ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

FACULTY OF BUSINESS

DITERMINANTS OF DISTRIBUTION SYSTEM EFFECTIVENS THE CASE OF STAR SOAP AND DETERGENT INDUSTRIES PLC.

By

Muluken Banga

ADDIS ABABA, ETHIOPIA

April, 2023

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A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN GENERAL MANAGMENT

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DECLARATION

I, the undersigned, declare that this thesis is my original work, presented under the guidance of **Habtamu Abebaw Worku** (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher institution for the purpose of earning any degree.

Name **Signature**

_____ _____

St. Mary University, Addis Ababa **April, 2023**

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Habtamu Abebaw Worku (PhD) _____

Advisor **Signature**

St. Mary University, Addis Ababa **April, 2023**

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LIST OF ABBREVIATIONS AND ACRONYMS

SSDI: Star Soap and Detergent Industries

SPSS: Statistical Package for Social Science.

ANOVA- analysis of variance

VIF-Variance Inflation Factor

PLC-Private Limited Company

DS-Distribution strategy

LC-Logistic capability

GF- government factor

WM- wholesaler motivation

EDS-Effectiveness distribution system

DC-Distribution Center

DV-Dependent variables

IV-Independent variables

P&G Company-Procter and Gamble Company

ABSTRACT

The general objective of this study is to investigate the effect of different factors that influence the effectiveness of the distribution system in the case of Star Soap and Detergent Industries plc. The study has four main objectives: The first one is to examine the effect of distribution strategy on the effectiveness of the distribution system of Star soap, the second one is to assess the influence of wholesaler motivation on the effectiveness of the distribution system of Star soap, to analyze the influence of logistic capability on the effectiveness of the distribution system of Star soap is taken as the third aspect of the study, and to identify the effect of government factors on the effectiveness of the distribution system of Star soap is placed as a final variable for the study. This research has an explanatory research design. The researcher used both primary and secondary data to get more relevant information. Data was collected from 204 sample size which is drawn from the total population of 564 wholesalers. Quantitative data was gathered through questionnaires, and qualitative data was collected through observation and interviews. Due to this reason, the researcher used a mixed research approach. A sample has been determined based on probability sampling and stratified sampling techniques. The findings revealed that the distribution strategy, logistic capability, government factor, and wholesaler motivation all have positive and significant relationships with the effectiveness of the company's distribution system. Based on the regression analysis, 39.6% of the variation of the output was explained by the distribution strategy, 28.4% of the variation was explained by logistic capability, 13.0% of the variation was explained by government factors, and 11.0% of the variation was explained by wholesaler motivation. Thus, the result revealed that 50.3% of the variation in the effectiveness of the distribution system was due to the influence of distribution strategy, logistic capability, government factors, and wholesaler motivation. To improve the effectiveness of its distribution system, the study recommended that the company pay more attention to its distribution strategy, logistics factor, government factor, and wholesaler motivation. Therefore, study recommended that the company should give more attention about distribution strategy, logistic factor, government's factor and wholesaler motivation to enhance the effectiveness of distribution system of the company.

KEYWORDS: Distribution Strategy, Logistic Capability, Government's Factor, Wholesaler Motivation, and Effectiveness of distribution system

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Distribution is the movement of corporate goods or services from the producer to the market at the appropriate time and in the appropriate amount to satisfy consumer demand (Chwen-Tzeng, 1999). Guan (2010), define "distribution" as the act of making a company's good or service accessible for use or consumption by assembling a distinct team of people or groups that take part in the movement of goods from producers to consumers.

Distribution is "the act of planning, implementing, and controlling the physical flow of materials, completed goods, and related information from the point of origin to the site of consumption to meet customer requirements at a profit," according to Kotler, P. and Armstrong, G. (2001),

The distribution system is one of the most crucial worldwide factors for distributing goods to clients in various regions of the world in the modern business period. Distribution is an important component of the marketing mix, and its effectiveness depends on how well it is integrated into the mix to guarantee that clients receive their products at the appropriate time and location. Competitive advantage and client retention may suffer if the product cannot arrive at the intended location in a timely manner (Yeboah, 2013). Any manufacturing company that wants to succeed in business needs to be able to produce high-quality goods while also making sure they reach customers on schedule, in good shape, and for the least amount of money possible. For this to be achieved there is a need for an efficient and effective distribution logistics structure in place (George & Iravo, 2014).

One of the most crucial worldwide characteristics of the present business era is the system that enables items to be distributed to customers in various regions of the world. Customers will receive their orders at the right time and place thanks to the effective integration of distribution into the marketing mix. If a product does not arrive at its destination on time, it may lose its competitive advantage and consumer loyalty.

Understanding the needs of the consumer is another crucial component of the efficiency distribution system. Multi-channel distribution across all channels is not the ideal choice for every firm. There must be strategic decisions made (Capgemini Consulting, 2011). The volume and, consequently, the scale of order-filling operations have, thus far, been influenced by the

effectiveness of order-gathering operations. Planning and controlling distribution is significantly impacted by this (Wilson and Galligan, 2005). Wilson and Galligan (2005) made the case that businesses should design the ideal distribution system to get goods from the producer to the final consumer. The company's goods or services can be made available in a particular market through all practical channels, such as an intensive, picky, and exclusive distribution route, according to Mwanza and Ingari (2015).

Distribution is one of the most crucial and challenging marketing issues for companies trying to establish themselves in a cutthroat market, according to Arnold and Quelch's (2008) research. Khanna & et al. (2005) state that issues like delivery costs may result in undesired delays and that a lack of a contemporary distribution infrastructure may reduce the efficiency of distribution. To be competitive and profitable in a large, heterogeneous market with a variety of interest groups, soap and detergent manufacturers in Ethiopia should first identify the major challenges that affect the effectiveness of the distribution system. They should then develop the best distribution strategic program. By putting in place a successful distribution system, the business may be able to save expenses, survive, and plan for sustainable expansion. The efficiency of the entire company is likely to suffer as a result.

Distribution strategy, wholesaler motivation, logistic capability, and government factors had an impact on the effectiveness distribution system are the four key variables under consideration.

Star Soap and Detergent Manufacturing Company is one of the prominent and pioneer manufacturing companies in Ethiopia. The company was established in 2002 by investors of Ethiopian origin aiming to produce and distributed soap and detergent to East Africa Do Star Soap and Detergents Industries Plc. produce laundry, personal care, and home care products for all ages and types of Ethiopian consumers? The business uses both direct and indirect distribution methods to efficiently supply those products to all clients.

The market was divided into five regions by Star Soap and Detergent Industries plc. Addis Ababa, the North-East, the North-West, the South-West, and the South-East. The base towns and distribution hubs for the SSDI were Addis Ababa, Disse, Gondar, Adama, and Dire Dawa, respectively.

1.2. Statement of problem

Theoretically, the concept of effective distribution systems serves as a strategic framework to represent the full extent of operational service success. Chwen-Tzeng (1999) defined distribution as the straightforward process of making goods or services accessible to consumers. However, a study by Yeboah et a. (2013) found that distribution is also an integrative activity that makes sure products are

available in the market at the appropriate time and location in addition to playing a significant part in the delivery process. A product's competitive edge and customer loyalty may be harmed if it does not reach its destination on schedule. The operations that take place before the product is delivered to the consumer or end-user are included in the distribution function, according to Mwanza and Ingari (2015). The producer must take everything into account, from the maker to the retailer. After the product is created, it could be stored before being sent to the following place. A study by Paulraj and Chen(2007) at the University of Nottingham in the UK found a direct correlation between distribution logistics performance and overall organization performance. This is because it fosters a relationship between the company and its clients, which has a big impact on client satisfaction and, in turn, influences client loyalty, probably an organization's most valuable asset.

According to a study by George and Iravo(2014), the performance of the distribution logistics system of Bata Shoe Company Kenya Limited is influenced by factors such as customer characteristics, product-related variables, technology-related factors, and distribution structures. The conclusion therefore implied that the outcome might affect the organization's general performance. The majority of respondents, according to the study's findings, concurred that elements related to consumers, products, and distribution structure were more crucial to a company's distribution system than ones related to technology. It was not obvious how government factors, client incentive, and logistical capabilities affected the distribution system. Mangiaracina & et al. (2015) found that a variety of elements, including product traits and similar demand aspects, had an impact on distribution network design choices. The study's descriptions of customers, firm variables, market conditions, and other topics were inadequate. According to Achuora & et al. (2012), the factors that impacted the distribution performance of pharmaceutical products in Kenya's public sector included financial capacity, transportation outsourcing, information systems and partnerships, as well as governments and donors.

According to a recent study conducted in the Russian market by Yatsyshina, (2016). The primary factors influencing the distribution network design of a certain manufacturing company were product attributes, cost-related considerations, market uncertainties, consumer needs, and other factors However, this analysis didn't account for technical considerations, political developments, or other related elements.

Although there has been a lot of research done on the distribution performance of manufacturing companies all over the world, this research may imply something different when looking at the determinants of the effectiveness of the distribution system of Star Soap and Detergent Manufacturing Company. So this study may help Star Soap and other related industries review the performance of their distribution system and identify their own position in the status quo of distribution.

Particularly, in the case of Star Soap Manufacturing Company, based on preliminary observation and the 2017 company annual report, the researcher observed that the company faced a big challenge to deliver the right quantity of products at the right time in the right condition at a reasonable price to every corner of the Ethiopian market as per the demand of the customers. Yet, the company's distribution system is not well organized to solve this challenge. The distribution and logistics department has been placed under the sales and marketing departments. It does not have a well-defined budget other than that which is funded by the sales and marketing departments. Depending on the monthly sales volume, the sales and marketing departments have set budgets for 3-5% of the yearly company sales revenue. Yet the cost of logistics and distribution facilities comes from less than 1% of the sales and marketing budget, which is insignificant. Unlike other departments such as finance, production, sales, and marketing, the distribution and logistics operation of the company is still overlooked as a main business function unit as well.

With all of this in mind, it is understandable why the company gave distribution and logistics operations a lower priority; however, the European Logistics Association, as quoted by Amos in (2007), states that the average cost of an effective and efficient logistic facility for any manufacturing company should be estimated at 15%–20%.

Furthermore, as mentioned above, in 2017, the overall sales performance of the company was not satisfactory. Undeliverable products, which were already sold and paid for in advance by customers but are now stocked in the company warehouse due to delivery delays, account for 15-20% of monthly actual sales. This also demonstrated that customers were unable to obtain the appropriate quantity of product at the appropriate time and location. Thereby, this result might appear to be customer dissatisfaction. In consequence, the company might lose loyal customers due to a lack of trust (Star Soap 2017 Sales and Marketing Report in Ethiopia).

Yeboah et al. (2013) asserted that any company's competitive advantage and customer retention may be eroded if it is unable to deliver its goods at the intended location in a timely manner. Time, quantity, location, and cost are essentially the key factors that determine the performance level of a distribution system. For instance, the performance of the distribution system is adequate if the products are delivered at the appropriate time, in the appropriate condition, and for the least amount of money. Identification, analysis, interpretation, and management of the

internal and external elements that have a negative impact on the operation of the distribution system are crucial steps in the development of a successful distribution system.

Due to these and other gaps, the researcher decided to look at the factors that affect how well the Star soap distribution system works from both the standpoints of employees and wholesalers. As a result, in order to accomplish the aforementioned scenario, the researcher concentrated on identifying the four key factors and exploring the extent to which these factors such as distribution strategy, wholesaler motivation, logistic capability, and government factors had an impact on the effectiveness of Star Soap and Detergent Industries plc, distribution system.

1.3. Research question

1.3.1. Main Research Question

What are the factors that significantly influence the distribution effectiveness of Star Soap and Detergent Industries Plc?

1.3.2. Sub-Research Question

- ✓ What is the effect of distribution strategy influence the effectiveness of the distribution system of Star Soap and Detergent Industries plc?
- ✓ What is the effect of wholesale motivation affect the performance of distribution at Star Soap and Detergent Industries plc ?
- ✓ What is the influence of logistic capability effectiveness of distribution system of Star Soap and Detergent Industries plc?
- ✓ What is the effect of governmental factors influence the effectiveness of distribution system of Star Soap and Detergent Industries Plc?

1.4. Objectives of the Study

This research has the following general and specific objectives.

1.4.1. General Objective

The general objective of the study was to examine the effect of some important factors that influence the effectiveness of distribution system in the case of Star Soap and Detergent Industries plc.

1.4.2. Specific objectives

1. To examine the effect of distribution strategy on the effectiveness of the distribution system of Star Soap and Detergent Industries plc.
2. To investigate the effect of wholesaler motivation on the effectiveness of Star Soap and Detergent Industries ply's distribution system.
3. To analyze the influence of logistic capability on the effectiveness of the distribution system of Star soap and detergent industries plc.
4. To examine the effect of government factors on the effectiveness of the distribution system of Star Soap and Detergent Industries, plc.

1.5. Significance of the study

This study is useful to the following bodies:-

- ✓ ***Star soap and detergent industries plc. (SSDI)***

The findings of this study will have a significant role for Star soap and Detergent industries CEO, shareholders and owners

*To review the status quo of the distribution system.

*To identify the major gaps regarding distribution performance.

- ✓ ***Business Partner***

For any group of people who are interested in business like: investors, transport agencies, insurances, banks and other stakeholders to get good insight about the factors to what extent influence the performance of distribution system.

- ✓ ***Academic Purpose***

For university students, marketers, researchers, scholars and business planners for further reference and future studies regarding to what extent the effectiveness of distribution system has affected by different factors.

1.6. Scope of the study

Although many soap and detergent company in Ethiopia, the study has limited to investigate the determinants of effectiveness of Star Soap and Detergent Factory. The company distributes its products to all over the country in Ethiopia using different intermediaries or marketing channels. However; this study has limited to focus on five market mainly Addis Ababa, Gondar, Adam, Dire Dawa and Dissie market since the company utilized these areas as the base town of the distribution center (Sources: company profile). The company has very limited number of

distributors which is less likely to represent the entire population for research purpose. In case of retailer, it was very difficult to get entire list of retailers to calculate the sample size. However, in the case of wholesaler, the number of wholesalers‟ list data was available and possible to calculate the sample size. Therefore, the researcher was limited to focus on wholesalers as the study of population rather distributors and retailers

1.7. Limitation of the Study

This study has some limitation:

First, the study was focused mainly on the wholesaler and partially on the employees‟ point of views due to some constraints. The opinion of distributors and retailers was not incorporated. Hence the researcher may limit the validity of the study. So as to triangulate and control the biased opinion, it is very important to consider distributor and retailer opinion for further research.

