



**MODELING DISTRIBUTION CHANNEL FLOW IN
WHOLESALE: THE CASE OF HAWASSA ALLE
BEJIMLA ENTERPRISE**

MSc. THESIS

BY

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AUGUST 2021

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WHOLESALE: THE CASE OF HAWASSA ALLE
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A THESIS SUBMITTED TO THE
FACILITY OF MANUFACTURING
DEPARTMENT OF INDUSTRIAL ENGINEERING
INSTITUTE OF TECHNOLOGY
HAWASSA UNIVERSITY

IN PARTIAL FULFILMENT OF REQUIREMENT FOR THE DEGREE OF
MASTERS OF SCIENCE IN INDUSTRIAL ENGINEERING AND LOGISTIC
MANAGEMENT

AUGUST 2021
HAWASSA, ETHIOPIA

SCHOOL OF GRADUATE STUDIES

HAWASSSA UNIVERSITY

ADVISOR APPROVAL SHEET -1

This is to certify that the thesis under the title “**Modeling Distribution Channel Flow in Wholesaler: The Case of Hawassa Alle Bejimla Enterprise**” summited in partial fulfillment of the requirement for the degree of masters of science with a specialization in industrial engineering and logistics management graduate program in the facility of manufacturing department of industrial engineering. it has been carried out by Habtamu Yacob Loha ID. NO IELM-R 0004/11 was under our supervision. Therefore, we recommend that the student has fulfilled the requirement and hence he can submit the thesis to the department.

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We, the undersigned, members of the Board of Examiners of the final open defense by Habtamu Yacob Loha have read and evaluate his/her thesis entitled “**Modeling Distribution Channel Flow in Wholesaler: The Case of Hawassa Alle Bejimla Enterprise**” and examined the candidate. This is, therefore, to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree of masters of Industrial Engineering in Hawassa University Institute of Technology, a facility of manufacturing with a specialization in Industrial Engineering and Logistics Management.

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DECLARATION

Habtamu Yacob Loha, declare that this work entitled “**Modeling Distribution Channel Flow in Wholesaler: The Case of Hawassa Alle Bejimla Enterprise**” is an outcome of my effort for partial fulfillment of the requirement for the award of the degree of masters of science with a specialization in industrial engineering and logistics management graduate program in the faculty of manufacturing and has not been submitted for any degree in this University or any other Universities. All sources of materials used for the study have been duly acknowledged.

By: Habtamu Yacob Loha (Writer of the Thesis)

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Date_____

ACKNOWLEDGMENT

Before and above all, I give thanks to the almighty lord for making me well in all-time keep me from harm while working on these theses. I would like to thank various people who involve in this thesis preparation in a social and moral matter, not an academic perspective.

My sincerest gratitude and appreciation go to my major advisor Fasika Bete Georgie (Dr.-Ing.) for his help and never-ending support guidance and encouragement give me important insight with helping advice.

Similarly, I would like to thank my co-advisor Alemayehu Tesfaye (MSc.) for his real and technical observation and coaching advice to do this thesis.

I also want to give thanks to my department head Bahredin Abdala (MSc.) for his polite advice and general direction on how to organized and use related resources.

Next to these, I would like to thank all my classmates who share a different key idea on how can we do the thesis and support resources.

Also, I would like to give thanks to Alle Bejimla administrator and officers in the Hawassa branch. Special thanks I would give Ato Zemedede Geressu Hawassa branch coordinator he helps me marvelously in my research while I was in the enterprise and facilitates my information in all directions. The Great thanks to a retailer that coordinated and corporation with my questioner in the fieldwork.

Finally, I would like to express my heartfelt gratitude for my family that supports and encouraged me in my work of research.

ABSTRACT

A distribution channel is a very important and vital aspect for every service-based industry. Since commodities usually consisted major portion of the total service of distribution in logistics, the flow of information and commodity become crucial in channel distribution. The motivation of the problem was observed in the shortage of information flow with the retailing system creates gaps between retailers and Alle Bejimla. Delaying in-retailer requests in lead time and distribution channel in commodity flow causes a gap in information and feedback from the retailer. This leads to customer dissatisfaction and an unbalanced supply-demand chain of need in information and commodity flows in the retailing system. The main objective of this research was to model distribution channels in the Alle Bejimla enterprise Hawassa branch. Under this, it accesses the distribution channel structure of consumable goods in the Alle Bejimla Hawassa branch, examines physical and information flow between Alle Bejimla and retailers, and proposes a distribution channel model. Literature reviews have used this thesis to develop a model for the distribution channel. The main approach used a questionnaires survey and personal observation of some registered retailers in Hawassa. Having a population size of 3988 total retailers quarter of them were targeted. The questionnaire was distributed to 96 responders and total 92 response was received. For the analysis of data statistical analysis by using SPSS software. The finding of the research indicated that the main impact on the logistics of distribution channels was reducing customer bridge, traditional commodity distribution channel, shortage in information flow, delaying in customer request, and moderate customer complaint platform. The result is summarized in the framework model that leads users to understand the current status and the concerning the model and factors used in the distribution channel of commodities and information between retailer and Alle Bejimla. In the research finding problems are shortage in stock, location of the warehouse, technological limitation on distribution, and lack of customer bridge. Finally, the conclusion and recommendation were given to the Enterprise Alle Bejimla and different institutions.

Keywords: *Enterprise, Distribution channel flow, Information, Commodities, Model*

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LIST OF ACRONYMS

FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
SNNPR	Southern Nations, Nationalities, and Peoples' Region
SPSS	Statistical Package for The Social Sciences
ERP	Enterprise Resource Planning
MSE	Micro and Small Enterprise
ICT	Information and Communications Technology
MDG	Millennium Development Goal
SCI	Supply Chain Integration
SCC	Supply Chain Collaboration

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Globalization in the current scenario can be observed in two different directions as process and outcome. From an in-process perspective, it widening of international trade, finance, information, and culture resulting in a unified world market. The outcome of the globalization process in this perspective is increased cross-border flows of goods, services, money, people, information, and culture. Leading to a rise in the trade volume, income levels, employment, and global availability of more and cheaper goods and services (Toukhy, 1998). The financial integration of the developing and developed the country is the ground of win-win solutions required the highest need capital for the developing country in the other side the earing of high return to the investing developed nation (Haris, 2013)

In the past two decades (1995–2014), the global trade activity is more increase than in the outcome of the GDP scale in comparison. Due to the world is more integrated with the different sectors and vast technology creating globalized trade activity. Trade-in constant prices (US\$2005) grew by 4.2 percent compared to 3.8 percent growth of global GDP from 1995 to 2004 and then by 4.4 percent compared to 3.8 percent for GDP from 2005 to 2014 (Hasan, 2016). Africa's share in global trade participation is increasing in those periods. Slowly from 2.3 percent (1995) to 3.2 percent (2014). Mostly extractive commodity is exclusive the share will gradually increase only marginally from 1.8 percent to around 2.3 percent. Typically, a few countries have tended to dominate the trade flows; the 10 largest countries represented 73 percent of Africa's total trade and 71 percent of the non-extractives trade in 2014 (Hasan,2016).

In East Africa, in 2018 the GDP rate contrary to the 2017 annual growth estimation was recorded a 5.9 slight decrease in the year of 2018 to be 5.7 growth in percentage. On the other hand, economic growth is remaining strong in the projection in the year 2019 by 5.8 present and 6.1 present in 2020 (ADBG,2019). Among the country with high economic growth in the region in east African are listed as the following: Ethiopia, Rwanda, Tanzania, Kenya, and Djibouti. Among the listed nation Ethiopian and Rwanda, their real GDP is driving so fast due to industrial and service activity (ADBG, 2019).

Ethiopia is the fast-developing nation in East Africa with receiving attention from multinational corporations and transnational corporations who are supply chain, global leaders. Now Ethiopians are attracted to foreign direct investment with various countries in different regions mainly from European countries, China, India, the USA, and Egypt (Dagne,2017). Ethiopia is the land lock nation existing in east Africa with the second most populated nation in the region of Africa and the 14th populated country in the world. The economical states of the country can be indicated in the lower economy per capita. The major economic backbone of the nation is the agriculture sector hardly; the involvement is less for that case less development in the economy. The GDP is increasing by 7% in 2014 whenever the working labor force is needed is 40% (World Bank, 2014).

In the perspective of Ethiopian economic states, the annual real growth of the gross domestic product (GDP) project in the year 2018, and the middle term is recorded as around 8%. The macroeconomy integration of the country's economy becomes sound and basic for modern fiscal monetary policy. Having advance and modern industrial parks and zone facilities will enhance the sustainability capacity of the country in the economic sector (World Bank, 2015). Even though the country Ethiopian had been in deep poverty and the huge social problem it becomes the well-known nation in the sub-Saharan nation that reach the millennium development goal (MDG). The completion report (CR) endorses Ethiopian from 2011-2015 in the country strategy paper (CSP). The government plan to address the target goal that indicated the middle-income generation country in the world in 2025. By providing various methods and technicalities the government launched GTP 1 and GTP 2 (African Development Bank Group, 2015).

Based on the Ethiopian business development network report indicated that currently our country market structure based on micro and small enterprise (MSE) are relatively similar in product production and distribution. The microeconomic strategy becomes important for the lower- and middle-income community. The similarity of the market will create excessive competition and overcrowded in the market. So, when the market has overcrowded the effectiveness of the market becomes less (Assegdech et al., 2004). In World Bank group report indicated that Ethiopian has tight marketing policy and regulation in the relation of transaction in marketing more than the peers around the region. Lower regulation and more procures will aggravate the export and import activity. The tariff added on the importer and exporter will, directly and

indirectly, challenge the total marketing activity. In the global competition having that easy method will open an opportunity for the domestic exporter in the country to contribute their part in the business attribute. When the export and import is not balanced it will create insecurity of economic stability (World Bank, 2014).

Generally, the overall activity in the economic sector of the country will challenge the government and society. To maintain the economy, the domestic market should be outshining and dominant. The domestic market will be the key to solve the problem of under-inflation in the community that is raised by the government. Even though the product is available in the hand of the government and another private sector the effective method of distribution of the product will matter the time and ability which the society use it for the best. Having an effective marketing facility and logistic activity in the country to distribute the material and product from the store to the community need will reduce tension and crowdedness to the administration.

1.2 Background of the company

ALLE is Ethiopia's first modern cash and carries a wholesaler of food and Fast-Moving Consumer Goods (FMCG). ALLE's wholesale stores provide quality food and other FMCG products at competitive prices to retailers and other establishments serving end consumers. ALLE provides a wide range of FMCG categorized as commodities, beverages, snacks & sweets, personal care, home care, groceries, and stationery all under one roof. Our cash and carry stores, opening in strategic locations across the country, operate by international best business practices. ALLE is a trading name for the Ethiopian Trading Enterprise.

The enterprise is also commonly referred to as ALLE Bejimla meaning "available in wholesale" in Amharic. This enterprise with the purchaser orders the imported good items will be imported from 30 foreign suppliers and 76 local suppliers. The foreign goods were stored in the Addis Abeba in the headquarter. There are two types of warehouses called; customer bond warehouses and domestic warehouses. The customer bond warehouse is used to store goods from foreign supply and the domestic warehouse is used for local region storage distribution. The number of domestic distributors in the country will be reaching four including Addis Abeba, Dese, Bahirdar Hawassa, and Shashemene.

A major customer of the enterprise will be union and other registered grouped organizations that worked for the benefit of the community. The customer should fill the argument with the enterprise which the customer must have legal ground and recognition with regional and city administration. After that, the customer will be able to register in the enterprise database and become a formal client.

