need and preference of the end users.
- To solve the delay related with order execution, the company should solve the problem of raw material used as input by acquiring enough budgets at the beginning of each physical year.
- The company should give due consideration to customers service by Making product available in terms of delivery at promised time.
- The company should have additional agents or other alternative like to use wholesalers and retailers to distribute its product so as to reach (address) customers as by being near to them.

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Appendices

Appendix-1
St. Mary's University College
Faculty of Business
Department of Marketing Management

This questionnaire is prepared by a student researcher, prospective graduate of year 2010 in the field of marketing management for partial fulfillment of senior essay. This questionnaire is prepared to measure an assessment of physical distribution practice in KADISCO. Your response to the questionnaire is an almost significant for the successful accomplishment if the above objectives.

Instruction

- You are not required to write your name.
- Put “ ✓ “or “ ✗ “in the boxes accomplished by various choices, to mark your answers.
- If the question is related to your personal opinion write it shortly on the space Provided.

Questionnaires to be filled by KADISCO paint factory customers.

1. personal information

1.1 sex

- A. Male B. Female

1.2 Age

- A. 16-25 B. 26-35 C. 36-45
D. 46-55 E. Above 55

1.3 Educational background

- A. Primary school B. Certificate C. Diploma
D. Degree E. More than first degree

1.4 Occupations

- A. industrial customer B. wholesaler C. retailers
D. Agent E. If any specify

2. Information related with the subject of the study.

2.1 How long have you been a customer of KADISCO?

- A. < 1 B. 1-3
C. 4-6 D. 7-9 E. >9

2.2 Are you satisfied by the distribution practice of the company?

- A. Yes B. No

2.3 How do you evaluate the availability of transportation to give delivery service for
The product you buy?

- A. very high B. high
C. medium D. low E. very low

2.4 Have you had a delay for the product or service offered by KADISCO?

- A. Yes B. No

2.5 Do you get delivery service you prefer?

- A. Yes B. No

2.6 Have you ever faced a problem with in a company's physical distribution practice?

- A. Never B. Sometimes
C. Most of the time D. Always

2.7 How fast did you get the product you order from the company?

- A. Very fast B. Fast C. Medium
D. Slow E. very slow

2.8 How do you evaluate the delivery performance in relation to distributing the company
product?

- A. very good B. good C. medium
D. poor F. very poor

2.9 Have you ever suggest a company to improve the problem with regard to distribution
practice?

- A. Yes B. No

If your answer is "yes" please specify your reason_____

2.10 Do you agree that KADISCO is available when ever you need it?

- A. strongly agree B. agree
C. neutral D. disagree

2.11 How do you evaluate your satisfaction level towards the distribution practice of the
company?

- A. very high B. high C. medium
D. low E. very low

2.12 Is there improvement on distribution activity that you get from KADISCO?

A. yes

B. No

If your answer is “yes” please mention? _____

2.13 What do you think the major problem of the company toward physical distribution practice?

2.14 What do you think the solution for the problem faced?

2.15 If you have additional comments please try to mention it?

2					
3					
4					
5					
6					
7					
8					

Appendix-2

St. Mary's University College Faculty of Business Department of Marketing Management

This questionnaire is prepared by a student researcher, prospective graduate of year 2010 in the field of marketing management for partial fulfillment of senior essay. This questionnaire is prepared to measure an assessment of physical distribution practice in KADISCO. Your response to the questionnaire is an almost significant for the successful accomplishment if the above objectives.

Instruction

- You are not required to write your name.
- Put “ ✓ “or “ ✗ “in the boxes accomplished by various choices, to mark your answers.
- If the question is related to your personal opinion write it shortly on the space provided.

Questionnaires to be filled by employees of KADISCO paint factory.

1. Personal information

1.1 sex

- A. Male B. Female

1.2 Age

- A. 16-25 B.26-35 C.36-45
D. 46-55 E. Above 55

1.3 Educational background

- A. Primary School B. Certificate C. Diploma
D. Degree E. More than first degree

1.4 positions on KADISCO

- A. sales person B. managers

C. secretary D. others

2. Information related with the subject of the study.

2.1 Do think that KADISCO distribute its products as the desired level of a customer's?

A. Yes B. No

2.2 If your answer the above question is " No" please justify your reason.

2.3 Have you ever face a problem on company's product with respect to distribution practice of the company?

A. Never B. Some times

C. More of the time D. Always

2.4 How do you measure the order execution of the company as order of customer?

A. Very high B. high C. Medium

D. Low E. Very low

2.5 How do you evaluate the company's transportation availability towards distributing its products at the right time and quantity?

A. Very high B. high C. Medium

D. low E. very low

2.6 Do you agree that the company is capable of distributing its products as order of customers?

A. strongly agree B. agree

C. neutral D. disagree

2.7 To what extent do you think that your customers are satisfied with the distribution practice offered by the company?

A. very high B. high C. medium

D. low E. very low

2.8 Do you agree that the company give delivery service to distributor at any time and quantity?

A. strongly agree B. agree

C. neutral D. disagree

2.9 Do you think that the company is currently in a good position with regard to distribution practice?

A. yes B. No

If your answer is “No” please specify the reason_____

3. Evaluate the following distribution elements and “✓” on your choice

No.	Items	very good	good	medium	poor	very poor
1	Delivery performance					
2	On time order execution					
3	Availability of transportation facility					
4	Distributing at a right time and quantity					
5	Safely delivery of product					
6	Promptly delivery of product					
7	Timely delivery of the product					
8	Current distribution practice of the company					

Appendix-3

Interview

This interview question is prepared for general and marketing manager of KADISCO paint factory.

1. How KADISCO was establishing?
2. Where raw materials procure to produce your product?
3. What makes KADISCO paints superior from competitors paint?
4. Do you think that the company in a good position towards physical distribution practice?
5. As your opinion what do you think the company should do to improve delay of order execution of the company as order of customers? And is the company tries to improve this problem?
6. Do you think that the company has enough transportation facility to deliver its products?
7. As your opinion what kind of service should the company offers with respect to distribution practice to satisfy the customers?
8. Can you mention the major problems faced by company in relation to distribution practice?
9. What do you think the solution for the problem faced by the company with regard to distribution practice?

DECLARATION

I the under signed, declare that is senior essay is my original work, prepared under the guidance of Ato. Beshir Shemsu. All resources of material used for the manuscript have been duly acknowledged.

Name: _____

Signature: _____

Place of submission: _____

Date of submission: _____

ADVISOR'S DECLARATION

This research has been submitted for examination with my approval as the university college advisor.

Name: _____

Signature: _____

Date: _____