Secondly, the research was limited to Star soap Company not included other private and international organization in Ethiopia. Hence, the research findings may not be generalized to the entire soap and detergent industry in Ethiopia. There by it is recommended for further research to incorporate the private and other organization to expand the scope and acceptance of the factors that affect distribution performance of different industries in soap and detergent sectors in Ethiopia as well. Finally, different research studies conducted on factors that affect the performance of logistics and distribution systems in the case of soap and detergent industry was very limited or not available. It was very difficult to find related study on the same or other soap and detergent factory in Ethiopia. To access literature and journal on the study area might be others barrier for the study. Also the respondents were reluctant and inconvenient to give genuine information during the questionnaire interview.

1.8. Organization of the Research Report

The research was organized into five chapters: Chapter one covered the background of the study, the statement of the problem, the research questions, the research objectives, the significance of the study, the scope of the study, the limitations of the study, the organization of the study, and the definition of terms. Chapter Two outlined related literature reviews such as theoretical reviews, empirical reviews, and conceptual frameworks related to distribution strategy, wholesaler motivation, logistic capability, government factor, and an effective distribution system. Chapter three describes research design, sample size, sampling technique, data sources

and types, data collection procedures, data analysis, and ethical considerations. Chapter four carries on data presentation and discussion. Finally, chapter five had a summary of major findings, a conclusion, and a recommendation.

1.9. Definition of Terms

The most important terms used in this study were defined as follow:

- ✓ Distribution: The flow of products from producer to consumer. (Mwanza, 2015)
- ✓ Strategy: Doing all things needed to do in best situation and achieving goals. (Ghazaleh, 2009)
- ✓ Distribution strategy: The system of shipping of products from manufacturer to end-user to satisfy the customer expectation. (Kabus, & et al., 2017)
- ✓ Wholesaler motivation: is the inner state of wholesaler having a desire to buy products by providing different incentive package by the business firm (Hoyer & Maclinnis, 2010).
- ✓ Government factor: refers to different variables on the government's side that influence the distribution performance. Example: policy, tax rate, tariff system, currency exchange rate and so on. (Dicken, 2003)
- ✓ Distribution channel: refers to the path or routes through which goods and services travel from the place of production to the final users (Yeboah, 2013). It is a method of getting a product to its consumer (Keller, 2008).
- ✓ Intensive distribution: available of the company products or services in all or most possible outlets in the market. (Mwanza, & Ingari, 2015).
- ✓ Selective distribution: available company products or service in limited outlets in the market. (Yeboah , 2013).
- ✓ Exclusive distribution: available company products or services in a single outlet in a particular market. (Kabus, & et al., 2017)

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Theoretical Review

Understanding the theoretical domain is the goal of the theoretical review related to the study subject. The purpose of describing the theories is to give a framework within which to more easily gather empirical data, conduct analysis, and, in the end, arrive at answers to the research questions rather than to produce a full review of their content (Guan, 2010).Numerous academics have written extensively about the theoretical aspects of various issues that influence how effectively manufacturing companies' distribution systems operate.

The flow of goods and services from the producer to the customer is referred to as distribution. Following production, a product could be stored or sent to the next link in the supply chain, which is often a distributor, retailer, customer, or end-user. Distribution is the process of moving products or services from suppliers to final customers

Similar to this, Rushton & et al. (2010) asserted that distribution is the action of making a good or service accessible to the final user or business for use or consumption. Additionally, Kabus & et al. (2017) stated that distribution is the process of moving commodities from a location of production (the producer) to the ultimate beneficiaries (consumers). Direct distribution and indirect distribution are the two different methods of distribution. While indirect distribution refers to methods that are not directly brought about by or resulting from something, direct distribution is the expansion or movement of goods from one location to another without altering course or pausing. Through dealers, the factory's goods is distributed to customers.

According to Yeboah & et al. (2013), distribution is an important component of the marketing mix, and its proper integration is crucial to making sure that clients receive their products at the appropriate time and location. The product's competitive advantage and customer retention may suffer if it is unable to arrive at the intended location in a timely manner.

2.1.1. Distribution Strategy

A distribution strategy is a plan that enables a business to make its goods or services available to customers. Businesses with the greatest distribution strategies have efficient systems in place to get their goods from the manufacturer to the consumer. While many businesses struggle to deliver the correct amount of products at the right time, in the right location, and in the right condition due to a variety of factors

According to Lancaster & Massingham (2011), the expansion of the business organization's sales volume has also been influenced by the distribution system at the time of the exchange of products and services. Customers may receive products directly or indirectly from manufacturers. The price of transportation rises together with the level of transportation. Therefore, before establishing the distribution system, businesses should clearly identify the value of distribution in accordance with the company's business expansion goal. The company organization will be more profitable than its rivals and more competitive in the market if the best distribution system is designed.

A manufacturing company should decide on two things before developing a distribution plan. These include choosing the sort of channel and deciding whether the company will sell directly to end consumers or through middlemen (Kabus, & et al., 2017). Indeed, (Mwanza and Ingari 2015) divided the distribution approach into three categories: direct distribution strategy, intensive distribution strategy, and indirect distribution strategy. Yeboah & et al. (2013) divided the distribution strategy into three categories: intensive, selective, and exclusive.

Noonan (1998) made an argument that products may be provided to clients based on an intensive, selective, or exclusive form of distribution system, which is similar to the study mentioned above. The sales volume of a company's products will deviate from the usual when numerous businesses collaborate closely with a large number of clients at lower prices and lower margins. However, corporations can reduce costs, boost market effectiveness, and create devoted customers if they decide to work with a small number of retailers or a single distributor to distribute their products. According to Antoaneta et al. (2008), intensive distribution is considerably more common in the market today, and goods and services that were previously offered exclusively or selectively are now being stretched to the limits of intense distribution. As a result, the degree of distribution channel, the frequency of delivery, and the operational costs of the enterprises are quite different from one another as a result of the execution of this various type of distribution strategy.

The primary distribution tactics that many manufacturers employ are intensive, selective, and exclusive, according to Stuart et al. (2006). A sort of intensive distribution is when products or services are delivered to a market using all or almost all of the available distribution channels. Stuart (2006) went on to say that the most effective way to market a company's products or services is through intense distribution, but only after the necessary expenditures in demand generation have been made. According to Stern & et al. (1987), the manufacturer's impact on channel member performance decreased with the intensity of brand distribution in a particular market. A brand's reputation and competitive position might be harmed by having an excessive number of channel

partners. In order to encourage ease and affordable prices for the clients, this coverage approach is more suitable for makers of brands that are situated close to the low end of the quality continuum.

In selective distribution, a manufacturer creates a specific brand of good or service for a particular partner, whereas exclusive distribution offers high levels of channel partners' profitability, enabling them to provide functionality consistent with their roles in the "push" strategy, according to Stuart (2006). According to Mwanza & Ingari's (2015) study, exclusive distribution suggests that a manufacturer can exert significant control over the brand's distributors. However, due to the intense level of control exerted by the producer, exclusivity may result in disputes between the manufacturer and the distributors. Exclusive distribution helps to build a brand's reputation as having superior functionality. In order to persuade the target channel members to carry the brand, the producers need a well-trained sales staff. Along with active channel partners, the strategy also counts on devoted customer, distributor, and manufacturer relationships.

2.1.2. Customer motivation

In order to carry a broad range of distributing coverage for consumers, motivating intermediaries to choose the company's products over those of the competition is a crucial method. The main sources of motivation to launch the new product, maximize existing sales, expand the distribution channel, improve the frequency of delivery, increase the frequency of purchase, and grow and profit the overall company business are training support, financial incentives, credit terms, performance recognition, offering reward, offering bonus, discount level, and other supportive packages. Develop a motivational program as a result, and support all levels of intermediaries with these programs to help them perform better and increase the distribution coverage. Regarding the means of dissemination According to Cuellar (2013), while choosing a distribution channel for your goods, you should go with the strategy that reaches your clients the most successfully. You must be aware of your target customers' identities, purchasing habits, locations, occasions, and products.

The degree of distribution coverage required to meet your customers' needs successfully is another important consideration. Distribution coverage is calculated based on how actively the product is made available. The fundamentals of distribution coverage are the density or quantity of stores in a specific geographic area and the type of intermediaries utilized. There are three primary degrees of distribution coverage for goods that customers buy at physical stores: mass (or intensive) coverage, exclusive coverage, and selective coverage. A company that practices mass coverage will attempt to have as many outlets as possible carry its goods or services. In contrast to widespread coverage, exclusive coverage involves only one retail location in a certain geographic area carrying the

company's goods. In selective coverage, a business chooses a few local retail stores to carry their goods.

2.1.3. Logistic Capability

The primary resources and criteria for maintaining a viable and efficient variety of distribution systems in a certain organization are financial, human, and logistical competence. To access wholesalers or other buyers, for example, businesses who cannot afford to have their own sales force may use agents or brokers. However, a business that creates a variety of products for a specific target market can do better by employing a direct route (Cuellar, 2013). Significant financial investments are needed to meet special warehousing requirements like humidity or temperature control. According to Langley (2009), this corporation would prefer centralized distribution networks since they would enable them to make less capital equipment investments.

Designing a distribution network may be constrained in a number of ways by production factors. For instance, production technologies, which refer to the build-to-order supply chain, evaluate whether the product can possible be supplied within a given response time or whether stockpiles should be employed as a safety net (Christopher & Towill, 2002).

2.1.4. Government factors

When, for instance, taking infrastructure availability into consideration, the geographic environment can operate as a constraint for distribution network design (Lovell, & et al., 2005). Additionally, the commercial environment may influence a company's decision about the distribution network architecture. Market characteristics, tax rates in various regions or nations, tariff and non-tariff barriers, and currency exchange rates are some examples of such variables (Dicken, 2003). Overall, there are a lot of variables that might affect judgments on distribution network design that can be discovered in the literature. The decision-making process is not, however, dominated by a single component. It is crucial to take into account product, operational, and demand data as well as other restrictions, as stated by Wanke and Zinn (2004), who also recommended that "no strategic choice should be taken on the basis of the value of a single variable."

Improving service delivery is why forming collaborations with the government is crucial (Cadotte and Stern, 1979). When businesses and the host government cooperate well, they can set a common objective that will serve as a guide for coordinating the use of resources to move toward the objective. This explicitly urges the business to step up efforts to work with the government on the distribution of goods to diverse client groups (Lambert, Boughton, and Banville, 1986).

According to Lambert, et al. (1986), any corporate sector could have a positive working relationship with the government to enhance service delivery. Conflicts arise, though, when the donor and the government don't get along and there aren't adequate processes in place. Models of the inter-organizational exchange process have continuously placed a strong emphasis on conflict resolution (Cadotte and Stern 1979; Frazier 1983), which is seen as the main method for lowering evident conflict in distribution channels (Stern and El-Ansary, 1988). It has been suggested in the literature that there are a number of broad strategic frameworks for handling distribution channel conflicts (Stern and Heskett, 1969), however it is unclear when the process of resolving disputes in distribution channels first emerged. The distribution of humanitarian needs by various government agencies, however, has been positively benefited by relationships with the government and businesses, according to other studies (Brown 1979; Butaney 1989; Lambert, Boughton, and Banville, 1986).

2.1.5. Effective Distribution System

A set of procedures that businesses use before offering their products and/or services is referred to as a strategy in sales and marketing. A successful sales strategy is to meet the right person at the right time and place with the optimal approach in order to persuade that individual. The true definition of strategy is taking action where it is necessary to achieve objectives in the best possible circumstances (Ghazaleh Moghareh Abed, Mohammad Haghighi, 2009).

For many manufacturing companies today, a successful distribution strategy is essential to their success. By drastically lowering expedited freight and the manufacture and repositioning of surplus inventory, Christopher & Towill (2001) claim that the ability to plan and carry out the transportation of the appropriate product to the right place at the right time can also increase the efficiency of the supply chain. Additionally, George & Iravo (2014) noted that having a successful distribution plan is essential for being able to provide clients with high-quality goods. By fostering new relationships and preserving current ones that are already solid, providing precise customer service criteria for products and services can aid in increasing market share.

While many manufacturing companies employ the best logistical and distribution strategies, many others still struggle to deliver the proper amount of goods on time, in the ideal condition, and for the lowest possible price. Therefore, it is crucially important to design the best distribution network system by effectively controlling and managing various factors that have an impact on the efficiency

of delivering products from the point of production to the point of final consumption in order to meet customer expectations.

2.2. Empirical Review

2.2.1. Procter & Gamble Company

In 1991, the Procter & Gamble Company began doing business in Russia. One of the biggest and most successful companies in the world that produces fast-moving consumer goods is P&G. This business manufactured cleaning supplies, homecare items, and personal care items ("P&G Reorganizes into Four Industry Groups under a New CEO," 2013).

Yatsyshina (2016) did a market research study in Russia that examined the Procter & Gamble (P&G) Company's distribution network components. Currently, the business operates more than 70 brands across different parts of the Russian market and dominates its respective product categories ("P&G). The company's spokesperson claims that P&G has more than 3000 SKUs operating in Russia. Moscow serves as the location of the company's Russian headquarters. P&G also runs three production sites and four branch offices in various locations.

2.2.1.1. Distribution network

In Russia, Procter & Gamble has three manufacturing facilities that make goods under the Gillette brand in Novomoskovsk, Dzerzhinsk, and St. Petersburg, respectively ("Procter & Gamble", 2011).

Additionally, the business owns two primary distribution hubs. One is in Novomoskovsk, where products made at the relevant plant are kept in storage. The other one is in Moscow, where supplies from plants in St. Petersburg and Dzerzhinsk as well as imported goods which, according to P&G's logistics manager, make up about 50% of total sales are gathered. The products are either transferred to one of two regional warehouses from these distribution centers or are distributed directly to customers in the same area. Several outlying locations, including Vladivostok and Khabarovsk, are also directly serviced from Moscow, DC. Rostov-on-Don and Novosibirsk are home to the regional warehouses from which items are sent to wholesalers or merchants.