The customer will be able to take material goods in two types the first one become in a single piece when the particular item is huge in cost and the package of the cartoon when the item is smaller. The enterprise will offer different consumables and other commodities for the customer at a satisfying cost that the community can afford and recommend the client to distribute the item at a fair price with an effective margin for the distributor.

Based on Fekadu, (2016) ALLE Bejimla plans to open 36 stores in 27 towns in the whole country. This can easily be accessible to the different customer residences like supermarkets, mini markets, small shops, government distribution agencies, hotels, restaurants, and café. It has 20 to 30 % of the market share in the country. The company is regulated and administrative by Ethiopian Trading Businesses Corporations. With the regulation based on the No 369/2015 by Amalgamating the former Ethiopian Grain Trade Enterprise, Ethiopian Trade Enterprise Alle Bejimla (Fekadu, 2016).

1.3 Statement of the problem

Wholesaler describes as traditional methods of goods distribution in different categories even though it is especially advanced in-service provision in commodities exchange. The distribution provision in wholesalers needs to focus on the service regardless of range and variation in diversified activity. Intensive focus on the commodities channel, the distribution system, and the supply chain, wholesalers are mostly innovative ways of performing the distribution of goods in the provision of services (Bert, 2007).

Nowadays retailing services receiving more attention in cities and regional administration. The chain of retail distribution can influence the community positively in a different direction in day-to-day activities. Increasing retailing service capacity modernized the system of distribution channels of a commodities exchange in the community. The lower economic level of the common units will be beneficiary where the distribution system of a commodity is effectively

implemented in the retailing system. Having an upgraded distribution channel in the chain helps the low economic community in the city (Fekadu, 2016).

City administration supports the community in consumable goods by establishment different associations and cooperation's among the various level of a social group in the community. Increasing in needs of the commodity from the wholesaler with unbalancing match of the supply capacity, as the retailer requested gradually creates tension in the market system in the community.

Traditional distribution channels in the retailing system create gaps in information flow between Alle Bejimla and retailers. Delaying retailer requests in ineffective lead time and the retailing system gradually create customer dissatisfaction. The traditional platform of distribution channel in commodity flow causes a gap in receiving feedback and information from the retailer, with insufficient items available in the warehouse. That leads to an unbalanced supply-demand chain of need in the distribution channel of information, price, and commodity.

1.4. General objective of the research

1.4.1 General objective

The general objective is modeling distribution channel flow in wholesalers in the case of Hawassa Alle Bejimla Enterprise to improve material and information flow.

1.4.2 Specific objective

The research specific objectives are:

- To assess the distribution channel structure of consumable goods in the Alle Bejimla Hawassa branch.
- To examine physical and information flow between Alle Bejimla to the retailer.
- To propose a distribution channel model.

1.5 Research questions

This research has the following research questions:

- What kind of distribution channel strategy was implemented in consumable goods provided to the retailer in Hawassa Alle Bejimla enterprising?

- What kinds of physical and informational flow existed between Alle Bejimla and the retailer?
- What kind of model in the distribution channel model should be formulated?

1.6 Significance of the study

This study has a huge opportunity to enhance the operational capacity of the enterprises in the customer base activity. Open a platform for the customer to forward their feedback to the enterprise easily and quickly with the other hand the company can collect necessary comments to aggravate for better change. Make the lower level logistic digital in information transportation which enables the company to focus on the distribution work. It will open access to other researchers for further research on this area. The research will enhance customer satisfaction by the creativity of the network while the customer can share their feedback to the enterprise and they can receive approved information with goods and services.

1.7 Scope of the study

This research focused on the distribution channel of the enterprise used to dispatch its product to the customer. It will focus on the gap between the end-user customer, retailer, and the whole seller. The enterprise is the only mass-scale distribute in the government side in the Hawassa and provide varies kind of consumable goods and material for the retailer. Most of the consumable goods are provided by the government for the middle-class economic status in the community. Observing the digital activity in the distribution of the material about the use and help of the customer perspective and engaging in digital activity.

1.8 Limitation of the study

The research will not incorporate the total customer of the retailer in the digital platform due to the financial, security policy of the enterprise and the interest of the customer. Due to the retailer's technology-friendly, the research will be challenging in implementation with some retailers. The time bounded and community involving will may create a delay in the performance of the research.

1.9 Organization of the paper

The research is organized into five chapters. Chapter One contains the introduction part dealing with the background of the study and company, the research problem, objectives of the study, scope, and significance of the study. The Second Chapter discusses the literature review about the subject matter. In Chapter Three, the research methodologies are present. Chapter Four presents the results and discussion of the study and finally, Chapter Five presents the major findings, conclusions, and forwarded suggestions.

CHAPTER TWO: LITERATURE REVIEW

2.1 Distribution channel concept

Globalization is viewed both in-process and in the outcome. As process globalization entails widening of international trade, finance, information, and culture resulting in a unified world market. The outcomes of the globalization process are increased cross-border flows of goods, services, money, people, information, and culture (Toukhy, 1998) leading to a rise in the trade volume, income levels, employment, and global availability of more and cheaper goods and services (Haris and Sarwar, 2013).

The expansion of the global economy in the last several decades will make an impact on globalization in-world activity. The impact of globalization has been extensively debated from various perspectives. It is evident that economic prosperity in some countries, notably China and other fast-growing Asian countries, was driven by the expansion of the global economy. The economic beneficiary of the community from globalization is not equally shared in the general population but reaped by a small number of groups in a country (Inmee, 2016).

Based on Inmee (2016) the controversy is also extended in academic research. In existing empirical studies, evidence for the relationship between income inequality and globalization is contradictory and/or inconclusive. Findings diverge depending on definitions and measurements of globalization, the period covered and the countries included in the studies.

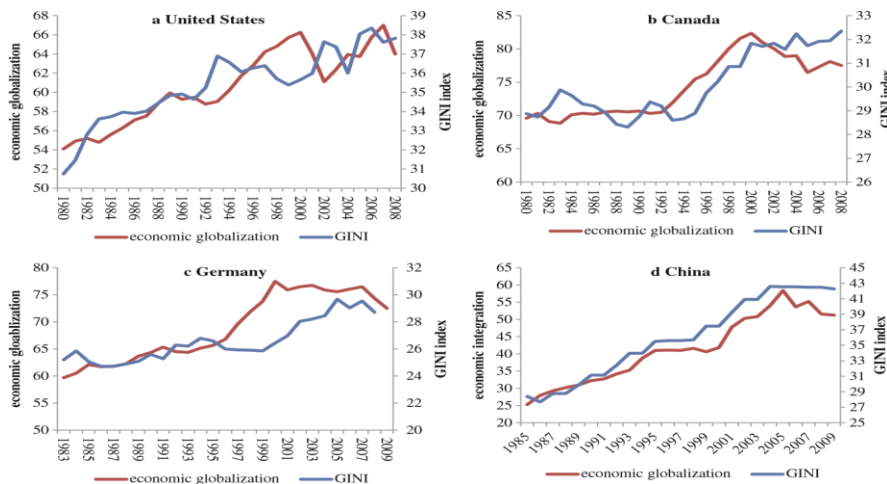


Figure 2. 1: Economic globalization and Income inequality (Inmee, 2016)

In Figures 2.1 indicated 1(a)–1(c) shows that the income inequality, measured by the Gini index, has a general upward trend along with economic globalization level in the U.S., Canada, and Germany; Figure 1(d) shows the case for China where the income inequality also has increased significantly with the globalization level, especially since its open-door economic policy that was implemented in the early 1990s. However, Figure 2 presents a different picture (Inmee, 2016).

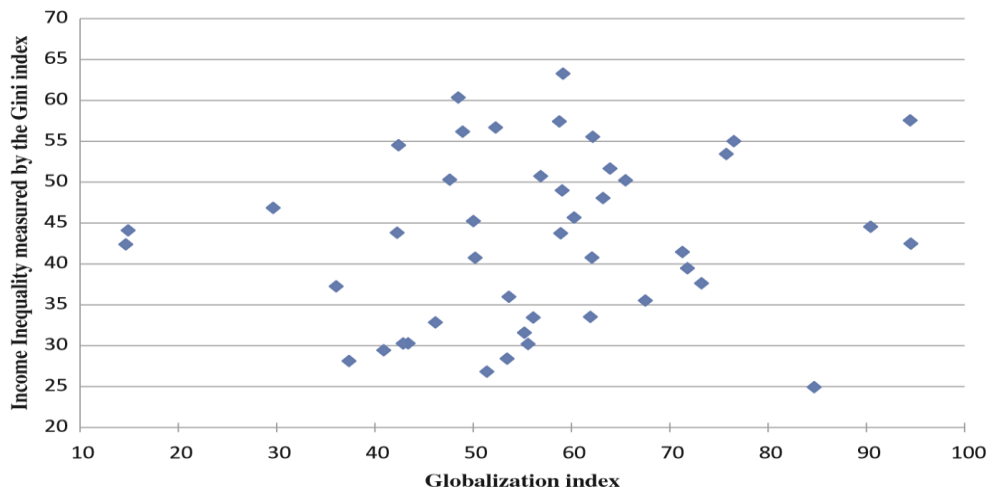


Figure 2. 2: Globalization and income inequality for selected countries (2008) (Inmee, 2016)

Figure 2.2 plots the economic globalization index and the Gini index for 46 countries and shows no systematic relation between these two indexes. By and large, if globalization contributes to reducing income inequality or promotes widening inequality is an issue of great importance to policymakers as well as academics, but a question with controversial conclusions (Inmee, 2016).

In channel distribution behavior better, outstanding perspective was introduced in publishing in the early 1970s. The knowledge accumulating in the control of channel relationship, interchanging handling conflict, and channel member satisfaction is the basis of impulsive activity. Besides, many important managerial issues relating to the organization and management of channels of distribution have yet to be addressed in empirical channels research (Gary, 1999).

Power and conflict in the channel behavior and marketing scenario become crucial. The power among multi-channel can be expressed one becomes dependent on the other on the contrary the other becomes dominant in motivational investment in goals mediated by the independent (Gaski, 1984). The principle of exchanging goods consisted of two major components seller and buyer. The advantage of the seller in acquiring a higher return possible. This is not to say the

exchange act itself is a conflict. Indeed, the act or transaction is a sign that the element of price conflict has been resolved to the mutual satisfaction of both principal's power and conflicts in the channel (John, 1984). Channel is divided into three kinds. Those divisions based on the manufacturer point of perspective like (1) channels that rely on gravity or natural forces to move goods, (2) channels that pull the product through by suction, and (3) channels that push or apply pressure and force the product through (Converse, 1965).

Gravity types of marketing channels rely on natural forces to move goods to market. Gravity channels are consistent with the concepts of an economy of scarcity in which the shortage of goods is the normal condition.² Gravity-type channels are typical for raw materials, most agricultural products, and some processed goods. However, designing a product to meet the desires of consumers is also associated with gravity channels. The suction types of distribution from the manufacturing perspective are a marketing design that enables to endure the flow and tens to pull a product off the necessary through the channel. These types of channels involved the good creation of a positive attitude amid customer towards the product which the manufacture is going to a product. Branding, product differentiation, advertising, and widespread distribution are policies designed to pull products through channels. Rather than ted new manufacturers into the major appliance industry. This entrance coincided with a shift in marketing channels (Norman, 1971).

Thus, in the United States during the early 1920s, the most important type of channel for refrigerators and washers consisted of the gravity channel. This type of channel was used simply because it was there. A more attractive channel was neither available nor needed. In the late 1920s, suction-type channels developed rapidly. As the mass market for refrigerators and washers developed, more and more control of marketing functions in the channel shifted to manufacturers (Norman, 2014). On the base of Hokey Min distribution channel in Japan unlike that of US have different characteristics which can be an indication of the long, competitive relation drive in interaction with the flow trade in the wholesalers, brokers, manufacturers, importers, and retailers. Within this channel, it is not uncommon to include as many as four layers of wholesalers. The relative lengths (or stages) of wholesaler channels are usually determined by the industry type, the financial linkages among channel members, the size of the retailer, and the size and brand recognition of the manufacturer. The Japanese culture is unique

that will have a great influence on the distribution of the channel in the country. Due to the cultural influence of the custom in the economic and socio-cultural perspective the nature of the channel if eventually evolve (Hokey, 1996).

The dominance of wholesalers can be expressed: even though the whole seller in Japan has a small performance in implementation, they can control the Japanese distribution channel in the sector of the economy, financial perspective. Based on the given research in 1988, the total whole seller in Japan is estimated 3.1 more than the rate in the US as we compare in the volume of wholesalers. They also reported that while 41.9 percent of Japanese wholesaler purchases came from other wholesalers, only 24.8 percent of US wholesaler purchases originated from other wholesalers (Hokey, 1996).

Complex layers of wholesalers: Based on the Hokey report in Japan level of the wholesaler is designated in four catalogs. Those catalogs are expressed in the diagram below. Those consisted of primary (initial) wholesalers, secondary (intermediate) wholesalers, and tertiary (final) wholesalers. That division is expressed in the trading companies, that company is a huge firm in the country that can provide huge products to other small wholesalers facilitating the raw material and other basic materials (Hokey, 1996).

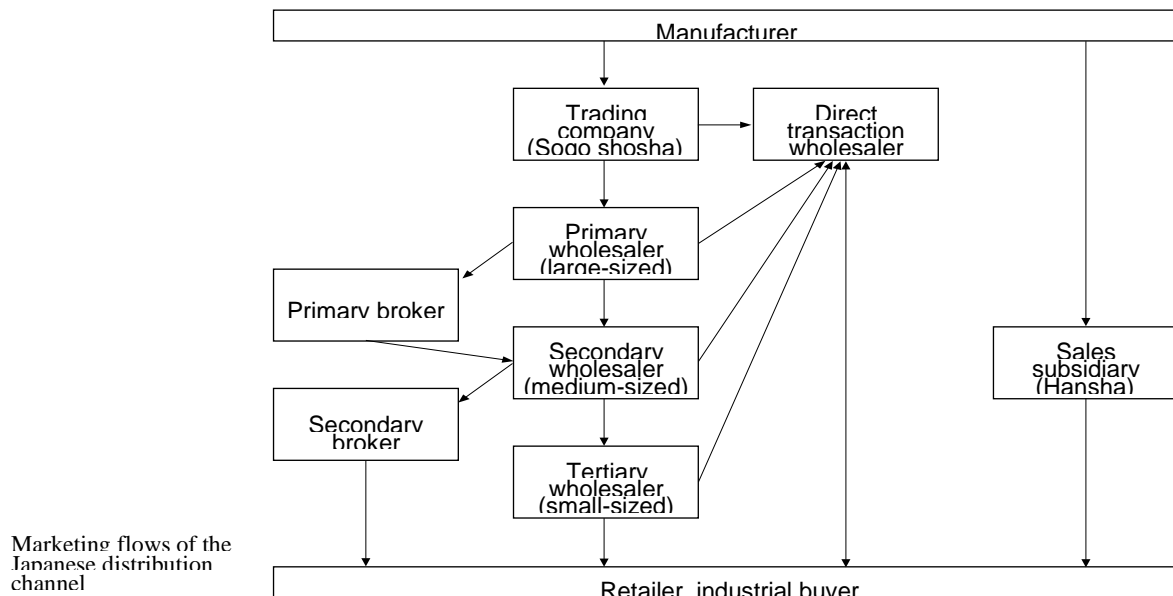


Figure 2. 3: Marketing flows of the Japanese distribution channel (Hokey, 1996).

2.2. The role of power in distribution channels

Distribution of channel can be observed in the social system of which can be considered as the compressing of an individual organization that performs the function in the distribution of material and others from the point of origin to the conception. Because of this interdependency, there arises a need for some form of cooperation between channel members and coordination of activities. This cooperation and coordination are necessary to ensure predictability and dependability between members which will allow individual organizations to plan effectively (Wilkinson, 1996).

2.2.1 Fast moving commodities in India

In around the world, Indian has become more packed in a population of around 1 billion having a GDP annual growth of 9%. The nation becomes most develop an economical perspective in 2050 it is predicting the economic potential become the third with the United State and China (Hawksworth, 2006). In 2015 the One sector that is expected to bear the brunt of this demand is the fast-moving consumer goods (FMCG) industry with retail sales expected to top \$40 billion (India Brand Equity Foundation,2008). FMCG's encompass a wide range consisted of various and different items such as toiletries, soap, cosmetics, toothpaste, shaving cream, and detergents. Multinationals with a significant FMCG presence in India are Unilever, Procter and Gamble, Nestlé, and Cadbury (Debi, 2009). After Indian gets its independence from Britain in 1947 creating a centralized economic strategy in the consistent of three hallmarks of this command-and-control economy were: a) the primacy of the public sector or government enterprises in core sectors, b) import substitution and protection of domestic firms, and c) tighter control of economic activity via a license and permit regime. At the same time, many domestic retailers such as Pantaloon and Reliance opened up western-style retail channels in the major urban centers of the country (Debi, 2009).

Classification in the consumer market in Indian expressed that environmental diversity impacts supply and consumer integration. developing a parsimonious taxonomy involving multiple dimensions such as religion, culture, etc. will become a complex undertaking. Translated to the present context, the major implications for the FMCG industry are i) a lack of infrastructure and the means to access far-flung rural markets, and b) the yawning gap in purchasing power between the rich and poor. The figure below indicated the taxonomy (Debi, 2009).

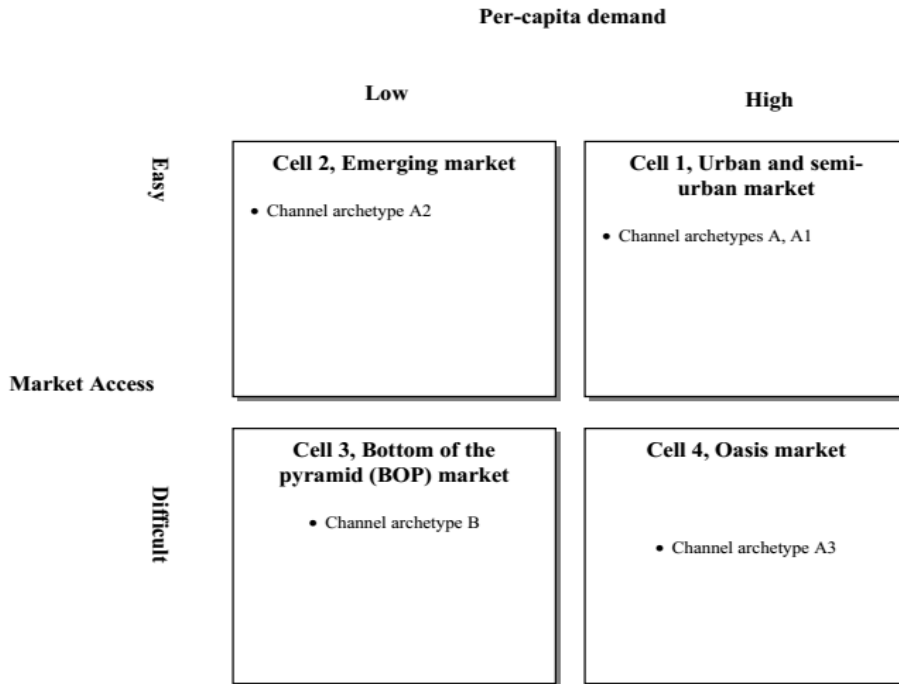


Figure 2. 4: Taxonomy of Consumer Market India (Debi, 2009).

Figure 2.4 indicated that FMCG firm’s difficulty in marketing acceding in economic potential. In the first cell, firms cater to markets with reasonably high purchasing power and consumer demand. These urban and semi-urban markets also have access to relatively efficient channels of distribution. The second sales indicated have easy market access but the lower purchasing power of the customer. These markets are satellite towns and cities which develop gradually around a major metropolitan area. The third cell presented the sizeable portion of the country’s rural ‘bottom of the pyramid’ (BOP) population without access to roads and infrastructure. While per capita demand is low, the sheer size of this market estimated at between 250 million and 300 million people offers tremendous business potential. The final cell indicated oasis market the purchasing power is higher related to the market access (Debi, 2009).

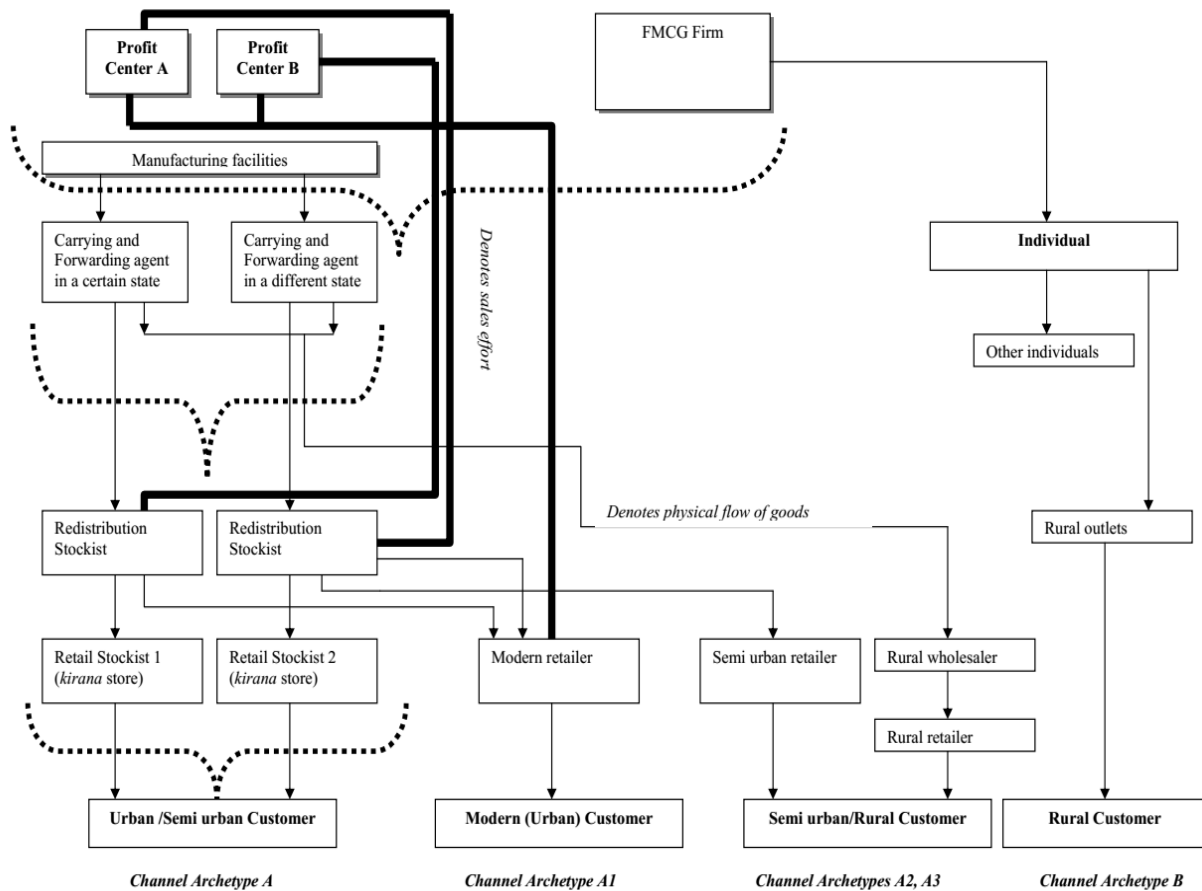


Figure 2. 5: Channel Archetypes in the Indian FMCG industry (Debi, 2009).