2.2.1.2. Product characteristics

Designing a distribution network is always influenced by a product's qualities or characteristics. When developing the distribution network, the company takes into account both physical qualities and product value since it produces a wide range of products with various volume and weight characteristics. For instance, 43 homecare and childcare goods are manufactured and stored at the Novomoskovsk plant and distribution center. This pairing of product kinds was chosen specifically: childcare supplies like diapers demand a lot of room while being light, whereas homecare products like powders weigh a lot but take up

little space. The products enable full utilization of the transportation capacity when they are transported collectively. The production at the Gillette plant, which has a high product value density, is another example. Distributors find it expensive to obtain fully loaded trucks from the facilities due to the high product density. As a result, P&G chose to relocate the main storage facility for Gillette finished goods to Moscow, where heavy, expensive items can be mixed with less expensive ones for consolidated transportation to clients. The production at the Gillette plant, which has a high product value density, is another example. Distributors find it expensive to obtain fully loaded trucks from the facilities due to the high product density. As a result, P&G chose to relocate the main storage facility for Gillette finished goods to Moscow, where heavy, expensive items can be mixed with less expensive ones for consolidated transportation to clients.

In the company's quest to get rid of significant distribution inefficiencies, the buy size is also important. Only distributors and retail chains that place full truck orders receive direct assistance from P&G. If the quantity of items sought is insufficient, the corporation advises the distributor to order from more substantial middlemen. Such a policy indicates that P&G should stock its distribution centers with a wide enough variety of products with various features.

2.2.1.3. Market uncertainties and customer needs

Product availability, or service level, is the primary element influencing Procter & Gamble and other FMCG businesses' distribution network decisions. The company's desired service level is 98%. This indicates that P&G's goal is to meet 98% of consumer demand in the allotted amount of time. The service level currently makes up 94%. For P&G, response speed is yet another important consideration. A standard response time for established markets like the US and EU is 48 hours, which is the targeted response time for consumer orders. Such quick response times are a result of the FMCG market's fierce rivalry (Yatsyshina, P., 2016).

Customer experience is crucial, but P&G prioritizes retailers over distributors when it comes to service levels. The logistics manager stated that merchants account for "more than 50% of the company's sales, and this percentage is constantly expanding." Large merchants like Magnit even keep safety stock reserves at the P&G warehouse that can't be sent to other businesses. Additionally, the growing presence of large merchants in these areas is one of the main reasons P&G plans to establish additional warehouses in Russia's most remote regions. Customer satisfaction and consumer bargaining power are therefore key considerations in P&G's distribution network decisions. Distributors, on the other hand, rely heavily on the business. Most of them only deal in P&G items, but just recently, distributors were granted permission to sell non-competitive goods. The specific attributes of the most crucial channel retailers play a bigger effect than the total number of channels

via which the goods may be purchased. Return ability is a crucial service characteristic, although its influence on decisions made by the distribution network is minimal. Although P&G employs collaborative forecasting and integrates its ERP system with that of its customers in order to reduce total inventory in the supply chain and increase forecasting accuracy, order visibility doesn't immediately affect the distribution network design (Yatsyshina, P., 2016).

2.2.1.4. Cost related factors

P&G places a high priority on cost effectiveness, however when compared to desired service levels, cost considerations are secondary in the design of the distribution network. Therefore, the lost sales element is the most crucial cost factor. According to Mangiaracina, R., Song, G., & Perego, A. (2015), operational inventory and transportation routing planning, which relate to the second and third stages of distribution network decisions, assess other cost aspects in detail when specific options are taken into account.

When deciding whether to open additional facilities, both facility expenses and educational expenditures are taken into account. P&G establishes specific goals based on the desired service level for capital and operating costs associated with warehouses. The cost of transportation is also strictly regulated. The business uses fully loaded trucks. Following the full-truck strategy is also more cost-effective for clients because it allows for the reduction of fixed expenses per order. As a result, ordered items are frequently separated into two categories: those that are immediately required and "fillers or items that will be required soon (Yatsyshina, P., 2016).

2.2.2. Fast-Moving Consumer Goods Firm in Kenya

Macro environmental elements, including technological, social-cultural, political, and physical variables, as well as internal variables, have significant roles in affecting the channel structure and performance, according to research by (Mwanza & Ingari 2015) done in Kenya. Economic distribution channel theory holds that the "ideal" distribution system is one that takes into account what consumers want from the distribution channel in terms of service outputs, how much they are willing to pay for a particular level of service, how the services can be provided to them, and what the costs of the alternative distribution channels are (Stern et al., 2006). They contend that by analyzing the output from the commercial part of each distribution channel and relating it to the costs and advantages that customers will experience from the various levels of service output provided by the available distribution channels, it is possible to determine which distribution system best fulfills the needs of the customers (Cohen et al., 2000).

2.2.3. Small and Medium Enterprises (SMEs) performance in Indonesia

According to a study by (Kuswantoro, et al.2012) in Indonesia, the success of small and medium-sized businesses is greatly influenced by the effectiveness of the distribution channels. In order to increase the overall performance of the company organization, one of the primary duties that the manufacturing companies should pay close attention to is distribution effectiveness. One way to describe effectiveness is as a long-term firm orientation (Morgado, A.2008). Effectiveness is frequently equated by academics with non-economic performance or a non-financial metric.

(Ataollah & et al.2011) underline the importance of non-financial success for a company's future development. In relation to the distribution problem, (Rhea & et al.1987) observed a strong correlation between customer satisfaction and distribution effectiveness. For instance, if a client anticipates receiving an order in two weeks, the delivery service is deemed to be in operation once the order is delivered sooner than two weeks from the expected delivery date or on the final day of the delivery window. Otherwise, it is said to be ineffective when the order reaches the customer later than the expected time. In fact, the longer the order takes to reach the customer, the less effective the delivery services will be in the eyes of the customer.

2.2.4. Bata Shoe Company Limited firm in Kenya

In addition.(George & Iravo 2014) said that in order for a production company to be successful, it must be able to produce high-quality goods and make sure they are delivered to customers on schedule, in good shape, and for the least amount of money possible. An efficient and effective distribution logistics framework must be in place for this to be accomplished. Many consumers still encounter delivery delays despite the manufacturing businesses' best efforts to make sure that their distribution systems are effective, demonstrating that most companies' distribution logistics performance falls short of customers' expectations.

The results of the study make it abundantly evident that distribution logistics performance is influenced by a variety of elements, including the client, the product, technology, and distribution structure. According to the research, clients' geography, ordered amounts, requirements, and quantity all have an impact on how well distribution operations work.

On product related factors affecting DL performance, the majority of the respondents agreed that the weight of products, product shape, unitization of products, and product range are all factors that affect DL performance, with most respondents strongly agreeing on all four factors.

On the other hand, a majority of respondents are in agreement that material handling technology is a factor impacting DL performance. A majority of respondents are indifferent on the effects of tracking of transit items and communication as technology-related variables on DL performance.

Distribution logistics, on the other hand, was defined by (Skjoett 2002) as the connection between a business and its clients; it includes all operations connected to the delivery of finished goods and items to a customer. Furthermore, such distribution was supported by (Zheng and Zhang 2010).

The goal of logistics is to connect the major body of supply and demand, get around limitations of space and time, and achieve efficient and quick movement of commodities. Logistics is a management activity. It differs slightly from physical distribution in that it also comprises the dissemination of knowledge pertaining to the distribution of tangible items.

According to (Mwanza & Ingari 2015), developing a successful distribution strategy in today's fiercely competitive environment is a complex undertaking. Specifically, the study focused on the role of distribution as a source of competitive advantage for fast-moving consumer goods firms in Kenya. The findings revealed that most of the respondents were of the opinion that the organization learned moderately rapidly and adjusted their distribution strategy in order to achieve competitive advantage.

In order to better understand how different companies distribute their products and the distribution tactics they use in respective markets, (Muthuy,A J. 2008) performed a study. Cosmetic firms received special consideration. This study's goal was to identify the various distribution strategies used in the marketing of goods as well as the variables affecting these strategies' use. According to the study's findings, most businesses have not yet adopted strategic marketing and distribution strategies that will help them sell more products and increase their margins. To guarantee high returns and simple product delivery to customers, a solid distribution route must be chosen. Additionally, businesses should use contemporary technologies to enhance their product distribution. Although this technology may use couriers, online catalogs, phones, and the internet to deliver goods to customers, if it is adopted, it will have a significant positive impact.

According to a study by Matteo K. (2008), the presence of numerous companies in the target market increases competition, making it challenging for a single company to successfully distribute its product in the competing market and boost its income. Lehtonen (2009) affirmed that an increase in the supply of low-cost Chinese FMCG items in the market might be blamed for the lack of distribution of FMCG products by several FMCG firms in Kenya. According to Clow (2007), the supply of goods imported from China, the availability of numerous suppliers, the loss of market share

to competitors, and the quality of competitor items are all factors that influence the market's high degree of competition and how products are distributed. According to McCammon (2009), factors related to pricing that affect how efficiently a company's products are distributed include high transportation expenses, higher inventory management costs, a large number of middlemen in the supply chain, and a lack of price adjustments. According to Schendel's (2008) research, the success of the company's marketing initiatives in raising consumer awareness of its goods persuaded many customers to pick FMCG over rival companies that had more successful marketing initiatives. According to a study by Tang (2007), the supply of goods coming from China, the presence of several suppliers, the loss of market share to rivals, and the caliber of rival items all have an impact on how quickly-moving consumer goods are distributed locally.

2.2.5. Sameer Africa Ltd located in Nairobi, Kenya

Furthermore, Nairobi, Kenya-based Sameer Africa Ltd. was the subject of an investigation by Adimo et al. (2017) into the relationship between differentiation strategy and performance. This study examined how much Sameer Africa (K) Limited's channel differentiation strategy affected the company's performance. The majority of participants in the research believed that channel differentiation may give Sameer Africa (K) Ltd a competitive edge. This suggests that increasing channel differentiation strategies would improve performance through market share, r. Examples of these strategies include using market trends to determine the best channel strategy, using various channels to reduce distribution costs, selling some of the products and services through intermediaries and complementary businesses, and applying various distribution channels to satisfy different customer needs.

2.2.6. Commercial Banks in Kenya

Amara (2012) investigated how marketing distribution channel strategies affected the performance of Kenyan commercial banks. The purpose of the study was to identify the distribution channel methods used by Kenyan commercial banks and to ascertain the relationship between those strategies and bank performance. A descriptive survey research design was used for the investigation. All forty-three of Kenya's commercial banks made up the study's sample. The study made use of both primary and secondary data gathered by way of surveys. According to the survey, banks used several distribution channels, electronic banking, and their branch network (Amara, 2012). Sales, market share, and profitability all improve as a result of the marketing and distribution tactics.

2.2.7. China Distribution System

According to Sherriff (1998), several multinational corporations have lately reorganized their market portfolios to include China as one of the top strategic markets. These corporations are eager to determine the best entrance strategy to take advantage of the potential in China. Market entry mode is determined by the channel structure of the target international market. The kind of distribution channel to utilize is one of the major issues that must be promptly resolved by global companies who are thinking about entering the China market. Since the channel environment in China and Western nations differs significantly, channel management strategies developed based on Western experiences might not be suitable for China's needs. In addition to the firm's strategic requirements, a full grasp of the substantive channel structures, patterns, and features of channel members' marketing behavior is a prerequisite for the selection of marketing channels for the China market. The entire Chinese distribution system has been significantly altered by the implementation of a number of distribution reform programs, and as a result, a new pattern of multi-channel competition has emerged (Luk, 1995). When it comes to creating an efficient market entry strategy and choosing marketing channels that can take advantage of prospects in the developing Chinese market, China raises important issues.

The main objectives of this paper are to identify structural changes in the country's distribution system and investigate the associated changes in channel operation, roles and status of different types of channel members, and the nature of relationships among channel members by reviewing recent developments in chronological order and emerging trends in distribution reform in China. On this foundation, it also seeks to identify the marketing difficulties and problems brought on by such changes, which are crucial for good channel management and channel design. Ideally, this inquiry will provide some insights into how to create a channel structure that matches the firm's marketing goals.

2.3. Conceptual Framework

A conceptual framework is a framework that the researcher thinks can most effectively describe how the phenomenon being investigated develops naturally (Camp, 2001). It provides a logical framework of interconnected ideas that aids in painting or displaying how concepts in a subject relate to one another (Grant & Osanloo, 2014). The analysis of the conceptual framework demonstrates how various independent variables are conceptually integrated with the efficiency of manufacturing companies' distribution systems. As seen in the model below, the independent and dependent variables should be briefed diagrammatically.

2.3.1. Conceptual model

With the success of the Star Soap and Detergent Industries distribution system as the output variable, the conceptual framework or model work has been constructed using input variables such as distribution strategy, logistic capability, distributor incentive, and government considerations. The speed of delivery, the ease of the distribution system, the system's profitability, the customer's preference for the product, and the incentive package for customers are the metrics used to quantify the dependent variable. As a result, the conceptual framework of this study entails examining the relationship between the input variables and the output variable as well as determining how much the predictors have an impact on the company's distribution system's effectiveness. The theoretical or conceptual framework is typically communicated graphically or through a story.

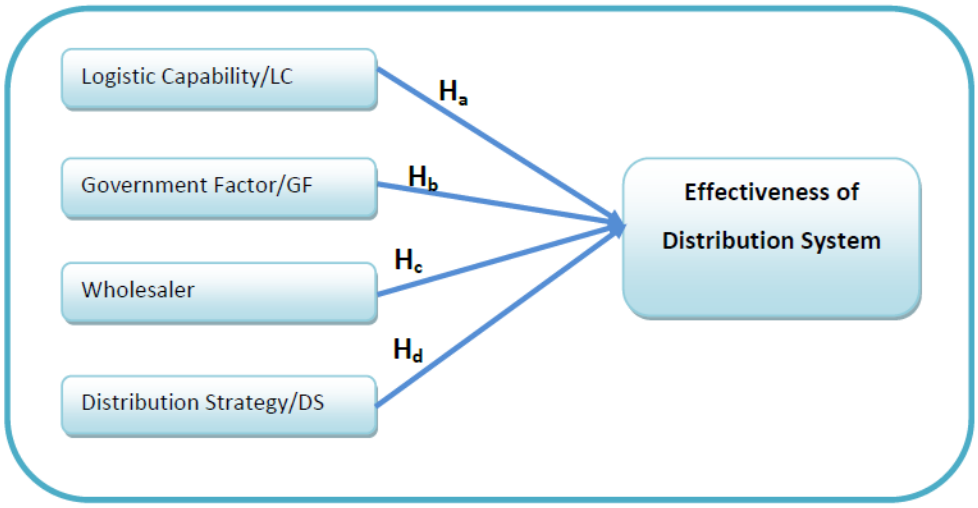


Figure 1- Conceptual frame of Factor that affect the effectiveness of distribution system Source: (Adopted from Achuora, 2012)

2.3.2. Hypothesis

The conceptual framework model illustrates the degree to which four various aspects in the case of Star Soap and Detergent Manufacturing Company have an impact on the efficiency of the distribution system. These include wholesaler motive, logistical capacity, government factor, and distribution strategy. A hypothesis test will be used to determine how much the elements affect the distribution system's effectiveness. The impact of the independent variables (factors) on the efficiency of the distribution system is tested using four hypotheses. Like as

- ✓ Hypothesis 1a: The distribution strategy has a positive and significant effect on the effectiveness of the distribution system of Star soap.