Distribution channel Archetypes A, A1

In the Indian FMCG firm, the profit center consisted of group brands belonging to related product lines. As an organizational unit, a firm's profit center also makes decisions in the area of sale promotion, distribution channels, advertising, and pricing. In the figure above Archetype, A indicated the most common channel indication urban and semi-urban market. Typically, the firm production from their manufacturing facilities to carrying and forwarding agents (CFA) located in each state. On the other hand, CFA's collect taxes from the manufacturer and remit proceeds to the government (Debi, 2009).

Archetype A1 indicated that modern retailing formats and chain stores have led to variation in this channel as depicted. In specification urban markets wholesalers have to sell products to chains that use central ordering and processing systems. Small wholesalers cannot often meet the demand for large retail chains. Consider first the characteristics of archetype A2. Here, FMCG

firms assess demand in low per capita markets adjacent to urban areas and develop optimal routing schedules and journey plans for urban retail stockiest A3 represent a channel form designed to serve high potential markets with relatively poor market access. FMCG firms typically appoint rural wholesalers who are close to these markets (Debi, 2009).

2.2.2 Distribution channel in Africa

The distribution in Africa, South Africa is different from the western and United States. The distribution development now in Africa is similar to twenty and thirty years ago in the United States. In South Africa, industrialization has developed slowly and conditions generally have not reached the point where marketing of over-production greatly overshadows production itself. The change in industry development required the huge involvement of another stockholder in different sectors of the continent. But in the type of agencies available, South Africa differs little from other foreign markets; as elsewhere factory branches, exclusive distributors, wholesalers, export commission firms, and manufacturers 'agents all give to the complete distribution structure (Edward, 1935).

Wholesalers in South Africa will conclude on the large scale of huge manufacturing representation. Due to the war, it made large retailer invasions in the town and fewer shipping hours rather than the wholesaler. Many lines of people can be existed in the wholesaler, because of the lack of advanced mechanisms in solving the more line. The worse is they will occupy an important portion of the county in the town where the farmer will contribute its product (Edward, 1935).

In many ways, Egypt's distributive system engages only in simple trading. It has little concern with consumer wants and needs, or with ways of better serving the consumer. Its primary purpose is physically to distribute the available goods. The distribution of industrial activity was depending on the local market. In another way, the ultimate national income and distribution depend on the types of machinery that takes the product to the potential customer. Egypt is roughly the size of the combined states of Texas, Oklahoma, and Illinois, but only about 2.8 percent of her land area is cultivable; the rest is desert (Harper, 1961).

The annual rate of population growth is 2.5 percent; thus, from a current 24.8 million Egypt's population is expected to grow to 28.6 million by 1967, and 34.9 million by 1977. The economy

will have to progress rapidly to maintain even the present low national income of approximately \$120 per capita (Harper,1961). In Egypt, retailing is an important form of unemployment relief.²³ Entry into retailing is relatively easy because of the low investment required. There is a multiplicity of small shops that exist in quantitative representation (193,297) those characterized in bad management practice. This number does not include thousands of pushcart operators, on-foot peddlers, and small agricultural producers who retail all or part of their production. Concerning the buying function, most retailers do not have the concept of providing an assortment of goods. Consumer demand is interpreted in the narrow sense of a single item. Most retailers buy on a hand-to-mouth basis which, in part, is a reflection of the way the consumer buys (Harper, 1961).

2.3 Wholesale development

Wholesale was started far more than 5000 years ago in the region of the far east (Beckman, Engle, & Buzzell, 1959). Wholesalers of many types have performed numerous activities or functions that have always been necessary for connecting distant buyers and sellers so that transactions can be consummated across international boundaries. In ancient Greece, the wholesaler activity is governed by the ruler that will be called and notified as “emperors,” used to reference the ruler. The emperor was a merchant at that time in having trade ships and importers. After importing the product and material will be distributed to the other wholesaler through the broker and agent (Bert and Trina, 2008).

Global marketing is expressed in the integration in the international cooperation in different boundaries focusing on the markets and customers based on opportunities rather than national affiliation (Johansson, 2003; Keegan & Green, 2005). Thus, the global marketer does not work in terms of a “home” market from which its products are sold to “foreign” markets. Rather, the global marketer virtually ignores national boundaries as distinct political entities in favor of focusing on customers in various countries around the world assets of market segments to be targeted. The core determinant of which markets around the globe are targeted is purely a matter of economic opportunity. The global market is essentially national and apolitical in selecting markets in which to operate (Bert and Trina, 2008).

2.3.1 Dynamic economical shift in the US in wholesaler

The role of the wholesaler in the US economy has a tremendous effect on the nation. Even if the political and economic environment challenges the wholesaler was very much resilient. Except for the 2002 U.S. census data, wholesaling occupies a very large proportion of the national economy and (for the most part) shows consistent growth in its share of the national economy. Similarly, employment in the wholesale sector constitutes a stable and considerable portion of total employment in the distribution sector of the economy. Similarly, employment in the wholesale sector constitutes a stable and considerable portion of total employment in the distribution sector of the economy (Coskun, 2007).

Table 2. 1: The resilience of Wholesaling in American Markets (Coskun, 2007).1

Year	Wholesale Volume as a Percentage of Retail Volume	Employment as a Percentage of Retail	Output per Employee (US\$000)	Percentage Increase in Productivity
1967	148	37	131	–
1972	152	36	173	32.0
1977	174	39	286	65.3
1982	187	34	400	39.8
1987	178	42	556	39.0
1992	167	31	561	0.8
1997	166	30	624	11.2
2002	138	25	728	16.6

Source: Calculated by the author from data presented in various Censuses of Retailing and Wholesaling

The expansion of the manufacturing sector in the US in an emerging huge retailer in the economy of the nation will provide a proportional impact. Mergers and acquisitions in both the manufacturing and retail sectors further concentrated power, thereby reducing wholesalers' leverage to negotiate margins and distribution agreements. Technologies ranging from enterprise resource planning (ERP) to radio-frequency identification (RFID) facilitated direct communication linkages between the back-end and front-end of the supply chain (Coskun, 2007).

2.3.2 Japan wholesaler distribution

In Japan distribution system characteristics have been identified as frequently expressed as long and convolute market channels which include secondary and even tertiary wholesalers, but few papers have treated this subject at length. Our estimates show that in general, products having

relatively long wholesale marketing channels in Japan also have relatively long wholesale channels in the United States (David & Tatsuhiko, 2008).

We can find out the many wholesaler steps in the US and Japan. particularly fresh fish, account for a larger share of sales in Japan than in the United States. That is, the pattern of trade in Japan favors products that have long and complex wholesale marketing channels. This is one reason why the wholesale sector of Japan is more complex than that of the United States if we compare the two countries' wholesale marketing channels globally rather than product-by-product, but it is the only reason (David & Tatsuhiko, 2008).

Method of measuring wholesaler steps

Sales from one wholesale to another wholesaler can be expressed as one of the indexes in expressing the steps of the wholesaler. Imagine that the typical manufacturer sells to a primary wholesaler at price P_0 and that the wholesaler sells to a secondary wholesaler at price P_1 and so on until the last wholesaler in the chain sells (to a retailer say) at price P_N . Here the number of steps is N . Suppose that the average wholesale markup P_{j+1} / P_j , is the same for all $j = 0, \dots, N - 1$ (David & Tatsuhiko, 2008).

Table 2. 2: Total markup and the estimated average number of steps computed (David & Tatsuhiko, 2008).

	Year	Gross margin rate	The fraction of wholesale sales not to other wholesalers	Total markup	Estimated average number of wholesale steps
Japan	1985	0.112	0.581	1.239	1.80
United States	1985	0.194	0.752	1.348	1.38
West Germany	1986	0.126	0.838	1.171	1.22

The outcome estimates of the number of steps N_S are 1.798 for Japan, 1.384 for the United States, and 1.216 for Germany. This exercise does therefore confirm that wholesale distribution channels in Japan are rather more complex than is true of other developed countries, just as many commentators have alleged. All of the figures just described are included in Table 2.2.

2.3.3 China wholesale distribution

In selecting of marking the strategic importance of international channel design to a firm's market entry strategy for its overseas target market has long been recognized. Nowadays the international market considering the weakest link distribution chain and carried this issue (Weber, 2000; p. 154). In China, a phenomenon was observed international marketers were forced to make the channel decision haphazardly with a trial-and-error manner. The impressive achievements in the country's economy and the PRC government's determination to further open the domestic market to foreign investors have attracted many multi-national firms to adjust their market portfolio by including China as a market of strategic importance to performance in the global market (Sherriff et al, 2003).

The reason for wholesalers in China was selected for investigation of their marketing functions were three: A) it had been indicated that adaptation becomes successful in functional necessities of both sellers and buyers. Crucial in performance in different marketing areas "fostering successful relationships between sellers and buyers in the market" (Larsen and Rosenbloom, 1993; p. 71). B) The channel of distribution of wholesalers in China will be controlled by the central and local governments. Under the centrally planned economy, the PRC government operated a three-tier distribution system that was dominated by a massive, nationwide wholesale network at three administrative levels—national, provincial, and local. This three-tier distribution system was operated by a top-down approach in the allocation of production and distribution quotas according to the central government's mandatory plan. Local state-owned wholesalers then served as intermediaries between the producers and the retail outlets. They would store and deliver the products to local retailers (Luk, 1998). C) in the western nation the economy is parallel with the wholesaler attribute. It has been observed that manufacturers prefer to structure their marketing channels to rely increasingly on merchant wholesalers who can perform the required marketing functions more effectively and/or efficiently than the manufacturers themselves (Kaynak and Savitt, 1984; Kim, 2001; Larsen and Rosenbloom,1993). As a similar trend is observed in China today, the knowledge of recent developments in the country's wholesale sector will enable international marketers to better integrate wholesalers into the firms' distribution channels for greater efficiency and effectiveness (Sherriff et al, 2003).

2.4 Purpose of inventory in wholesaler

In the argument of the importance of holdings, inventory is to buffer the customer from time lags and thus to offer greater customer service levels, as goods can be sold straight off the shelf. It is undesirable to have a stockout situation, as customers will be diverted elsewhere and market share is lost. This implies that inventory has to be large enough to cover the lead time. Another perspective is to buffer the production system from the customer by absorbing the high-frequency content in demand in the inventory, allowing the production system to have a level schedule (Disney et al, 1997).

In the last decade, Japanese philosophies have great achievement in lean manufacturing has gained in popularity. However, even with a production lead time of zero, inventory is still needed to cover the distribution time, which can often be longer than production time. This is applied in the case of Toyota (Womack et al, 1990). Accepting that some inventory will be maintained in the supply chain there is a need to ensure that a minimum reasonable inventory (MRI) is held to buffer production, maintain CSL, and reduce stock holding costs (Disney et al, 1997).

The Law of Industrial Dynamics results in excessive inventory, production, labor, capacity, and learning curve costs, due to unnecessary fluctuations in perceived demand. A contributory cause for these on-costs is the time lag between the initiation of an action and the consequence of that action. This cannot be avoided as it always takes time to produce and distribute goods. However, the effect is often made much worse by poor decision-making by production schedulers and distribution managers, as they do not understand the nature of the time lags between the ordering of goods and receipt into stock (Disney et al,1997). The objective of system order will be increasing the provision of minimum reasonable inventory (MRI), thus providing high customer service levels (CSL) coupled with high stock turnover.

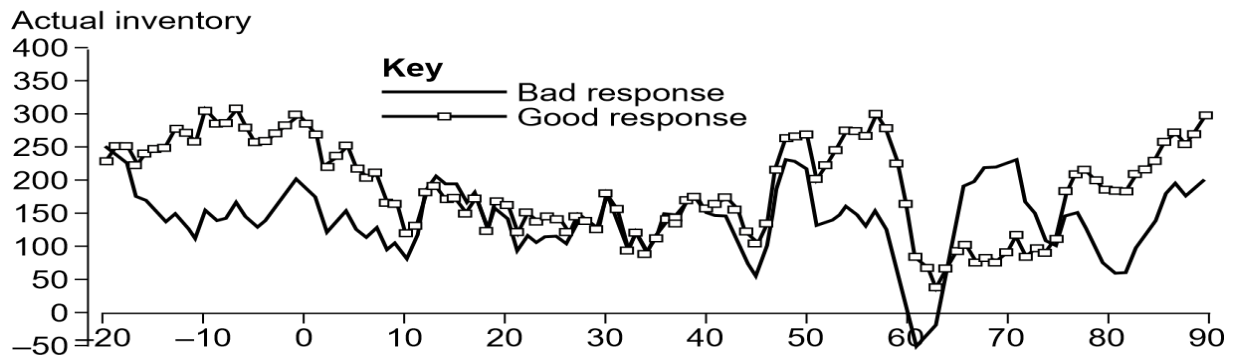
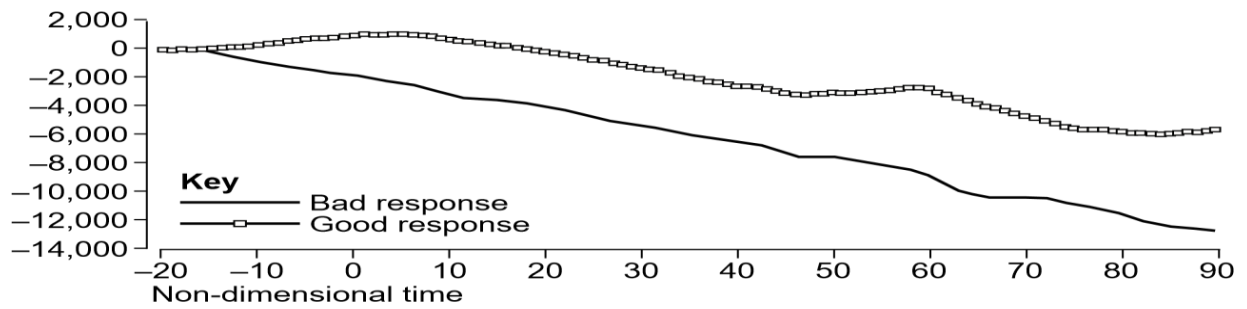
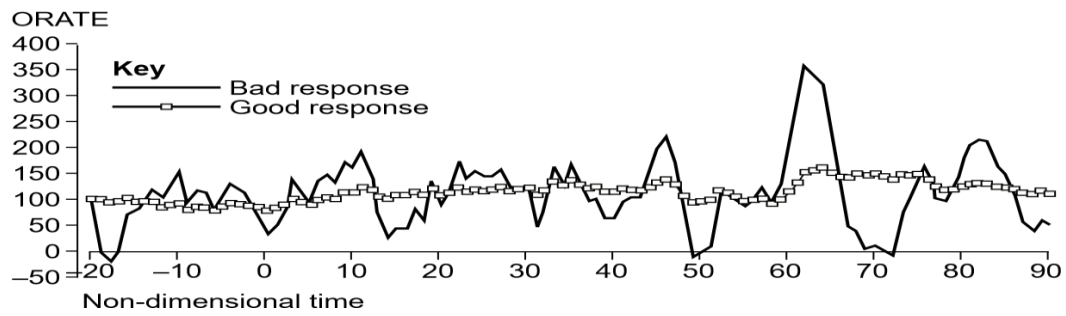
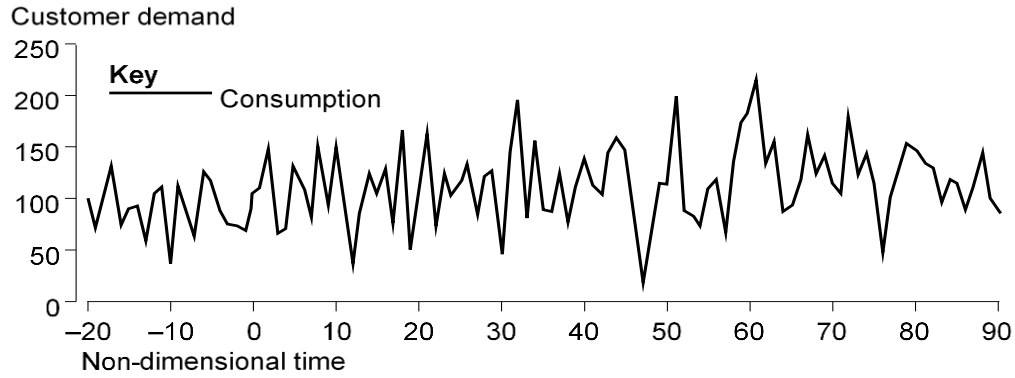


Figure 2. 6: Comparison of good and bad responses to the random sales pattern (Disney et al, 1997).

In above figure 2.6 indicated that the poor design system can cause huge damage and destruction. Since the demand pattern may be amplified with a resulting stock out situation. To minimize this possibility, it is essential to select the appropriate structure for the product ordering system, and then to set the system parameters at their “best” value (Disney et al, 1997).

2.5 Inventory development

The just in Time (JIT) principle in the manufacturing activity has huge repeatedly been a chosen topic for numerous abstracts and articles. Many articles and abstracts focus on the development and implementation of JIT in a manufacturing setting. JIT inventory principle is formulated in the Japan Toyota Motor Corporation, which became known to the industrial West in the 1970s (Co and Sharafali, 1997). JIT principle has reduced inventory necessity where the good is reached their destination when they are in need, not a minute before, nor after. By reducing inventory, management is exposed to the problems and can react quickly. The key to JIT is producing good products in small lot sizes. The reduction of lot sizes helps reduce both inventory and inventory costs associated with carrying the inventory because of the inventory-reorder quantity and the maximum inventory level drops. Reducing setup time is an excellent way to reduce inventory investment and to improve productivity (Seyed, 2001).

JIT activity focuses on the attribute of pulling rather than pushing. inventory and waste are reduced in these principles of activity. the purpose indicates due to raw materials or components only enter the production process when and where they are needed. Hence the material is pulled to the manufacturing process rather than being pushed there whether or not it is ready to be used (Seyed, 2001).

Scrapbook Eh business came into existence in 1997. The company is working in Canada in requesting of supply in scrapbooking, where there is lots of retailer in opening business but, the scrapbooking retailer becomes less. inventory management has a huge role in the success of the company and business. There are several adverse implications of a poorly designed inventory management system and they range from customer dissatisfaction to a significant increase in costs. On the other hand, there are several examples of Japanese companies that have achieved cost leadership and experienced business growth by simply following sound inventory management practices. Although strategic use of inventory can benefit most businesses regardless of their product lines and business models, the companies engaged in the wholesale

and distribution businesses have been traditionally reporting enormous benefits (Avninder et al, 2013). The material flow for the Scrapbook Eh business has been shown in a simplified supply chain where the company manages to excited the flow:

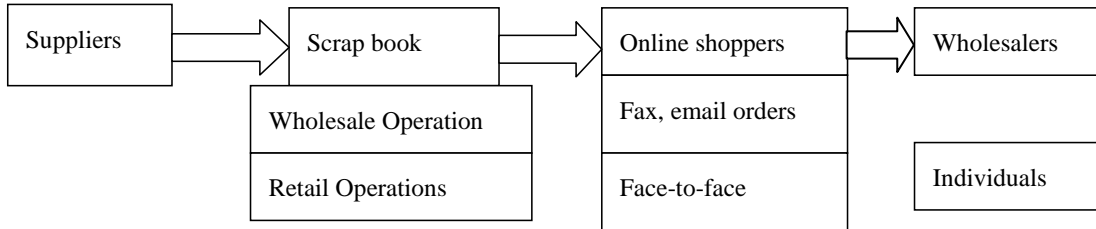


Figure 2. 7: Scrapbook Eh business supply chain (Avninder et al, 2013).1

The flow of a process in the Scrapbook Eh business has major two-part it consisted of orders for incoming stock and orders for outgoing stock. orders for incoming stock and the orders for outgoing stock. Order processing logic can be expressed in two order processing categories where the company is working on the below figure expressed the method (Avninder et al, 2013).

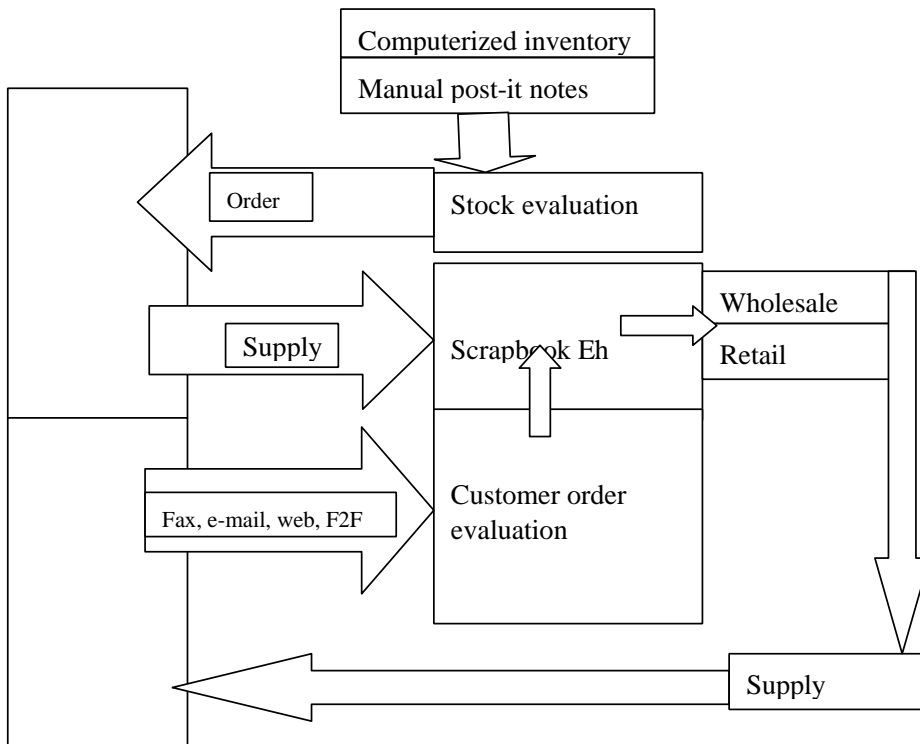


Figure 2. 8: Order processing logic (Avninder et al, 2013).