- ✓ Hypothesis 1b: Wholesaler motivation has a positive and significant effect on the effectiveness of the distribution system of Star soap.
- ✓ Hypothesis 1c: Logistic capability has a positive and significant effect on the effectiveness of the distribution system of star soap.
- ✓ Hypothesis 1d: The government factor has a positive and significant effect on the effectiveness of the distribution system of Star soap.

2.3.3. Relationship between determinant factors and efficiency distribution system

(Mwanza et al. (2015) define "conceptual framework" as the outcome of conceptualizing the relationship between study variables and illustrating it graphically or diagrammatically. As a result, a linked set of variables supports the critical analysis. Both dependent and independent variables are present. Changes in an experiment that are directly brought on by the experimenter are known as independent variables. A variable that is believed to affect or determine a dependent variable is known as an independent variable. Its values don't reflect a problem that needs to be explained in an analysis and can be altered as needed. Instead, they are just taken as given. A variable that depends on another variable is said to be a dependent variable. What can be assessed and what is impacted by the experiment are its independent variables. The independent variable affects the dependent variable's behavior. Because it "depends" on the independent variable, it is known as a dependent variable.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Description of the Study Area

The effectiveness of SSDI PLC's distribution system was the main subject of this investigation. From 2018 through 2021, the company's distribution performance and sales history were examined. Because these towns were previously intended to serve as base towns and major hubs for product distribution to the surrounding market when the corporation classified Ethiopia's market into five sections, the researcher chose Addis Ababa, , Dessie, Gondar, Adama, and Dire Dawa Market as the study's target area (Source: Company profile, Star Soap and Detergent Industries Plc.). In order to confirm the researchers' conclusions, other research in the topic of this study has been examined. While certain top-level management should be questioned by the researcher to learn more about the organization, wholesalers were primarily targeted as respondents.

3.2. Research Approach

According to Crewswell (2009), quantitative research is implied by quantitative data, which can be quantified in numbers through statistical analysis, whereas qualitative research is a type of testing that is fundamentally done based on qualitative data, such as text data from an interview transcript. According to Crewsell (2009), mixed techniques of research can be used to strengthen the study more than either qualitative or quantitative research by using both forms of data.

Since this study used both interviews and closed-ended questionnaires to acquire data from respondents, the researcher used a mixed research approach.

3.3. Research Design

A conceptual framework based on independent and dependent variables has been produced by the research to pinpoint the effects of variables on the firm's distribution system. The effectiveness of the distribution system (EDS) was regarded as the dependent variable, with the distribution strategy (DS), wholesaler motivation (WM), logistical competence (LC), and government factor (GF) as the independent variables. Explanatory research (also known as causal research), according to Mwanza, Pius, and Ingari (2015), is a development of descriptive research. It was used to quantify, regulate, and establish causal links between variables.

The aim to understand why to describe the goal of explanatory research is at the heart of explanatory design. It expands on descriptive or explanatory research to determine the cause of an occurrence. Writing with an explanation seeks out factors and causes. It determines which explanation among multiple is best, determines the veracity of a theory's prediction or principle, and it explains things rather than just reports them. As a result, this study has employed both a descriptive and an explanatory research approach to meet the research issues. Additionally, this study used a cross-sectional research design.

3.4. Data type and source

Data sources were employed in the study. Kothari (2004) defined primary data as those that were gathered for the first time and had a distinctive nature. On the other hand, secondary data are those that have already been gathered and subjected to the statistical process by another party. The replies of respondents gathered through a questionnaire were utilized to base Kothari's categorization on primary data. In addition, the study also used secondary sources of data, such as information from star soap, printed and unprinted materials, and electronic sources.

3.5. Population

The wholesalers of the star soap and detergent sectors in the five distinct base towns of the Ethiopian market were the study's intended audience. In terms of desire, cleaning practices, culture, and region, these customers have diverse preferences. The information on the company profile indicates that there are 564 wholesalers. In the Addis Ababa region197, there have been 118 North -East wholesales, with 102 in the North-West, 124 in the South-West, and the final 23 in the South-East. The total population of the study is 564 wholesalers.

3.6. Sampling Size

The formula created by Taro Yamane (1967) gave a simplified formula to compute the sample sizes from the whole study population of 564 Wholesalers, active in buying and selling star soap and detergent sectors products. The sample size for the investigation was likewise determined using this formula.

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

n denotes the sample size.

N is the population size, and

e = the 5-percentage-point error

n = 564

1+564 (0.05)2\s= 234

As a result, samples from 234 of the total members were chosen to serve as a representative sample in accordance with the formula created by Taro Yamane.

3.6.1. Sampling Technique

Probability sampling is the term for the random selection of each component of the population (Parasuraman et al., 2007). This technique is crucial because it gives each member of the population a known chance of being represented in the sample (Burns and Bush, 2006). Consequently, it is possible to assess the accuracy of sample estimates of the relevant attributes by probability sampling (Malhotra, 2007). However, emphasize that prior to beginning the sampling process, a sampling frame and knowledge of the sampling units are required for the majority of probability sampling procedures (Aaker et al., 2007). There are numerous types of probability sampling techniques, including stratified, cluster, random, and systematic sampling. Technically, samples could be separated from the heterogeneous strata and sorted into homogeneous strata, according to Malhotra (2010). However, emphasize that in the majority of probability sampling techniques, the term "stratified random sampling" refers to this kind of sampling. The target demographics for the Star soap and detergent sectors are dispersed throughout the nation. These target audiences differ in terms of geographic location, trade or labor experience, working capital, sales volume, consumer behavior, and degree of distribution channel. Therefore, the researcher judged that a stratified sampling strategy was appropriate to draw a sample for this study because of the characteristics of the targeted population. Then, the researcher separated this diverse group of individuals into five groups based on shared interests. The process of sample unit selection is gone as follow:

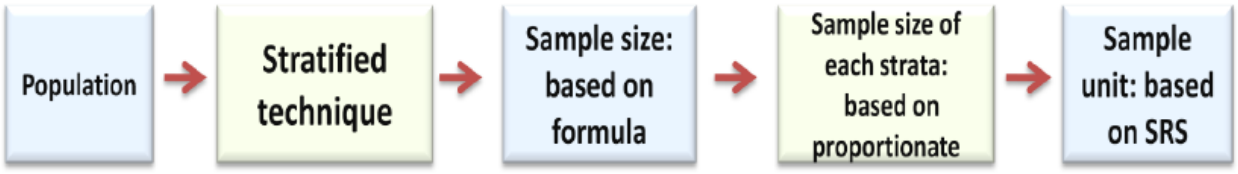


Figure 2- Sampling technique

Region	Number of Wholesaler	Wholesaler %	Sample size

Addis Ababa	197	35%	82
North-East	118	21%	49
North-West	102	18%	42
South-West	124	22%	52
South-East	23	4%	9
Total	564	100%	234

Table 1- Stratified sampling technique
Stratified sampling technique

To ensure that each sample unit appropriately represents both the sample size and the study's population, sample units are also chosen from the sample size. The lottery method, interval sampling methodology, and other methods can be used to draw a sample unit. The researcher preferred an interval sampling approach-based systematic sample strategy since it was more practical, quick, and cost-effective. A document containing the respondents' (wholesalers') list was accessible (the company profile). Then, by dividing the population size by the desired value and rounding to the closest integer, the value of kth is calculated. Then choose the position at the top of the population list at random. Finally, take every kth name on the list beginning at that position until the appropriate sample size is reached (Malhotra, 2010).

$$Skip\ interval\left(\mathrm{K^{th}}\right) = \frac{\text{Population size (N)}}{\text{Sample size (n)}}$$

Figure 3- Skip interval determining formula Sources: Malhotra, 2010

Subgroups	Population	Sample	Skip interval (Kth)
Addis Ababa	197	82	2
Dissie	118	49	2
Gondar	102	42	2
Adama	124	52	2
Dire dawa	23	9	3

Table 2- Systematic random sampling through skip interval technique
Source: Research survey, 2022

3.7. Instrument Design for Data Collection

Cronbach's alpha coefficients were used to gauge how consistently each respondent's opinion was consistent within themselves. Since 2010, the questionnaire items have been developed by reviewing a variety of pertinent literature, including distribution strategies (Mwanza & Ingari, 2015), customer motivation (Cuellar, 2013), logistical capability (Onstein et al., 2018), government factors (Achuora et al., 2012), and the efficiency of distribution systems (from Kuswantoro et al., 2012).

3.8. Data sources and Collection Procedure

3.8.1. Primary Data

The original data consists of unpublished first-hand accounts. The information was gathered through preliminary interviews with firm sales and marketing manager and questionnaires that resembled Likert scales with respondents from wholesalers.

3.8.2. Secondary Data

Information that has already been gathered by someone for another reason is known as secondary data. Both raw (information that has undergone little to no processing) and compiled (processed and/or summarized) data fall under this category. Secondary data was acquired by the researcher from books, journals, a sales and marketing report from a company, a website with statistics data, etc. The researcher then used statistical software version 20 analyses to summarize and evaluate the data they had gathered.

3.9. Unit of Analysis

The distribution system of Star Soap and Detergent Industries plc has used as the unit of analysis by the student researcher. The intended audience for the questionnaire on the factors affecting the efficiency of the company's distribution system was wholesalers and workers.

3.10. Data Analysis

A questionnaire and interviews with respondents were used to gather the data. Version 20 of the Statistical Package for Social Scientists (SPSS) was used to evaluate the data that was gathered. The researcher used inferential statistics (correlation and multiple linear regression analysis) to evaluate the relationship between dependent and independent variables using correlation as well as the cause-and-effect relationship between predictor and predicted variables. Descriptive statistics were used to summarize the fundamental characteristics of data.

According to Harrell (2001), independent variables could be used in a multivariate linear regression model or formula to predict the impact of dependent variables. The prototype is

$Y = a + b1x1 + b2x2 +.... + bkxk$

$Y ==a + b1x1 + b2x2 + e$

Where:

- ✓ The independent variables are x1, x2, +. + e, and then:
- ✓ a = the point at which the regression line crosses the y-axis.
- ✓ b1 = the partial slop for x1 on Y
- ✓ b1 is the change in y for one unit change in x1 that controls x2.
- ✓ b2 = partial slop for x2 on Y.
- ✓ b2 represents the change in y for one unit change in x1 that is controlling for x1.
- ✓ e= the error term

Therefore, the researcher adopted the above model as:

$EDS = a + b1LC + b2GF + b3WM + b4DS + e$

Where Y = EDS, x1 = LC, x2 = GF, x3 = WM, x4 = DS

Assume: EDS = Effectiveness of Distribution System; GF = Government Factor; LC = Logistic Capability; WM = wholesaler motivation and DS = distribution strategy.

3.11. Test of Reliability and Validity

3.11.1. Reliability

The consistency of a variable's measurements is referred to as reliability (Hair et al., 2010). Furthermore, Cronbach's alpha is a crucial instrument for determining internal consistency and evaluating the dependability of the variables, according to Rovai et al. (2014). Conbach's alpha coefficients, as noted by George & Mallery in 2003, range from 0.5 to 0.90.

If a test consistently yields the same results, it is said to be reliable. The closer the Cronbach's alpha is to one, the greater the internal consistency and dependability of the research instrument. The higher the internal consistency and reliability of the research instrument, Furthermore, Hinton et al. (2004) have suggested four cut-off points for reliability as Cronabch's alpha value ranges

Cronbach's Alpha statistic value	Results
Above 0.9	Excellent reliability
0.70-0.90	High reliability
0.50-0.70	Moderate reliability
Below 0.50	Low reliability

Figure 4- Sources: Adopted by George & Mallery, 2003

Therefore, as per the discussion above, the researcher used Cronbach's alpha to evaluate the internal consistency of variables designed to collect the respondents' views with regard to research topics.

3.11.2. Validity

Another important tool in the research process is validity. The degree to which a measuring device captures what it was designed to capture (Thatcher, 2010). Although reliability is crucial for studies that check the accuracy and validity of instruments, it is insufficient without validity. It is important to develop the measurement instrument item in addition to conducting a valid and reliable test of the questionnaire (Wilson, 2010). The validity test of a questionnaire has been divided into four areas, according to Taherdoost (2016): face validity, content validity, construct validity, and criteria validity.

The instrument measurement is already valid and tested because it was created using standardized questionnaires as a base, with a few minor modifications and changes. However, the researcher utilized face validity to examine how the modified and new questionnaire appeared in terms of readability, style and formatting uniformity, and the clarity of the language employed. According to Oluwatayo (2012), face validity is the subjective evaluation of a measuring instrument's items based on how relevant, logical, unambiguous, and clear they appear to be.

3.12. Ethical Consideration

This study was conducted exclusively for academic purposes. In order to gather pertinent data from only willing participants, the researcher created questionnaires. The customer's consent should be honored while data is being collected. During the introduction section of the questionnaire**,** respondents received a brief explanation of the study's general objective and purpose**.** Additionally, all data gathered from responders was kept in complete confidentiality. To preserve its originality, an independent translator translated the survey's English version into Amharic, and then the Amharic version was translated back into English.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND RESULT DISCUSSION

4.1. Introduction

The presentation, interpretation, and discussion of the studied data's results are covered in this chapter. Selected wholesalers received 234 questionnaires. Wholesalers correctly completed 204 surveys, and 87.2% of them were collected. 30 respondents did not respond, making about 12.8 percent of the data that was not collected. The data was then examined using multiple linear regression and correlation statistical techniques from the Statistical Package for Social Science (SPSS) version 20.

4.2. Descriptive Analysais : Respondents Demographic Profile

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		3	1.4	1.4	1.4
	Male	144	69.6	69.6	71.0
	Female	60	29.0	29.0	100.0
	Total	207	100.0	100.0	

Table 3- Gender profiles of respondents

Table 3 above reveals that 60 of the respondents, or 29% of the total, are female and 144, or 69.6%, are male. This indicates that men make up the vast majority of respondents. Nearly one-fourth of responses are female compared to male responders, with the remaining three-quarters being men. Male involvement in the wholesale industry is therefore preferred to female involvement.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35	61	29.5	29.9	29.9
	36-45	81	39.1	39.7	69.6
	46-55	52	25.1	25.5	95.1
	> 55	10	4.8	4.9	100.0
	Total	204	98.6	100.0	
Missing	System	3	1.4		
Total		207	100.0		

Table 4- Age profile of respondents

Table 4 shows that 81 respondents, or 39.1%, were between the ages of 36 and 45. While 52 or 25.1% of the respondents were between the ages of 46 and 55, 61 or 29.5% of respondents were between the ages of 26 and 35. The remaining respondents, 10, or 4.8% of those surveyed, were older than 55. This suggests that, as evidenced, the bulk of the responders were aged 36 to 45.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	105	50.7	51.5	51.5
	master's degree	88	42.5	43.1	94.6
	Above master's degree	11	5.3	5.4	100.0
	Total	204	98.6	100.0	
Missing	System	3	1.4		
Total		207	100.0		

Table 5- Age profile of respondents

In terms of the respondents' educational backgrounds, 51.7% had first degree; the second-largest group has a Master's degree which makes up 42.5%. The remaining respondents comprises 5.3% had educational qualification above Master's degree and the 1.4% of respondents were missing. This outcome demonstrates that more degree holders work with Star Soap and Detergent Industries plc. Which will improve the efficiency of the company's distribution network.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<10,000	11	5.3	5.4	5.4
	10,000 -24,999	10	4.8	4.9	10.3
	25,000- 49,999	84	40.6	41.2	51.5
	50,000	99	47.8	48.5	100.0
	Total	204	98.6	100.0	
Missing	System	3	1.4		
Total		207	100.0		

Table 6- Respondents investment capital profile

According to Table 3.7's results, 99 respondents, or 47.8%, had investment capital more than 50,000 ETB, while 84 respondents, or 40.6 percent, had investment capital between 25,000 and 49,999 ETB. Ten (4.8%) and eleven (5.3%) of the respondents had investment money between 10,000 and 24,999 ETB and less than 10,000 ETB, respectively. This suggests that the majority of respondents have more than 50,000 ETB in investing capital. That means; 41.2% of the respondents had 25,000 to 49,999 birr investing capital.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1 year	11	5.3	5.4	5.4
	2-5 year	84	40.6	41.2	46.6
	6-10	99	47.8	48.5	95.1
	>10year	10	4.8	4.9	100.0
	Total	204	98.6	100.0	
Missing	System	3	1.4		
Total		207	100.0		

Table 7- Work experiences of respondents

The above table 7 and Figure 1.4 shows that number of work experience of respondents. Thereby as of the table, 84 or 40.6% of the respondents have 2-5 years' work experience and 99 or 47.8 % of the respondents have 6-10 years. The rest 10 or 4.9 % and 11 or 5.3% are respondents having more than 10 years and less than 1 years of work experience. This implies that among from 204 respondents, the majority of them have more than 6-10 years working experiences.

4.3. Assumption Test

4.3.1. Reliability Test

Reliability is the internal consistency of measuring variables or questions (Hair, 2010). The reliability of different questions is measured by Cronbach's alpha. Cronbach's alpha should be between 0.05-0.09.The purpose of Crobach's alpha is to prove that multiple measures of the same thing exist (George & Mallery, 2003).

According to George & Maller, if the Cronbach's alpha value is between 0.70 and 0.90, the internal consistency of measuring variables is highly reliable. While it is greater than 0.90, there is excellent reliability for variables. And then if the value is between 0.50 and 0.70, the variables are moderately reliable. However, if the Cronbach's alpha value is less than 0.50, the consistency of variables has low reliability. Therefore, the measuring variables in this case will be unacceptable.

Variable	Item	Cronbach's Alpha	comments

Logistic capability	5	0.704	Accepted
Market Factor	5	0.819	Accepted
Government Factor	5	0.849	Accepted
Wholesaler Motivation	5	0.785	Accepted
Distribution Strategy	5	0.759	Accepted
Effective dis.system	6	0.693	Accepted
Overall Reliability	31	0.768	Accepted

Table 8- Reliability test value of each measuring variables

Hence the above table 3.6 shows that the internal consistency of measuring variables was highly reliable.

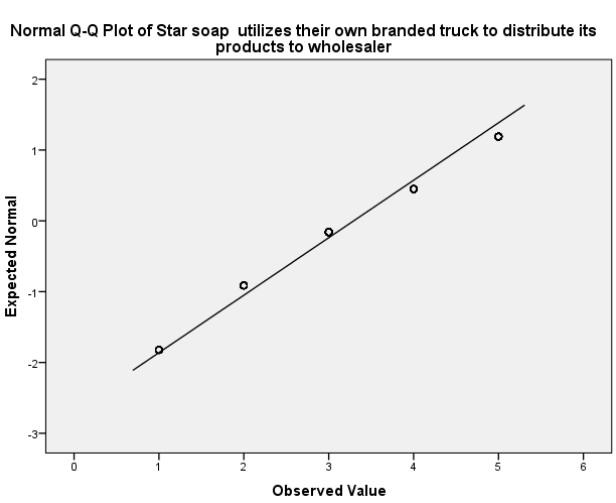
4.3.2. Normality test

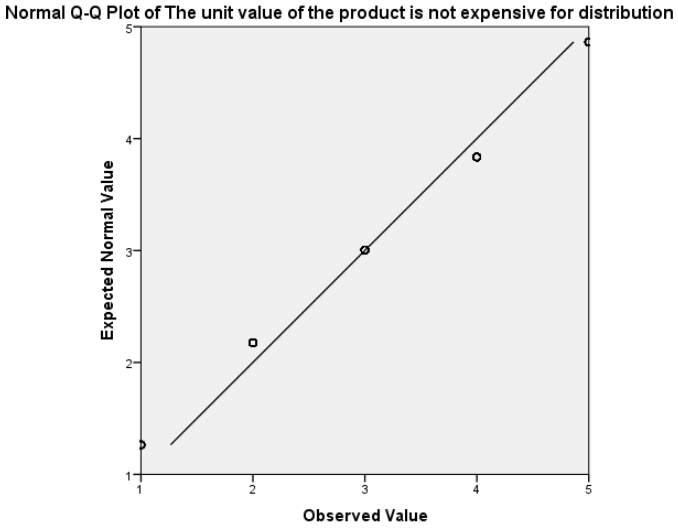
Normality test is one of the assumption tests to check whether the data is normally distributed. The normality test can be checked in terms of normality plot graph or Skewness and Kurtosis value. When data is normally distributed, the Skewness and Kurtosis z-value should be between -1.96 and +1.96 (Field, A., 2013).

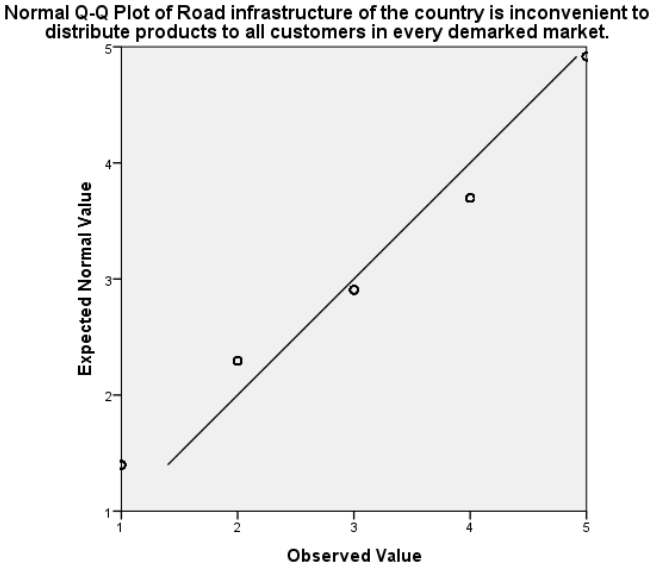
	L.Capablity	M.Factor	Gov. Factor	motivation	Dis.strategy	Eff.dis .system
N valid	204	204	204	204	204	204
Missing	3	3	3	3	3	3
Skewness	-705	-044	-703	-264	-196	-705
Std.Error of Skewness	.129	.129	.129	.129	.129	.129
Kurtosis	.324	.519	.738	.663	.169	.324
Std. Error of Kurtosis	.258	.258	.258	.258	.258	.258

Table 9- Skewness and Kurtosis z-value

The above table 3.7 shows that each z-value of Skewness and Kurtosis are between the ranges. Therefore, this implies that data is normally distributing. Moreover, let's see the normality assumption plot test







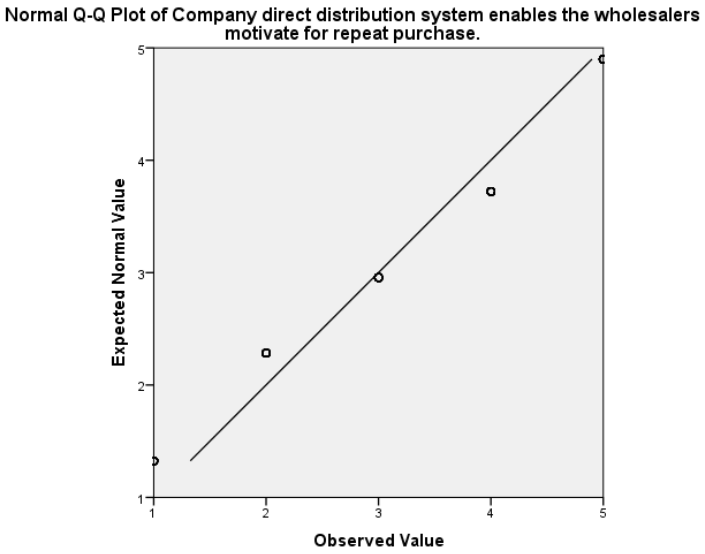


Figure 5- Normality plot test.

Source: survey data, 2022

4.3.3. Multicollinearity Test:

When analyzing the relationship between predictors, it is critical to make the assumption of multicollinearity in the diagnosis. It is a non-linear regression analysis, which is used to analyze relationships that do not have a straight-line pattern. In multiple linear regressions, the multicollinearity test provides information about whether there is a strong relationship (correlation) between a number of predictors and another predictor. Therefore, if the variance

inflation factor value is greater than 10, there will be a serious multicollinearity problem, whereas tolerance values below 0.2 indicate a serious multicollinearity problem. As a rule of thumb:

- the coefficient of the tolerance value is greater than 0.2 (Menard, 1995)
- Variance inflation factor (VIF) value is less than 10 (Myers, 1990).

Model	Collinearity Statistics Tolerance	VIF
L. capability	.510	1.961
Govt. factor	.963	1.039
W. motivation	.783	1.277
D. strategy	.504	1.984

A. Dependent Variable: ED. System

Table 10- Collinearity test
Source: Own survey, 2022

According to the above table 3.8 shows that each predictor has tolerance value greater than 0.2 and the variance inflation factor value less than 10. Therefore, this implies that there is no serious multicollinearity problem between the independent variables.

4.4. Inferential Statistics

4.4.1. Correlation Test

Pearson correlation is the first parametric test to measure the presence or absence of linear relationship between two variables. In addition to this, Pearson correlation also shows the strength of that relationship and its direction. That is the variables may have positively or negatively related. According to Zaid, 2015 revealed that the correlation coefficient has a value ranging from -1 to 1. If the value of Pearson correlation is “1”, it is perfect positive correlation, “0”, there is no correlation and if its P. correlation is“-1”, it is perfect negative correlation.

Correlation test				
Independent variables	**Dependent variable (EDS)**			
	Pearson correlation	Sig. (2 tailed)	N	**Result**
L. capability	0.610	0.000	204	**Has positive & significant relation**
Govt. factor	0.226	0.000	204	**Has positive & significant relation**
W. motivation	0.414	0.000	204	**Has positive & significant relation**
D. strategy	0.656	0.000	204	**Has positive & significant relation**
Hypotheses versus the correlation test				
Hypotheses			Result	**Reasons**
H1a :LC has a positive & significant effect on the EDS			Yes	**All p-value=0.001, which is <0.005 & all of Pearson correlation is b/n "+1 & 0"**
H1b: GF has a positive & significant effect on the EDS			Yes	
H1b: WM has a positive & significant effect on the EDS			Yes	
H1b: DS has a positive & significant effect on the EDS			**Yes**	

Table 11- Correlation test

Source: Survey data, 2022

As of table 11 shows each variable of the Pearson correlation has between "0" and "1" as well as P-value less than 0.05. Therefore, all variables have a positive and significant relation with the effectiveness of the company distribution system.

4.4.2. Multiple Regression analysis:

Multiple linear regression analysis is the non-functional model. It is one of the statistical analyses used to test the relationship between output variable and the set of input variables. Multiple regression analysis is also an important statistical tool to estimate the level of predictor cause and effect on the predicted variable. Sometimes it is said to be a predictive techniques (Bluman, 2009). There are four tables under regression analysis in SPSS statistical software. Each table shows that it's all about the relationship and effect of dependent and independent variables. The detail interpretation of the outcomes is as follow:

Variables Entered/Removed

Mode 1	Variables Entered	Variables Removed	Method
1	D.strategy,Govt. factor, L.capability,W. motivation[b]		Enter

a. Dependent Variable: ED. System

b. All requested variables entered.