The first ordering process involves placing orders for the incoming stock. The purchasing department in consultation with the inventory staff determines the quantity of stock that needs to be ordered by evaluating the stock-outs and past sales volumes. The second process indicated the process of outdoing stock. The Stock ordering from the wholesale warehouse is mainly initiated by individual shoppers, other retail stores, and wholesale buyers. All of these customer categories have the option of placing their orders through the website, email, fax, or face-to-face (F2F). Scrapbook Eh currently maintains two sections and maintains the associated websites; one for Scrapbook Eh (wholesale operations) and one for Scrapbooker's Paradise (retail operations) (Avninder et al, 2013).

2.5.1 Inventory gap

In the time frame, the development of technology new methods in inventory management will be immersed. The gap in theoretical and practical activity will be observed in the system. The basic nature of the issue, the disconnect between theory and practice, has attracted diverse kinds of dissection from researchers. Some researchers feel that the emphasis should be more on understanding the issue and not solving the problem while some assert that incremental mathematical research is not likely to enhance the practice. There is an urgent need to analyze this issue from a new perspective.

In the comparison where the theoretical activity of inventory in the business world with the practical attribute needs to have a benchmark. Fast Moving Consumer Goods (FMCG) industry was identified as a benchmark looking at their vast supply chain network and Proctor and Gamble (P&G) spreadsheet model as a reference within the FMCG industry. P&G has successfully optimized its finished goods inventory and has got real benefits through the adoption of various inventory tools. With the help of the spreadsheet model adopted by P&G, the complexities of inventory management in the real world and how P&G takes into account these complexities in their inventory management system has been explained (Sajeev, 2013).

The primary question that should be raised by the practitioner is to define the problem in a way meaningful to the organization and then to select an appropriate model. The researcher has varied out late basic concepts of inventory control that the researcher use in modeling inventory problems. Based on Aggarwal and Dhavale (1975) there can be a 30 million inventory theoretical model where the researcher can look for it. It would be hard to find a company that

has only a single product or that does not correlate inventory decisions among different products. However, most of the past research concerns single-product and single-stage systems. Further, because researchers build on previous research work, the compounding effect of starting with unreal situations could make future research increasingly tangential to real-world organizational problems. They seldom consider whether their models would still be valid if they relax the assumptions. The results from such models would not represent real settings that have multiple items, multiple simultaneous stages (for example, distribution, production, and storage), unknown demand, random yield, and capacitated suppliers (Sajeev, 2013).

In the actual world of activity policy and process have governess in inventory management. those attributes become complex, often poorly thought out, fragmented, compartmentalized, uncoordinated, and undocumented. Inventory is affected by decisions made by various people in different departments. Thus, inventory at any time reflects the appropriateness of decisions made in various departments. In the P&G spreadsheet model, practical modeling of inventory can be shown by Farasyn et al. (2008). The figure below shows the supply chain structure supported by the P&G inventory model is explained. Where P&G extended inventory module (XIM) takes into account various complexities in the supply chain and inventory management. (Sajeev, 2013).

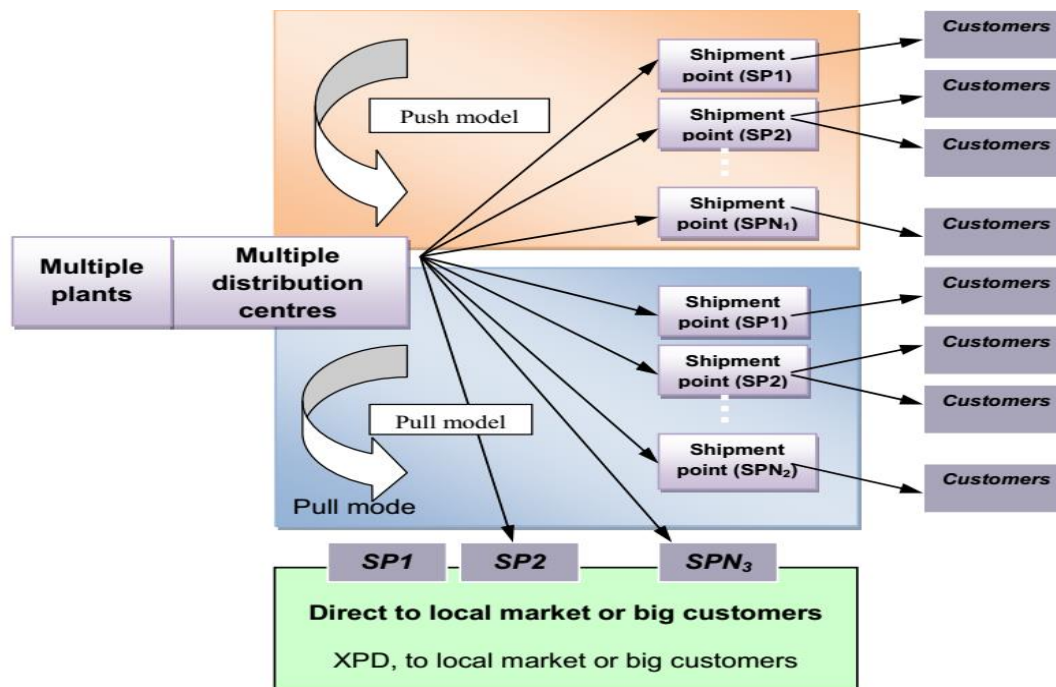


Figure 2. 9: Supply chain supported by P&G inventory model (Sajeev, 2013).1

In the consideration of the practical situation of multiple production locations, storage locations, and stock-keeping units (SKU). The model will calculate the inventory components of all P&G stock, which includes inventory at the source distribution center (DC) and at the shipment points that are replenished using a push or pull form of coordination (Sajeev, 2013).

2.6 Retailer in distribution

In Africa in the sub-African region lack of relevant information and data on the business in the non-urban area has become a major setback. Based on FORUM SA (2010) reports a new survey in the statistics in South Africa in which over 50 percent of all the 24 000 business units included fall into the wholesale-retail trade category and where at least 1.7 million business units are not registered for VAT (value-added tax). Other hands in the same survey 178 200 business units had at least a trading license. In the general perspective based on (Afrbiz 2009), the sector grew at an annual rate of 5.2 percent in 2009. the impressive figure masks the general decline outside of the main urban areas (Tabukeli, 2011).

Based on the study a cut-off of a resident population of 20 000 is the minimum size for an urban area. Given that the differences in population density are steep in the black homelands while in commercial farmlands density drops often to less than 2 people per square kilometer, analysis of the sector is specifically focused on predominantly black areas. These population variations have a direct impact on store location and density in each of the three spatial categories. The table indicated below that Gauteng and KwaZulu-Natal support the largest population while Western Cape and Gauteng register positive net migration scores. The persistent outflow of the population from the rest of the provinces has long-term negative effects on their growth prospects. Outside of the main urban areas, the countryside is categorized into three distinct spatial categories. (Tabukeli, 2011).

Studies on the evolution of retailer trade have two major theories developed by the wheel of the retailing theory developed by McNair (1958), and the accordion theory proposed by Hollander (1966). According to the wheel: the evolution of retailing starts with the emergence of retailers who seek to serve low-income consumers. These retail outlets start with crude facilities, little prestige, and enjoy reputations for cutting prices and margins to fulfill the expectations of their price-sensitive consumers (Nandonde,2018).

According to Hollander's theory, retail outlets in a given country expand or contract like an accordion, with the arrivals and departures of merchants offering assortments of products as well as the expansion and contraction of these assortments among the existing firms (Hollander, 1966). The applicability of Hollander theory to developing country situations, including Tanzania, has also been questioned because it is likely to hold at the stage in the development of retail sectors where the emphasis has been on specialty stores rather than supermarkets and malls that provide assortments of goods under one roof (Nandonde,2018).

Despite the growing role of institutions in the evolution of the retail sector in developing countries, empirical studies have shown that there is a general lack of institutional support, and law enforcement mechanisms that regulate relationships between participants within the value chains become a major obstacle in the retailer practice in the developing country. The lack of trust would lead to free riding, hold-ups, and leakages which can result in less satisfactory supply chain performance or even supply chain defection (Nandonde,2018).

The figure below shows that retailers are key players for food manufacturers to reach the final consumers. The model shows that for the food manufacturer to be accepted, they have to have a good delivery record and evidence of consistent availability of the required items. The assumption is that if food suppliers are consistent in delivery, retailers would be willing to buy their items all the time. The arrows show that information on changes in a consumer's lifestyle and demand would reach retailers and then retailers would share this knowledge with food suppliers. In addition, information would speed up innovation on the part of the retailers. But there should be a good relationship between retailers and food suppliers for the food value chain to function efficiently and effectively (Nandonde,2018).

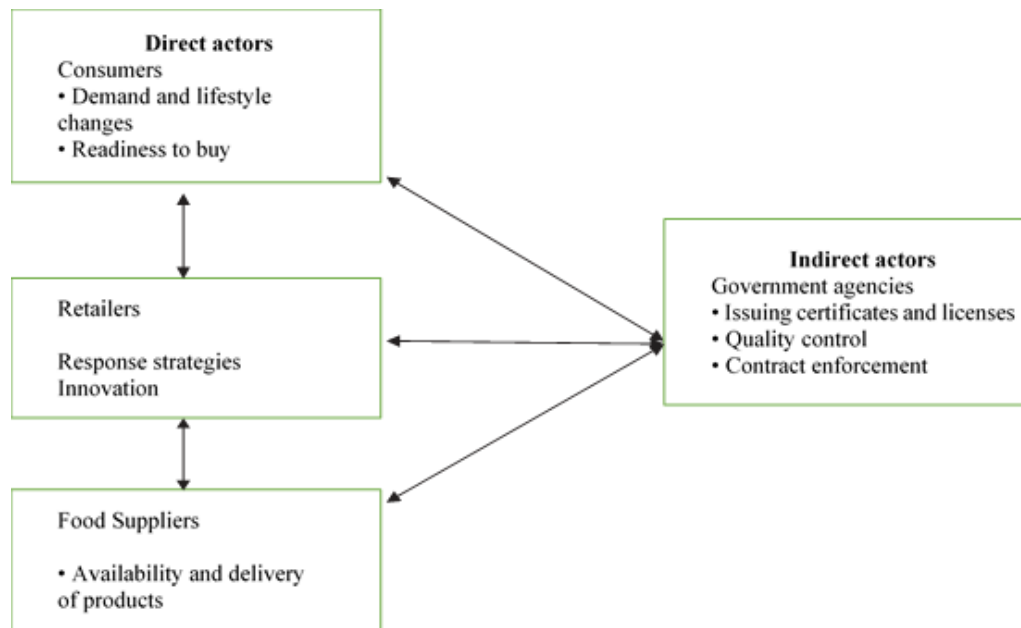


Figure 2. 10: Relationships between key actors in food retail outlets (Nandonde, 2018).1

2.7 Model Selection for distribution channel

Among different literature reviews, those selected models can be in the consideration of model selection. Based on the relation in the process and application even if the nature of scenarios in their country is different.

2.7.1 The development of an analogous channel model

The paper was prepared by Leonard Magrill in the University of Bradford Management Centre, Bradford, UK. The study indicated that marketing channels and logistic systems have led to a better understanding of this component of the marketing process. However, the implications of this better understanding extend far further within the realm of corporate orientation than merely to enhance “distribution” as an element of the marketing mix (Leonard, 1996).

This business (manufacturer, wholesaler, retailer, consumer) unit type of approach enables a clearer understanding to be made of those channels which include firms that have achieved a degree of vertical integration. (Leonard, 1996).