Table 12- Variable entered model

Source: Own survey, 2022

Table 12 indicates that the dependent and independent variable entered to be analyze. There for as shown the above table model, the dependent variable is the effectiveness of distribution system (ED. System) and the independent variables are the distribution strategy (D. strategy), the government factor (Govt. factor), the logistic capability (L. capability) and the wholesaler motivation (W. motivation).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.376[a]	.141	.137	.94315

a. Predictors: (Constant), The unit value of the product is not expensive for distribution

Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713[a]	.508	.503	.343

a. Predictors: (Constant), D. strategy, Govt. factor, W. motivation, L. capability

Table 13- Model of summary

Source: research survey, 2022

Table 13 shows that R=0713 (71.3%), R^2=0.508 (50.8%) and the Adjusted R^2=0.503 (50.3%). This above model shows that the relationship between the dependent and independent variables. Thus, the effectiveness of the distribution system has a correlation coefficient of 0.713. R^2 is important to explained the variants of the dependent variable; it is just the square of R $(0.713)^2$. As the name implies the correction of R-squared said to be adjusted R^2, this is important to reduce the over estimation of R^2. Normally the value of adjusted R^2 is smaller than R^2 thus, usually the key value of the adjusted R^2 model is very important to capture the variants of the output variables (Field, 2005).

Therefore, the above table 3.11 indicates that, 50.3% the variation of the dependent variable (effectiveness of distribution system) explained by the independent variables and 49.7% of the variation of the effectiveness of distribution system of star soap and detergent industries plc.

Table 14- ANOVA test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.514	4	10.628	90.477	.000b
	Residual	41.115	350	.117		
	Total	83.629	354			

a. Dependent Variable: ED. System

b. Predictors: (Constant), D. strategy, Govt. factor, W. motivation, L. capability

Source: Survey data, 2022

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.546	1	29.546	33.216	.000[b]
	Residual	179.684	202	.890		
	Total	209.230	203			

a. Dependent Variable: Star soap's distribution system is convenient to wholesalers

b. Predictors: (Constant), the unit value of the product is not expensive for distribution

Analysis of variation (ANOVA) is the third table of model in regression analysis to decide whether the regression model is strictly significant or not. If the p-value is below 0.05 or 5%, the ANOVA equation is estimated as statistically significant. The F-ratio is calculated by dividing mean regression by mean residual. If the F-ratio is greater than one, the model is valid (Harrell, 2001).

As of the above ANOVA table 14 indicates that the p-value of the overall model is 0.001 (not described as p=0.000) and F-ratio is 90.477.

Therefore, this implies that the model is valid since the F-ratio is greater than one (90.477) at 4 and 350 degree of freedom and it statistically significant to the data at 95% confidence interval because the P-value is less than 0.005.

Coefficients[a]

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.013	.171		5.932	.000
L. capability	.157	.029	.284	5.417	.000
Govt. factor	.130	.038	.130	3.403	.001
W. motivation	.102	.039	.110	2.600	.010
D. strategy	.258	.034	.396	7.505	.000

Table 15- Coefficient model

Source: Survey data, 2022

The last important table of regression is coefficient table which indicates whether the predictor has significant contribution on the output variable or not. The T-test has associated with the P-value to check the significant contribution of the model. The smaller value of Sig ($P<0.05$) and the larger the T-value, indicates there is high significant of contribution of predictors on dependent variables. As per the above table 14, the prediction level of independent variables indicates as the model of (t (df) = t-value, at P-value < 0.005). For example, the logistic capability (t (204) = 5.417, $P<0.05$); government factor (t (204) =3.403, $P<0.05$); wholesaler motivation (t (204) = 2.600, $P <0.05$) and distribution strategy (t (204) = 7.505, $P< 0.05$) are all indicates that they are positive significant contribution on the effective distribution system of the company. From this model, it is possible to conclude distribution strategy has high significant effect on the output variable and wholesaler motivation has relatively low impact on the distribution system whereas the remaining variables had medium impact on the dependent variables compare to other input variables.

On the other hand, the information of the real effect of relationship between dependent and independent variables are shown by the value of standard coefficient table of regression model (Beta value). Here there is constant and beta coefficient in order to get good prediction of the dependent variables by independent variables. The constant value is used as the initial value when the beta value becomes zero. However, according to the above table 15 depicts that there are four beta values align with each independent variable.

The table 15 indicates that the p-value of each predictor is 0.001 ($p=0.001$) and the beta coefficient values are all positive. These results have more interpretation. Such as:

- ✓ All predictors are strictly significant or valid
- ✓ All independent variables are directly associated with dependent variable since the beta value of all predictors are positive

- ✓ Hence the constant value is 1.013, Beta value of LC is 0.284, GF is 0.13, WM is 0.11 and DS is 0.396t; therefore, using this value, the theoretical estimated model of the coefficient table is: $Y=a + b_1x_1 + b_2x_2 + \ldots + e$ *(here is the regression model)* EDS= a + b_1LC + b_2GF+ b_3WM + b_4DS + e (this is adopted from the above model) EDS= 1.013 + 0.284LC + 0.13GF+ 0.11WM + 0.396DS + e

The above model implies that:

- ✓ Based on the four independent variables, it is possible to predict the dependent variables. If a unit change of each independent variable leads a significant variation of dependent variable by some value.

For instance, based on the above estimated model, the predictors can explain the predicted for:

- ✓ Every 1 change of DS, EDS changes by.396 by remaining other predictors
- ✓ Every 1 change of LC, EDS changes by.284 by remaining other predictors
- ✓ Every 1change of WM, EDS changes by .11 by remaining other predictors
- ✓ Every 1 change of GF, EDS changes by .13 by remaining other predictors

4.5. Test of Hypotheses

The multiple linear regression analysis of the coefficient table is very important statistical model or table to reject or accept the hypothesis test of the research. Let's see and evaluate each hypothesis:

Hypothesis-a: Logistic capability (LC) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- ✓ Ha-0: LC will not have a positive and significant effect on the EDS.
- ✓ Ha-1: LC will not have a positive and significant effect on the EDS.

The above table 15 shows that the beta coefficient value of the logistic capability is 0.284 and the p-value is 0.001 which is less than 0.05 ($p < 5\%$). This indicates that the logistic capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Ha-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Ha-1) is failing to reject since it was supported by data set as well.

Hypothesis-b: Government factor (GF) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- ✓ Hb-0: GF will not have a positive and significant effect on the EDS.
- ✓ Hb-1: GF will not have a positive and significant effect on the EDS.

The above table 15 shows that the beta coefficient value of the government factor is 0.13 and the p-value is 0.001 which is less than 0.05 (p < 5%). This indicates that the logistic capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Hb-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Hb-1) is failing to reject since it was supported by data set as well.

Hypothesis-c: Wholesaler motivation (WM) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- ✓ Hc-0: WM will not have a positive and significant effect on the EDS.
- ✓ Hc-1: WM will not have a positive and significant effect on the EDS

The above table 15 shows that the beta coefficient value of the logistic wholesaler motivation is 0.11 and the p-value is 0.001 which is less than 0.05 (p < 5%). This indicates that the logistic Capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Hc-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Hc-1) is failing to reject since it was supported by data set as well.

Hypothesis-d: Distribution strategy (DS) has a positive and significant effect on the effectiveness of the distribution system (EDS).

- ✓ Hd-0: DS will not have a positive and significant effect on the EDS.
- ✓ Hd-1: DS will not have a positive and significant effect on the EDS.

The above table 15 shows that the beta coefficient value of the distribution strategy is 0.396 and the p-value is 0.001 which is less than 0.05 (p < 5%). This indicates that the logistic capability and the effectiveness of distribution system of the company are related. Also there is association in hypothesis. This implies at 95% confidence interval, null hypothesis (Hd-0) is rejected or the null hypothesis was not supported by data set. However, the alternative hypothesis (Hd-1) is failing to reject since it was supported by data set as well.

Hypotheses	**Result**	**Reasons**
H1a :LC has a positive & significant effect on the EDS	H0a-rejected	Beta=0.284 & P=0.001
H1b: GF has a positive & significant effect on the EDS	H0b-rejected	Beta=0.130 & P=0.001
H1b: WM has a positive & significant effect on the EDS	H0c-rejected	Beta=0.110 & P=0.001
H1b: DS has a positive & significant effect on the EDS	H0d-rejected	Beta=0.396 & P=0.001

Table 16- Summary table to check whether the hypotheses are rejected or accepted
Source: Survey data, 2022

4.6. Result and Discussion

The purpose of this study was to look into the key elements that influence how well Star Soap and Detergent Industries Plc.'s distribution networks function. The research's conclusions show a positive association between the dependent variables and the independent variables, such as distribution strategy, logistical competence, governmental factors, and wholesaler incentive (Effectiveness of the distribution system of the company). Diverse scholars have demonstrated that distribution strategy, logistical capacity, governmental factors, and wholesaler motivation are important variables that influence the effectiveness of the company distribution system. This is true even though there are additional factors that have a significant impact on the company distribution system. As a result, prior research discovered that the imputation variables (DS, LC, GF, and WM) and output variables have a positive relationship (EDS).

Additionally, seven interview questions were developed and administered to the company's top managers in the departments of sales and marketing, supply chain and procurement, as well as finance in order to review and analyze how the input variables affect the effectiveness of the distribution system of star soap and Detergent Industries plc. The results of the interview were organized and highlighted as follows.

1. Can you explain about the existing organizational structure of star soap and Detergent Company in relation to distribution, sales and marketing?

- ✓ *Yes. Managing Directors currently oversee Star Soap and Detergent Industries Plc., followed by the General Manager (GM). The General Manager is accountable to all department managers. In terms of sales and marketing, the department manager is in charge of the outbound logistics, while the supply chain is in charge of the inbound logistics, which includes management of inventory and procurement.*

2. How do you evaluate the effectiveness distribution system of star soap and detergent industries plc.

Sincere to say, our industry's performance in regards to the system for distribution channels is not generally regarded as good. My experience thus far is that our business gradually finds it difficult to sell the current products. Our warehouses occasionally get too full. However, Ethiopian still has a lot of unknown territory. This indicates that some places are inaccessible to the company's products. Another source of demand is Ethiopia's enormous population; however we are unable to take advantage of this demand opportunity.

This shows that our business was unable to properly tap into every market in the nation. This suggests that the distribution network of our business has certain gaps. In light of this, our company has now developed a plan to evaluate the current distribution system and create the best distribution system in order to reach a larger market and meet client demand.

3. How star soap is distributing its product to outlets?

Our company followed different distribution mechanisms. Mainly star soap distributes its product to customers through different channels. Such as:

- ✓ *Regional outlets: This channel passes through 3-level or intermediaries. That is: Company Distributor, wholesaler. Retailer, consumer respectively. This channel was implemented on Upcountry market which is out of Addis Ababa market.*
- ✓ *Wholesale outlets: This is another 2-level of channel served only Mercato, Addis Ababa market. The products are distributing directly from the company to wholesaler then retailers, finally reach to end-consumers.*
- ✓ *Institution Outlets: Through this channel, the company distributes its products to different institution such as university, hospital, military or armed force, upcoming bids and NGOs, EIILD etc.*

Therefore, Star Soap and Detergent Industries plc. Utilized the above-mentioned four channels to distribute its products to their own customers or outlets.

4. Is it any government issues that affect the operation of the company distribution system?

- ✓ *Yes, the government issues have a significant impact, especially on the regional market. Regional trade minister offices should expect van sales (direct distribution by company truck) and regional distributors to sell outside of their region to have a separate license or authorization.*
- ✓ *In addition to these, the government's shoddy infrastructure, heavy traffic, and inadequate modes of transportation are additional significant variables that have an impact on our company's day-to-day distribution system. It is quite difficult to distribute the company's products because of all these hassles. Furthermore, it was extremely difficult to distribute our items, particularly in the previous four years, due to currency problems and political unrest in our nation.*

5. Does star soap motivate customers to facilitate the efficiency of distribution system?

- ✓ *True, but not adequately. Depending on the circumstance, our business tried to encourage clients with credit options, free delivery assistance, and volume-related discounts. Seasonal occasions call for discounts and complimentary delivery services. The corporation only*

offers the discount, free delivery assistance, and credit facility during slow seasons in order to increase sales. This curriculum and motivating bundle are incoherent. However, in order to create an efficient distribution system and maintain a position of market leadership, our organization needs to have a strategy to focus more than ever on customer motivational programs.

6. Does star soap's logistic department capable to facilitate the effectiveness of the company distribution system?

- ✓ *Currently, the product is in high demand around the nation. Additionally, the battle amongst rivals in the same business is becoming fiercer. Because the manufacturing capacity of star soap was lower than the present capacity, it was previously not difficult for the logistic department to facilitate the distribution of the company's products. In addition, the market's competitiveness was not difficult. However, compared to earlier, the company's manufacturing capacity and market rivalry are completely different. Currently, the logistics division is not able to enable the company's distribution system's smooth operation.*
- ✓ *Without any appreciable variations in logistical operations, the market competitiveness and production capacity grow more intense than before. Therefore, the effectiveness of the distribution system is tested more if the logistic department is not supported by budgets, resources (vehicles & personnel), forecasting & planning.*

CHAPTER FIVE

5. SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Introduction

The study's conclusion and recommendations were included in this chapter. The study's topic was "Determinants of Distribution System Effectiveness in the Case of star Soap and Detergent industries plc." The objective was to discover the factors influencing the firm's distribution system, explore the connection between those factors and the efficiency of the company distribution system, and then assess how much the factors might affect the output factors. Five chapters made up the organization of this study. To capture the goal of the research, each chapter was precisely outlined. The conclusion and recommendation section of the study has been discussed in this chapter in connection to the summary of significant findings.

5.2. Summary of Major Findings

The analysis of the data revealed that the majority of participants were males between the ages of 36 and 45 who had six to ten years of work experience. The majority of those surveyed had an investing capital of more over 50,000 Birr, and they are degree holders in terms of education.

Additionally, correlation analysis was used to examine the parametric test of association, and regression analysis was used to determine how well the output variable is predicted by the independent variables. It is possible to reach the major conclusions listed below:

Regression analysis has provided support for the results. The main conclusions showed that the input variables (DS, LC, GF, and WM) and the output variable have a strong positive association (EDS). Let's examine how it affects the distribution system's efficiency.

Regression analysis shows that there is a positive and statistically significant association between logistic capability and the effectiveness of the distribution system in the case of logistic capability (at b= 0.284, p 0.05). This suggests that a difference of 1% in logistical competence may have predicted 28.4% of the efficacy of the distribution system (EDS). According to the regression estimated model indicated above, the effectiveness of the distribution system will be improved to some extent if star

soap improves the logistic facility such as warehouse management, the number of delivery trucks, manpower, and so forth.

Regression analysis has shown that there is a positive and statistically significant link between the government factor and the effectiveness of the distribution system from the standpoint of the government factor (at b= 0.130, p 0.05). This suggests that a change of 1% in the government factor was responsible for 13.0% of the efficacy of the distribution system (EDS). There are various issues from the government side nowadays that have an impact on the star soap and detergent industries plc. Distribution system. If governmental elements are updated and improved to some level, the distribution system's effectiveness will unquestionably increase linearly. For instance, the effectiveness of the distribution system will advance based on the regression estimated model mentioned above if the trade policy, traffic congestion, currency issue, infrastructure, mode of transportation, political instability, and other related issues will be improved to some extent.

Another factor used in this study to quantify the output variable is the motivation of the wholesaler. Regression analysis, which found a positive and statistically significant association between wholesaler motivation and the efficiency of the distribution system, supports the findings regarding wholesaler motivation (at b= 0.110, p 0.05). This suggests that a change of 1 in wholesaler incentive was responsible for .11 of the effectiveness of the distribution system (EDS). According to the regression estimated model indicated above, the effectiveness of the distribution system will be improved to some extent if star soap develops additional incentive packages like trade offers, bonuses, free deliveries, awards, and long-term loan facilities.

The impact of distribution technique is the study's final significant finding. Regression analysis results show that there is a strong positive and statistically significant association between the distribution strategy and the effectiveness of the distribution system (at b = 0.39, p
0.05), which is consistent with the findings regarding the distribution strategy. This suggests that 39.6% of the distribution system's effectiveness (EDS) was influenced by the impact of distribution technique, which is the study's final significant finding. The conclusion of research about the distribution strategy's 1% rise 39.6% of star sales revenue originates from locations outside of Addis Ababa employing an indirect distribution approach. According to the regression determined model given above, the effectiveness of the distribution system will increase at some point if star soap revises the current distribution strategy and intensifies its focus on direct distribution strategy.

Impact of distribution technique is the study's final significant finding. the outcome of research on disabilities Final interview data also shows that star soap's distribution system effectiveness is not yet at a suitable level due to some government-side obstacles, an inadequate customer incentive package, operational flaws in the outbound logistics department, and distribution strategy limitations. According to information gathered from sales and marketing staff, one of the predictions of the poor performance of distribution and operation logistic activity is the undelivered report and the limits of warehouse availability. The impact of distribution technique is the study's final significant finding. The outcome of research regarding the distribution plan hasn't been changed yet. This is just another effect of the distribution system's subpar performance. Additionally, the business does not offer noteworthy packages to customers at the wholesale level to further inspire them. As a result, more information from interviews has been made available regarding how the company's distribution performance has been impacted by logistical capability, distribution strategy, wholesaler motivation, and governmental difficulties.

5.3. Conclusion

All independent variables (distribution strategy, logistical capacity, government factor, and wholesaler motivation) have a positive and substantial association with the efficiency of the distribution system of the Star Soap and Detergent Company. In comparison to the government factor and wholesaler motivation, distribution strategy and logistical capacity have a significantly greater impact on the effectiveness of the distribution system.

The distribution system of the company is typically significantly impacted by designing the optimal distribution plan. According to the study's conclusions, the estimated regression model will account for a unit change in the independent variables as a positive and substantial variation in the company's effective distribution system.

Additionally, based on the results of the statistical test, the study came to the conclusion that the logistic capability, government factor, wholesaler incentive, and distribution method null hypotheses are all rejected. This indicates that the alternative hypothesis testing the effect of all input variables on the dependent variables is not successful. This conclusion is backed up by several research findings and literature reviews.

5.4. Recommendation

In the current global context, a poorly planned distribution system is the primary cause of the company's inability to distribute its products to the appropriate clients at the appropriate time and location. Poor distribution has a negative impact on the performance of the entire company as a result. Every distribution channel is impacted by consumer purchasing patterns, economic, political, and regulatory considerations, technical advancements, global macro effects, and channel member preferences, according to Rolnicki K. (1998). Companies must frequently assess and analyze the performance of their distribution channels because of the dynamic nature of these aspects. For better outcomes, evaluation and monitoring must be performed frequently. Other potential channel options need to be assessed when performance targets aren't being fulfilled, and adjustments need to be made.

Similar to the last study, this one aims to look at the main variables that influence the star soap company's distribution system and how they relate to the output variable. The following recommendations and suggestions have been made based on the study's results and conclusions with regard to the company's distribution strategy, its logistical capacity, the role of the government, the motivation of wholesalers, and other matters.

Regarding to distribution strategy:

To establish a solid and deep network business relationship with all business partners, the company should revamp its indirect distribution strategy and construct a new distribution facility.

The company's direct distribution method is solely applicable to retail locations in Addis Ababa. Star soap should intensify the direct distribution strategy's expansion to outlets like regional and wholesaler outlets in order to be competitive, get more market share, satisfy consumer needs, and maximize the effectiveness of the distribution system.

Regarding to wholesaler motivation:

The business relationship between the company and customers should always be win-win principle of business approach

To entice potential clients, a variety of incentive packages should be offered. A range of seasonal and occasional incentive packages are crucial to creating an efficient distribution system in order to attract potential clients and develop long-term successful business relationships. Examples of the

primary motivational packages that encourage customers more include awards, bonuses, trade offers, free delivery, and long-term credit facilities.

Regarding to logistic capability:

The business offers several distribution centers (depots or mega warehouses) in various regions to be close to customers and hires qualified personnel to improve the logistics and distribution performance of the business.

The business created a massive distribution system. By segmenting the market according to market size or potential, appoint mega distributors. The corporation then sends out a sales staff to assist distributors with technical and business matters. Distributors for the week-active and inactive companies should be terminated.

As with other departments, the corporation should view the logistics division as its primary strategic unit. To maximize the effectiveness of distribution, the logistic department should be well-equipped with regard to technology, personnel, finances (budget), and transportation (van, truck).

To make the distribution system easier, the corporate logistic department's manual operation should be replaced by automation or the SAP system.

Regarding to government factor:

When compared to other parameters, this variable faces many difficulties. Since the problem is an external component, it is anticipated that the company and the government will continue to negotiate and come to an agreement in order to improve the comfort of the distribution system for both the company and its customers.

According to the rules of the trade minister's office, the company shall evaluate the benefits and necessity of marketing its products through a separate license. The company should next alter and build the best approach to create an efficient distribution system without contradiction with the government's trade policy once the gains and losses have been confirmed.

Due of the heavy traffic, especially during the daytime in Addis Ababa, the corporation should provide its own truck and arrange deliveries. To a certain extent, it is possible to lessen the difficulties of Addis Ababa's congested traffic jam if the company plans to load the products for

regional outlets at a time of high traffic congestion and discharge the truck at the early morning and evening having the time of less traffic congestion.

Regarding to future research:

According to the study's findings through regression of the Model Summary Table, predictors accounted for 50.3% of the variance in the distribution system's performance (DS, LC, GF & WM). As a result, the model can be regarded as a reliable predictor. This study did not, however, provide an explanation for the remaining 49.7% of fluctuations in the efficiency of Star Soap and Detergent Industries ply's distribution system. This suggests that for the next round of research, it is possible to anticipate additional factors that affect the company's distribution system's effectiveness. Future research will use these characteristics as a benchmark.

Regarding to other suggestion

Finally, in addition to the aforementioned advice and suggestions, it is strongly advised that the business take the following significant actions:

- ✓ The business hired a workforce with a high level of professionalism, aptitude, and dedication.
- ✓ The business designs several capacity-building initiatives and management development programs (MDP)
- ✓ The business should provide a positive working environment.
- ✓ The business has to promote a culture of productive teamwork.

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Appendix- I

St. Mary's University

School of Graduate Studies

Department of Business Administration

Dear Respondents gathered from you will be needed for only academic research purpose for a partial fulfillment of require

This Questionnaire is designed by the student of post graduated program at St. Mary's University. The purpose of this survey is to collect relevant information for the research to be carried on the "Determinants of The Effectiveness of Distribution System the Case of Star Soap and Detergent industries plc." Master's in Business Administration (MBA). Please be sure that the information you provided will not be used for any other purposes except for the purpose mentioned before. Any information obtained from you will be kept strictly confidential. The soundness and validity of the finding highly depends on your kind and genuine responses. Therefore, I kindly request you to fill the questionnaire carefully and accurately as well.

Thank you in advance for your agreement to take part on the study.

Part I: Demographic information of the respondents

1. Sex ☐Male ☐Female

2. Age _____

3. Educational level ☐ Bachelor ☐ Masters ☐ above Masters

4. Investment Capital in ETB ☐ < 10,000 ☐ 10,000-24,999 ☐ 25,000-49,999 ☐ 50,000
5. Work experience < 1 year ☐ 2-5 years ☐ 6-10 years ☐ >10 years ☐

Part II: EFFECTIVE DISTRIBUTION SYSTEM DIMENSION

2.1 EFFECTIVE DISTRIBUTION SYSTEM (ED)

Place a check mark to indicate your response for each question from part I to IV as

follows: 5= Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly Disagree

S.N	EFFECTIVE DISTRIBUTION SYSTEM (ED)	1 SD	2 D	3 N	4 A	5 SA
ED.1	Star soap's distribution system is convenient to wholesalers	☐	☐	☐	☐	☐
ED.2	Star soap distribution system makes the wholesaler be more profitable	☐	☐	☐	☐	☐

ED.3	I can get quick delivery service from star soap and detergent industries plc.	☐	☐	☐	☐	☐
ED.4	Government policies affect my distribution efficiency when I distribute the company products freely in every other region.	☐	☐	☐	☐	☐
ED.5	Star soap keeps my interest of product preferences when I purchase and deliver from the plant.	☐	☐	☐	☐	☐
ED.6	Star soap's motivational packages helps me to increases the frequency of delivery company products	☐	☐	☐	☐	☐

Part III: DETERMINANT FACTORS DIMENSTION

Instruction: The objective of the rating scale given below is to review the wholesaler's opinion regarding to the level of factors to what extent the effectiveness of the company distribution system affect. The weight of rating scale is represented as 1= Strongly Disagree (SD); 2= Disagree (D); 3= Neutral (N); 4= Agree (A) and 5= Strongly Agreed (SA) respectively. Therefore, I kindly request you to rate your opinion by circling the number in the following box.

S.Nº	**DETERMINANT FACTORS**	1 SD	2 D	3 N	4 A	5 SA
	Logistic Capability (LC)					
LC.1	Star soap utilizes their own branded truck to distribute its products to wholesaler	☐	☐	☐	☐	☐
LC.2	Star soap has good financial standing to distribute products to wholesaler	☐	☐	☐	☐	☐
LC.3	Star soap utilizes computerized technology to facilitate distribution and logistics.	☐	☐	☐	☐	☐
LC.4	Star soap has enough man power to facilitate the distribution of the product	☐	☐	☐	☐	☐
LC.5	Company's depots are available at different areas so as to near to the wholesalers	☐	☐	☐	☐	☐
	Market Factor (MF)					
MF.1	The unit value of the product is not expensive for distribution	☐	☐	☐	☐	☐
MF.2	Star soap provides product distribution network for wholesalers based on demarked territory	☐	☐	☐	☐	☐
MF.3	Star soap distribution system helps for those wholesalers to be competitive in the market	☐	☐	☐	☐	☐
MF.4	The weight of each product is convenient for middlemen to deliver on truck.	☐	☐	☐	☐	☐
MF.5	Star soap distributes its product based on the customer buying habit.	☐	☐	☐	☐	☐
	Government Factor (GF)					
GF.1	Road infrastructure of the country is inconvenient to distribute products to all customers in every demarked market.	☐	☐	☐	☐	☐

GF.2	Product delivery time schedule for customers are delayed by traffic congestion.	☐	☐	☐	☐	☐
GF.3	Lack of different mode of transportation in the country is inconvenient to Distribute the products.	☐	☐	☐	☐	☐
GF.4	As per traffic regulation, heavy truck is not permitted to move the whole day in A.A so that my deliver time is extended unnecessarily.	☐	☐	☐	☐	☐
GF.5	Pro. No. 980/2016 article 22/3 Commercial Registration & Licensing would not allowed manufacturer to sell other region without license. So this leads to influence the company distribution performance.	☐	☐	☐	☐	☐
Wholesaler Motivation (WM)						
WM.1	Star soap motivated me by incentive package when I maintained high delivery performance.	☐	☐	☐	☐	☐
WM.2	Star soap recruits sales person to me when I expand my distribution coverage than the target.	☐	☐	☐	☐	☐
WM.3	I can get credit facility from the company to increase my distribution frequency and sales volume	☐	☐	☐	☐	☐
WM.4	Star soap covers cost of my warehouse when I achieve high delivery performance	☐	☐	☐	☐	☐
WM.5	Star soap branded my truck when I utilize only re-distributing the company product.	☐	☐	☐	☐	☐
Distribution Strategy (DS)						
DS.1	Company direct distribution system enables the wholesalers motivate for repeat purchase.	☐	☐	☐	☐	☐
DS.2	Indirect distribution system of the company enables the wholesalers maximize the frequency of delivery	☐	☐	☐	☐	☐
DS.3	In addition to wholesalers, the company enables many outlets are available through intensive distribution.	☐	☐	☐	☐	☐
DS.4	Star soap ensures high number of purchase through multi-channel distribution strategy.	☐	☐	☐	☐	☐
DS.5	Star soap utilizes company's truck delivery for wholesalers to be competitive in the market,	☐	☐	☐	☐	☐