The conceptual stages of an analogous channel model for food distribution can be expressed as three important classifications before data collection The first is to decide which product groups are to be considered, The second decision concerns the definition of channel members, and The

third and probably the most difficult classification problem concerns the definition of when a particular channel (defined as above) for a particular product group (defined as above) is to be considered as a significant one (Leonard, 1996).

There are two basic ways in which such data could be obtained for the model: the first one Obtain it from manufacturers or distributors by a direct sample method and the second one is used retail audit information which in a way is already refined variant of the first type of data source

The model of this type could have considerable use, particularly for rapidly expanding companies, the rationale of whose expansion is sometimes not as logically based as are the assumptions of this model. Because attempts at utilizing advertising and branding skills already developed (Leonard, 1996).

2.7.2 Supply chain collaboration and integration enhance the response of fast-moving consumer goods manufacturers and retailers to customer's requirements

This research was prepared by Selepe Phetla and Ken Mathu in Gordon Institute of Business Science, University of Pretoria, South Africa in 2018. The paper aimed to establish that collaboration and integration enhanced the response to the customers' requirements (Ken, 2018).

The study was grounded on collaboration and integration theory, and a qualitative research methodology was used. Non-probability sampling was used, and senior managers selected from the two types of firms were interviewed. The data collected were transcribed, coded, and thematically interpreted using content analysis (Ken, 2018).

The basic problem indicated the interdependence between food FMCGs and retail chain stores is paramount and crucial for the end-users (customers). The study aimed to establish how customers' requirements are met timeously. Having the objective of whether SCC enhanced the response of food FMCGs and retail chain stores to customer requirements and whether SCI enhanced the response of food FMCGs and retail chain stores to customer requirements (Ken, 2018).

Seven themes emanated from the study included centralized distribution, supplier-customer collaboration, cross-docking, product alignment, supply chain network, and design, 3PL, 4PL, and technology integration, culminating in the findings of the study. The themes also expressed

the critical role of the supply chain and the implications of the lean and agile initiatives for driving performance effectiveness and efficiency in the value chain partners. The supply chain speed that determined the response time to the market or customers' requirements also emerged through JIT warehousing and the agile movement of stock (Ken, 2018).

2.7.3 The last-mile logistical challenges of an omnichannel grocery retailer: A South African perspective

This research paper was prepared by Alicia N. Weber¹ J. (Hannie) A. and Badenhorst-Weiss in the Department of Entrepreneurship, Supply Chain, Transport Tourism and Logistics, University of South Africa, South Africa in 2018. The purpose of the article was to gain an understanding of the nature of last-mile logistical challenges hindering the efficiency of an omnichannel grocery retailer in South Africa (Badenhorst, 2018).

The method of the research work indicated that A qualitative methodology was employed; data were collected through an interview with the e-commerce operation manager of a well-known omnichannel grocery retailer in South Africa as well as through two focus group discussions conducted with consumers who regularly purchase items online and those who have never purchased any item online. The kinds of approaches which the research was used analyzed using thematic analysis (Badenhorst, 2018).

The findings of the research suggested that four major last-mile logistical challenges are facing the South African omnichannel grocery retailer considered in this study. The challenges are reliable order fulfillment, cold distribution chain requirements, physical distribution, and reverse logistics. The research concluded in to alleviate the last-mile logistical challenges identified in this article, emphasis should be placed on implementing a fully integrated information sharing system (Badenhorst, 2018).

During the larger study, four last-mile logistical challenges were identified as barriers to the successful implementation of omnichannel retailing strategies. These four challenges were reliable fulfillment of online orders, cold distribution chain requirements, physical distribution challenges, and reverse logistics. They are described in the following:

Reliable fulfillment: The reasons being that customers who purchase their groceries online are demanding convenience while expecting reliable, on-time home delivery and exactly what they

order. Many consumers complain that when the product they ordered is out of stock, the product replacements are not what they would have picked for themselves because of their loyalty to specific brands.

Incorrect orders: the research indicated it was found that 51% of omnichannel retailers were unable to meet the demand spikes as a result of marketing initiatives. Furthermore, the research found that 40% of omnichannel retailers have no mechanism to full out-of-stock goods until the channel receives its pre-ordered stock; stock-keeping errors exacerbate this situation.

Cold distribution chain: Perishable foods are a fundamental source of income for grocery retailers and it is understandable why omnichannel retailers have gone to great lengths to, not only, ensure the correct temperature control of perishable food items during storage. With this form of retailing, the omnichannel retailer takes the risk of exposing perishable foods to conditions that could potentially degrade the quality of the food.

Physical distribution: These service providers need to adhere to the specific time slot indicated by the final consumer. Also, depending on the fulfillment model, consumers need to be at the delivery address at the particular time slot to receive the grocery items.

Reverse logistics: The relevance of reverse logistics in an online grocery supply chain is questionable. Taking merchandise physically back and into the system is particularly challenging and collecting unacceptable merchandise from consumers is costly. The below diagram indicated the process of a retailer can be processed (Badenhorst, 2018).

The challenges of an omnichannel grocery retailer.

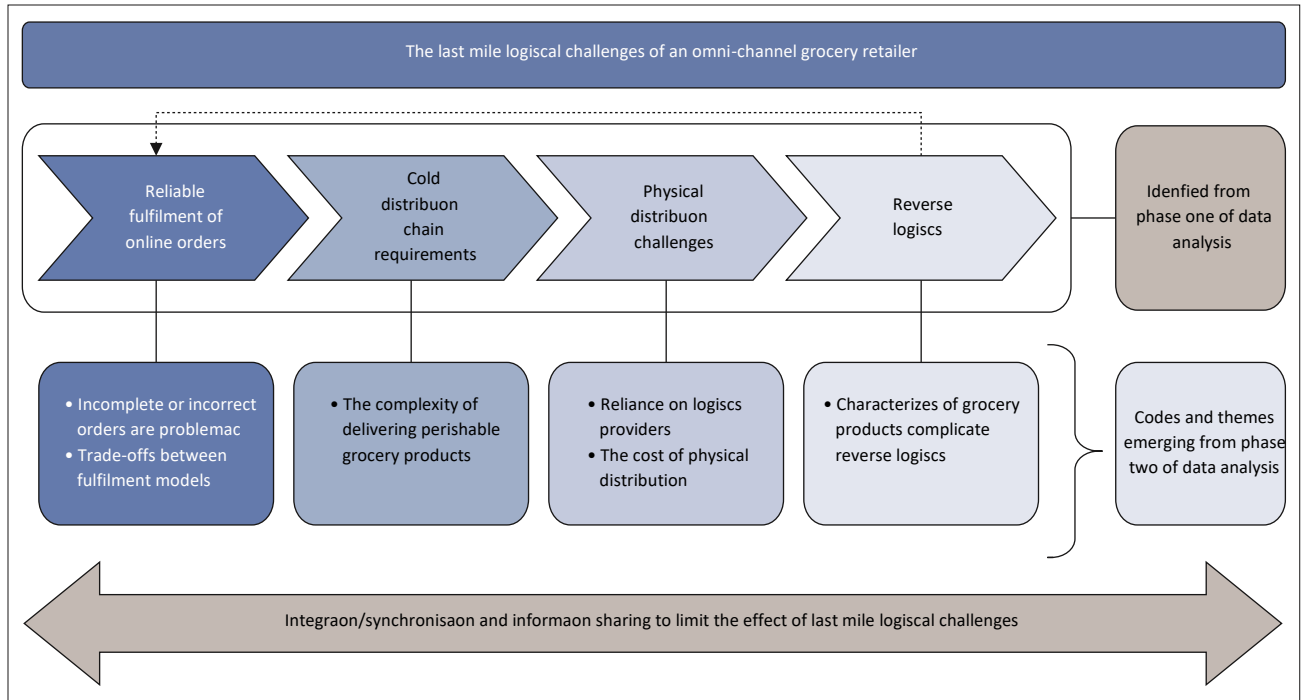


Figure 2. 11: The last-mile logistical challenges of an omnichannel grocery retailer (Badenhorst, 2018).

The processing model of the omnichannel process starts with the need or intent of the consumer to purchase a product. The consumer then selects one of the available channels. After that, the consumer either purchases (brick-and-mortar) or orders (website and mobile platform) the item he or she was looking for or leaves the respective omnichannel. However, if the customer orders the product via one of the online platforms (the website or mobile), the process becomes the responsibility of the omnichannel retailer to fulfill, package and deliver the order.

The purchasing method will be indicated the material exchange is in person Omnichannel retailing has changed this ‘traditional’ function of the supply chain, as omnichannel supply chains have become a consumer-facing front office and one of the key determinants of customer satisfaction. As a result, omnichannel retailers have to develop completely new logistical structures in which technologies, such as the Internet, are used to integrate all parties in the supply chain.

The system consisted of online and manual retailer service, on the process the opinion that the logistical challenges retailers face could be traced back to the fact that brick-and-mortar retailers have built their online offering ‘on top’ of their traditional grocery shop, secondary to traditional brick-and-mortar retailing. Those attribute building of advanced distribution channel on the traditional channel of commodities. The process is indicated below:

The Generic process of omnichannel retailing.

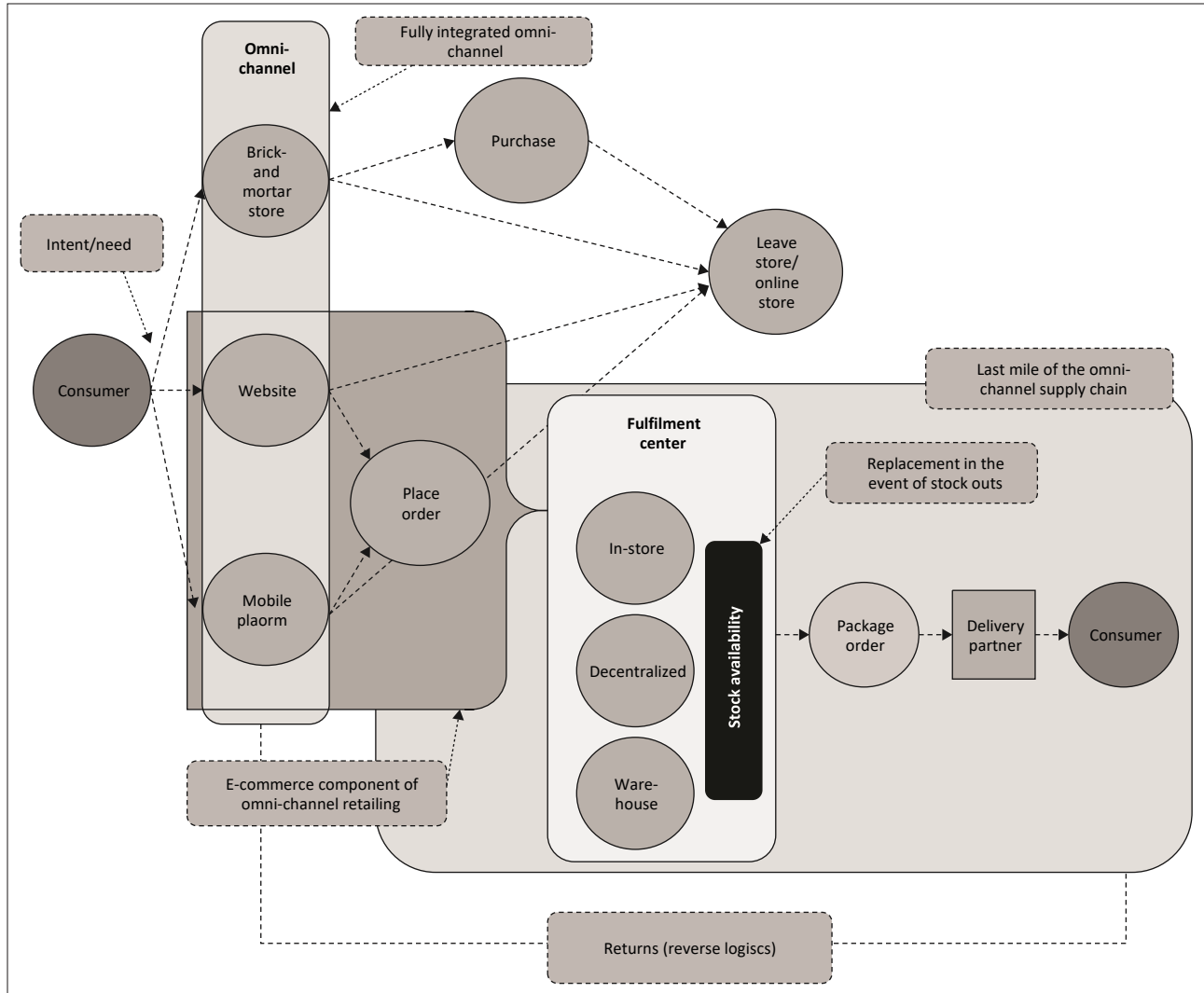


Figure 2. 12: Generic process of omnichannel retailing (Badenhorst, 2018).1

2.7.4 Business logistics models in omnichannel

This paper is organized by Gino Marchet, Marco Melacini, Sara Perotti, Monica Rasini, and Elena Tappia in Milan, Italy by the Department of Management, Economics, and Industrial