Appendix- II

ቅድስተ ማርያም ዩንቨርሲቲ

የቢዝነስ አድምንስትሬሽ ዲፓርትመንት

አባሪ-1 የመረጃ መሰብሰቢያ መጠይቅ

ውዴ መላሾች

ይህ መጠይቅ የተዘጋጀዉ በቅድስተ ማርያም ዩንቨርስቲ የዴህረ ምረቃ ፕሮግራም ተማሪ ነው። የዚህ ጥናት አላማ "Determinants of the Effectiveness of the Distribution System: Case of Star Soap and Detergent industries plc" ማለትም "በስታር ሳሙና እና የንጽህና መጠበቂያ እንደስትሪስ ኃ/የተ/የግ/ማህበር ላይ የምርት ስርጭት የሚነኩ ተጨባጭ ሁኔታዎች" ላይ በመመርከዝ ር ጠቃሚ የሆኑ መረጃዎችን ለማሰብሰብ ነው። ከርስዎ የተሰበሰበዉ ይህ መረጃ ለቢዝነስ አድምንስትሬሽን የዴህረ ምረቃ ፕሮግራም (ኤም.ቢ.ኤ) የሚስፈልጉ መስፈርቶችን በከፊሌ በማሟላት የትምህርት ምርምር ዓላማ ብቻ አስፈላጊ ስለሆነ ነዉ። እርስዎ ያቀረቡት መረጃ ከዚህ በፊት ከተጠቀሰዉ አላማ በስተቀር ለሌላ ምንም ጥቅም ላይ እንደሚዉል እናረጋግጣለን። ከርስዎ የተገኘዉ ማንኛዉም መረጃ በጥብቅ ሚስጥራዊነት ይያዛል። የግኙቱ ጥራትና አስተማማኝነት በከፍተኛ ፍሊጎትዎ እና በእዉነተኛ ምላሽችዎ ላይ የተመሰረተ ነዉ። ስለሆነም መጠየቁን በጥንቃቄ እና በትክክል እንዴትሞሉ በትህትና እጠይቃለሁ።

በጥናቱ ላይ ለመሳተፍ ላደረጉት ስምምነት በቅዴሚያ አመሰግናለሁ።

ጥቅምት 2015

አዲስ አበባ፣ኢትዮጲያ

ለጅምላ አከፋፋዮች የተዘጋጀ መጠይቅ

ክፍሌ አንድ፡ አጠቃላይ መረጃ ትዕዛዛት፡-

በተሰጠው ሳጥን ውስጥ በጥንቃቄ የህን ምልክት (√) ያድርጉ

- ✓ ስም መጻፍ አያስፈልግም
- ✓ ትክክለኛ ወይም የሀሰት መልስ ቢሆንም፤ የእናንተን ቅን አስተያየት እና እይታ በማየት ብቻ ነው።

1. ጾታ፡ ወንድ☐ ሴት
2. የእድሜ ክልል፡_____
3. የትምህርት ደረጃ ☐ ሁለተኛ ደረጃ ☐ ዲፕሎማ ☐ ዲግሪ ☐ ማስተርዲግሪ
4. የኢንቨስትመንት ካፒታል ብር ☐ < 10,000 ☐ 10,000-24,999 ☐ 25,000-49,999 ☐ 50,000
5. የስራልምድ < 1 አመት ☐ 2-5አመት ☐ 6-10 አመት ☐ >10 አመት ☐

ክፍል ሁለት፡ ተፅእኖ የሚያደርጉ ምክንያቶች መለኪያ

ትዕዛዝ፡ ከታች ያለው የመጠን ሌኬት አሊማ የኩባንያው የስርጭር ዘዴ ብቃት ምን ያህል በምክንያቶች ደረጃ ተጽዕኖ እንየተደረገበት ለማጣራት ነው። የልኬት መጠኑ ክብደት የሚወከለው 1= በጣም አልስማማም (በአ)፣ 2= አልስማማም(አ)፣ 3= ገለልተኛ (ገ)፣ 4= እስማማለሁ (እ) እና 5= በጣም እስማማለሁ በቅድመ ተከተል ይሆናሌ።(በእ) በቅድም ስለዚህ የእናንተን አስተያየት በሚከተለው ሳጥን ውስጥ ያለውን ቁጥር በማክበብ ልኬት እንዴትሰጡ በትህትና እጠይቃለሁ።

ተ.ቁ	ተፅእኖ የሚያርጉ ምክንያቶች	1 በአ	2 አ	3 ገ	4 እ	5 በእ
	የልጀስቲክ አቅም (ልአ)					
ልአ 1	ስታር ሳሙና ምርቶቹን ለማሰራጨት የኩባንያዉን የጭነት መኪና ይጠቀማሉ	1	2	3	4	5
ልአ 2	ስታር ሳሙና ምርቶቹን ለደንበኞች ማከፋፈል ጥሩ የፋይናንስ አቋም አለው።	1	2	3	4	5
ልአ 3	ስታር ሳሙና ስርጭቱንና ልጀስቲኩን ለማቀላጠፍ የኮምፒውተርንቴክኖልጂ ይጠቀማሌ።	1	2	3	4	5
ልአ 4	ስታር ሳሙና የምርት ስርጭቱን ለማሳለጥ በቂ የሰዉ ኃይሌ አለዉ					
ልአ 5	ኩባንያዉ ለደንበኞች ቅርብ መሆን በተለያዩ ቦታዎች መጋዘኖችን አመቻችቷል።	1	2	3	4	5
	የገበያ ሁኔታ (ጉሁ)					
ገሁ 1	የምርቱ አጠቃሊይ ዋጋ ብዙም ውድ ስላሌሆነ በቀላሉ ለማሰራጨት ምቹ ነዉ	1	2	3	4	5
ገሁ 2	ስታር ሳሙና በተወሰነ ክልል ላይ በመመርኮዝ የደንበኞች የሚሰጠዉን ምርት የማሰራጫ መረብ ይፈጥራሌ	1	2	3	4	5
ገሁ 3	የስታር ሳሙና የስርጭት ስራ ለደንበኞቻቸዉ በገበያተወዳዲሪ እንዱሆኑ ይረዳቸዋል	1	2	3	4	5
ገሁ 4	የእያንዲንዱ ምርት ክብደት ለገዥዎች በጭነት መኪና ለማድረስ ምቹ ነው።	1	2	3	4	5

ገሁ 5	ስታር ሳሙና የደንበኞችን የመግዛት ሌማዴ መሰረት በማዴረግ ምርቱን ያሰራጫል	1	2	3	4	5
የመንግስት ምክንያት (መም)						
መም 1	በመላ ሀገሪቱ ዉስጥ የሚገኙ ደንበኞች ሁሉም ምርትን ለማሰራጨት የሀገሪቱ የመንገዴ መሰረተ ልማቶች ሁኔታ በጣም አስችጋሪ ነዉ	1	2	3	4	5
መም 2	ወኪልች የምርት ማጓጓዣ የግዜ መርሃ ግብር በትራፊክ መጨናነቅ ምክንያት ይዘገያል።	1	2	3	4	5
መም 3	በሀገሪቱ የተለያዩ የምርት ማጓጓዣ ዘዴ አምራጭ ማነስ ምርቱን በመላሀገሪቷ ለማሰራጨ አስችጋሪ ነዉ፡	1	2	3	4	5
መም 4	ለአንዳንድ ደንበች መሰረት፣ ከባዴ የጭነት መኪና በአዱስ አበባ ውስጥ ሙለ ቀን እንዱንቀሳቀስ አይፈቀደላቸዉም። ይህም ምርትን ለደንበኞች በሰዓቱ እዳይደርስ ያደርጋል	1	2	3	4	5
መም 5	የአዋጅ ቁጥር 980/2016 አንቀጽ 22/3 የንግድ ምዝገባ እና ፍቃዴ መሰረት አምራቾች ያለ ፍቃዴ ወኪሎች ክሌልች እንዱያከፋፍል አይፈቅዴም። በዚህ ምክንያት የኩባንያዉ የምርት ስርጭት ሂደት እንዱቀንስ ምክንያት ይሆናል	1	2	3	4	5
ጅምላ አከፋፋይ ተነሳሽነት (አተ)						
አተ 1	አከፋፋዩ ምርቶችን በማጓጓዝ ጥሩ የስራ አፈጻጸም ሲያደርግ የማበረታታቻ ጥቅሞችን ከኩባንያዉ ያገኛል።	1	2	3	4	5
አተ 2	አከፋፋዮች የስርጭት ሽፋናቸዉን ከእቅዱ በላይ ከሆነየምርት ስርጭቱን ለማገዝ ስታር ሳሙና የሽያጭ ሠራተኛ ይቀጥርሊቸዋል።	1	2	3	4	5
አተ 3	ስታር ሳሙና ከፍተኛ የሽያጭ መጠን ሲኖረው ለአከፋፋይ የብዴር አቅርቦት ይሰጣሌ።	1	2	3	4	5
አተ 4	ደንበኞች የጭነት ኮታቸዉን ሲያነሱ ስታር ሳሙና የአከፋፋዮችን የመጋዘን ኪራይ ወጪ ይሸፍናል።	1	2	3	4	5
አተ 5	አከፋፋዮች የራሳቸዉን የጭነት መኪና በብቸኝነት ለኩባንያዉ ምርቶች ማከፋፈያ ሲጠቀሙበት ኩባንያዉ የራሱን መለያ ምሌክት በመኪናቸዉ ላይ ይለጥፋል።	1	2	3	4	5

ሥርጭት ስሌት (ስሌ)						
ስሌ 1	የኩባንያዉ የቀጥታ ስርጭት ስርዎች የጅምላ አከፋፋዮችን ለተዯጋጋሚ ግዥ እንዱነሳሱ ያስችላቸዋል	1	2	3	4	5
ስሌ 2	የኩባንያዉ የቀጥታ ያልሆነ የስርጭት ስራዎች የጅምላ አከፋፋዮችን ለተደጋጋሚ ጭነት እንዱነሳሱ ያስችላቸዋል	1	2	3	4	5
ስሌ 3	ከጅምላ ሻጮች በተጨማሪ ኩባንያዉ በስፋት የስርጭት ስሌት ሱቆች ምርት በበቂ ሁኔታ እንዱኖራቸዉ ያስችላል	1	2	3	4	5
ስሌ 4	ስታር ሳሙና በብዙ ቀጥተኛ ባሌሆነ መንገዴ በማሰራጨት ከፍተኛ የሽያጭ መጠንን በማዴረግ ያረጋግጣል	1	2	3	4	5
ስሌ 5	ጅምላ ሻጮች በገበያ ተወዲዲሪ እንዱሆኑ ስታርሳሙና ምርትን በኩባንያዉ መኪና ያደርስላቸወል	1	2	3	4	5

	ማከፋፈያ ሲጠቀሙበት ኩባንያዉ የራሱን መለያ ምሌክት በመኪናቸዉ ላይ ይለጥፋል።					
ሥርጭት ስሌት (ስሌ)						
ስሌ 1	የኩባንያዉ የቀጥታ ስርጭት ስርዎች የጅምላ አከፋፋዮችን ለተዯጋጋሚ ግዥ እንዱነሳሱ ያስችላቸዋል	1	2	3	4	5
ስሌ 2	የኩባንያዉ የቀጥታ ያልሆነ የስርጭት ስራዎች የጅምላ አከፋፋዮችን ለተደጋጋሚ ጭነት እንዱነሳሱ ያስችላቸዋል	1	2	3	4	5
ስሌ 3	ከጅምላ ሻጮች በተጨማሪ ኩባንያዉ በስፋት የስርጭት ስሌት ሱቆች ምርት በበቂ ሁኔታ እንዱኖራቸዉ ያስችላል	1	2	3	4	5
ስሌ 4	ስታር ሳሙና በብዙ ቀጥተኛ ባሌሆነ መንገዴ በማሰራጨት ከፍተኛ የሽያጭ መጠንን በማዴረግ ያረጋግጣል	1	2	3	4	5
ስሌ 5	ጅምላ ሻጮች በገበያ ተወዲዲሪ እንዱሆኑ ስታር ሳሙና ምርትን በኩባንያዉ መኪና ያደርስላቸወል	1	2	3	4	5

ክፍሌ ሦስት፡ የኩባንያዉ የምርት ሥርጭት ዘዴ ብቃት መለኪያ

ትዕዛዝ፡ ከታች ያለው የመጠን ልኬት አላማ የኩባንያው የምርት ስርጭት ዘዴ ብቃትን ለማጣራት ነው። የልኬት መጠኑ ክብደት የሚወከለው 1= በጣም አልስማማም (በአ) ፣ 2= አልስማማም(አ)፣ 3= ገለልተኛ (ገ)፣ 4= እስማማሁ (እ) እና 5= በጣም እስማማለሁ (በእ) በቅድመ ተከተል ይሆናሌ። ስለዚህ የእናንተን አስተያየት በሚከተለው ሳጥን ውስጥ ያለውን ቁጥር በማክበብ ልኬት እንዴትሰጡ በትህትና እጠይቃለሁ።

ተ.ቁ	የስርጭት ስሌት ብቃት	1 በአ	2 አ	3 ገ	4 እ	5 በእ
ስብ 1	የኩባንያዉ የምርት ስርጭት ዘዴ ለጅምላ ሻጮች ምቹ ነዉ	1	2	3	4	5
ስብ 2	የኩባንያዉ የምርት ስርጭት ስሌት ጅምላ ሻጮችን ትርፋማ አዴርጎታል	1	2	3	4	5
ስብ 3	እኔ ከኩባንያዉ ፈጣን የማጓጓዣ አገሌግልት ማግኘት እችላለሁ	1	2	3	4	5
ስብ 4	የመንግስት ፖሊሲዎች እኔን በነፃነት በሁለም ክሌልች ማጓጓዝ ብቃት ላይ ተፅእኖ አሳድሯል	1	2	3	4	5
ስብ 5	የኩባንያዉን ምርቶች በምገዛበትና በምጭንበት ግዜ የኔን የምርት ምርጫ ኩባንያዉ ያከብራል	1	2	3	4	5
ስብ 6	የስታር ሳሙና ማበረታቻ ፓኬጅ የኔን የምርት ግዥና ጭነት ድግግሞሽ እንዴጨምር አዴርጎኛል	1	2	3	4	5

ላደረጋችሁልኝ ትብብር በጣም አመሰግናለሁ!!

Appendix II

St. Mary's University

School of Graduate Studies

Department of Business Administration

Interview Questions for Company manager

The objective of this interview is to get deep insight and more data from top level managers about the current scenario of the company distribution system of Star soap and Detergent industries plc.

1. Can you explain about the existing organizational structure of Star soap and Detergent industries plc. Manufacturing Company in relation to distribution, sales and marketing department?

2. How do you evaluate the effectiveness of distribution system of Star soap and detergent industries plc.

3. How Star Soap is distributing its product to outlets?

4. Are there any government issues that affect the operation of the company distribution system?

5. Does Star Soap Motivate customers to facilitate the efficiency of distribution system?

Yes: _____

No: _____

6. Does Star Soap logistic department capable to facilitate the effectiveness of the company distribution system?

_____

_____

7. Do you have any additional comments?

_____

_____