Engineering. Multi-channel strategies to offer their customers an omnichannel (OC) experience. The purpose of the research indicated that investigate how companies set the logistics variables in their OC management strategy and the business logistics models currently most adopted (Gino et al,2018).

This research used two kinds of methods in approaching. First, a systematic combining approach with scientific literature review and case studies allowed to derive a framework for classifying the key logistics variables and the related options. The framework was then used to conduct a qualitative survey targeting 92 Italian companies operating in food manufacturing, food retailing, and non-food retailing. Collected data were analyzed utilizing cluster analysis (Gino et al,2018).

The methods consisted of a different phase in the methods the primary is framework development that adapted systematic combining approach. This approach consisted of theoretical framework, empirical fieldwork, and case analysis evolve simultaneously. It's particularly useful in the refinement of existing theories (Dubois and Gadde, 2002). The sample selection was based on theoretical sampling to collect information supporting the development of the framework. The response from the data collection was Supply Chain or Logistics directors to have a broad and strategic perspective on e-fulfillment operations (Gino et al,2018).

The second phase was empirical analysis, this phase was conducted exploratory qualitative. A qualitative survey is a method of defining and investigating variation in populations. Determine diversity among the given population and established meaningful variations among the population.

The research framework of the study describes and classifies the logistics variables that companies operating in an OC environment set. The framework of the research consisted of four basic sections in the company strategy decision delivery service, distribution setting, fulfillment strategy, and returns management (Gino et al,2018).

The below figure indicated the phase of the channel that has a first and second phase inclusive of objective, methods, and outcome of the process in the two phases of the channel. Enable to observed the direction of distribution channel work as the method indicated.

Research methodology of omnichannel

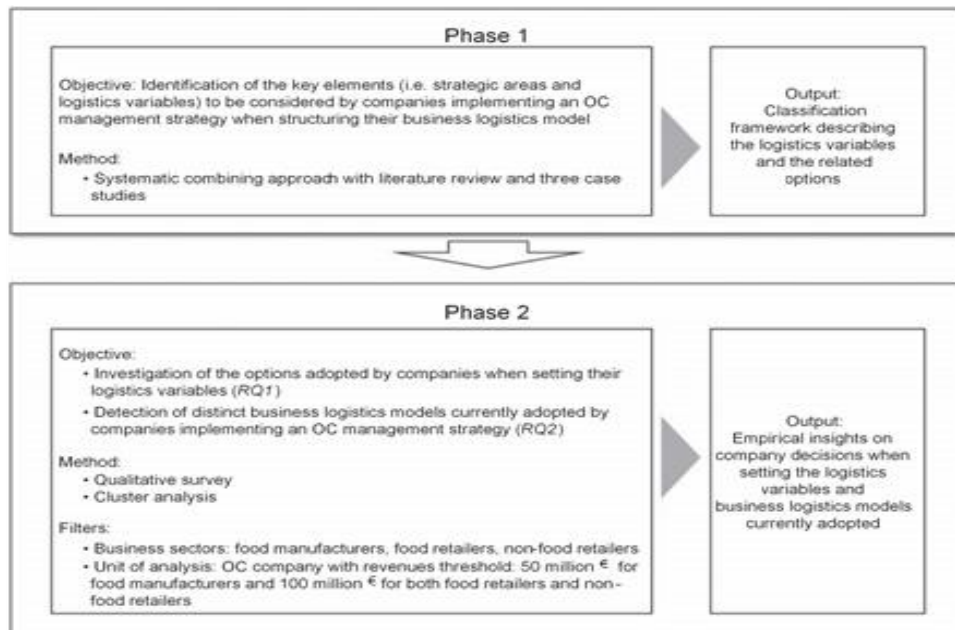


Figure 2. 13: Research methodology of omnichannel (Gino et al,2018).1

The finding of the study is indicated that the implementation of OC management consisted of 11 logistics variables belonging to four strategic areas: delivery service, distribution setting, fulfillment strategy, and returns management. Empirical investigation indicated choices made by companies when setting the logistics variables to implement an OC management strategy. Lastly, four business logistics models, differing in terms of both business sector and OC maturity, were discussed. (Gino et al,2018)

Based on the research various results were discussed on the subject. From those areas of discussion, the delivery service indicated that the key issue in delivery service is not about finding a cost-effective solution based on the literature, rather combining of different options available in the ground for the customer in a valuable OC experience (Gino et al,2018).

This approach indicated the three divisions that included strategic area, logistics variable, and options for channel allocation in the distribution model. Enable to observe the partition in which the activity of the phase takes place in the channel.

Table 2. 3: The framework of the omnichannel distribution model (Gino et al,2018).

Strategic area	Logistics variable	Options				
		Attended HD	Unattended HD	In-store C&C	Attached C&C	Solitary C&C
Delivery service	Delivery mode	Same day	Next day	Two or more days		
	Velocity	Specific		Undefined		
	Time slot	Yes		No		
	Slot price differentiation	Yes		No		
Distribution setting	Picking location	Central warehouse	Separate fulfilment centre		In-store	
	Delivery area	Local	Regional	National	International	
	Transport service	Milk run	LTL - express courier	LTL - courier	FTL + local distribution	
Fulfilment strategy	Automation	Manual	Semi-automated		Fully automated	
	Integration	Separated		Integrated		Capacity-optimised and integrated
	Order allocation	Static		Dynamic		
Returns management	Returns mode	No returns		CEP returns		In-store returns

Notes: HD, home delivery; C&C, click and collect; LTL, less than truck load; FTL, full than truck load; CEP, courier, express and parcel

2.7.5 Perspectives of retailers and local food suppliers on modern retail in Africa

This research paper was published in the British Food Journal by Felix Adamu Nandonde, John Kuada, in 2018. The purpose of the paper indicated is to present the findings of an exploratory qualitative study of the evolution of modern food retailing in Tanzania (from both retailer's and suppliers' perspectives). The research is mainly focused expanded the knowledge of the evolution of modern food retail in developing economies by using the relationship marketing theory. Furthermore, the study employed some major actors in the food value chain to understand determinant factors that accelerated the evolution of supermarkets in Tanzania (Nandonde,2018).

In the process of the research, the finding indicated that seven major factors that account for the evolution of modern food retail in the country were identified. These are the availability of suppliers, acceptance of trade credit, innovation, lifestyle change, institutional support, convenience, and availability of consumers. The approach used in the research indicated that a qualitative case approach was used in this study. Participants were drawn from three sets of actors: retailers, local food suppliers, and government institutions. Data were collected using a

semi-structured interview format. The thematic qualitative analytical technique was used for the data analysis (Nandonde,2018).

2.7.6 Model selection

The modes observed in the literature have a basic attribute in distribution where the material and the distributor are different. The approach of analysis is different from one another, based on their approach and methods the result was different.

The criteria listed for the selection of the model from the suggested literature are:

- Place of the research performed
- The technological integration
- The approach it follows
- The goal it has
- The practicality of the model
- The target area of the model
- The time frame of the research
- Simplicity for understanding

Out of the five observed models in the distribution of material the last-mile logistical challenges of an omnichannel grocery retailer: A South African perspective was selected. These models have an important contribution to model development. From those models, the appropriate model will be adopted for the Alle Bejimla distribution channel of material goods and information The last-mile logistical challenges of an omnichannel grocery retailer were selected out of the other model was because of the following:

- The goal aimed the integrating distribution in omnichannel
- The model was prepared in Africa, South Africa. That indicated the country was on the development relatively.
- The technological advancement when we compare to Ethiopia is relatively similar. In the economic and social aspects of the community, marketing interaction is slightly similar.
- It can be adopted easily based on the country background and retailing system.

- It's used the omnichannel methods of distribution of goods in the retailer and wholesaler which is a great opportunity for adopting the capacity of our distribution channel system.

Even if the model is not capable to include all the critical but, from the other, it's preferable on the scenarios of our retailing system and it will be an opportunity for integrating technology in the enterprise of the wholesaler in our country.

Table 2. 4: Selection of adopted model

No	Study	Area of Demand Forecasting	Applied Approach	Year	Country
1	Leonard Magrill	Food distribution	Analytic channel by function	1996	UK
2	Mathu, K. & Phetla, S.	Enhanced response to the customers' requirements.	Collaboration and integration theory	2018	South Africa
3	J. Badenhorst-Weiss	challenges of an omnichannel grocery retailer	Thematic analysis	2018	South Africa
4	Gino Marchet, et al.	logistics variables in their omnichannel management strategy	Systematic combining approach	2018	Italy
5	Felix Adamu Nandonde, and John Kuada	Perspectives of retailers and local food suppliers	The thematic qualitative analytical technique was used for the data analysis.	2018	British

Generally, the selection of the model was based on the existed environment of our enterprise system and by progressively develop the capacity and integrating with technology in the service giving attribute and distribution channel from retailer to wholesaler.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design

Research design and formation is the key factor in showing the way how to conduct the research to do and achieve the expected result. It also indicates the master plan what the researcher should have follows at the time of his/her work. In this current research, the study model is non-experimental and survey. The study was utilized as a quantitative and qualitative model to answer the research question. Close-ended questionnaires were used for collecting quantitative data and, open-ended questionnaires were used for collecting qualitative data.

The source of data can be imported from different corners which can help the research be observed fundamental perspectives. Data were collected from primary and secondary sources. The respondent categories for primary source are the wholesaler head office, the whole seller in the Hawassa branch of the enterprise, and huge retailer facility in the Hawassa (managers, operators, merchants, customers) In addition to the primary sources of data, the researcher were also will utilized secondary data related to the customer service file in the enterprise, report in consideration of the distribution of material and company published material in the hard and digital data. Form different recent related research papers and journals

A structured questionnaire is provided to the sample of individuals or respondents of Alle Bejimla licensed retailers and consumers. Those questioners enable the researcher to identify the basic issues and see the clear path of the work. Most questions in the questionnaire are close-ended questions and contain different parts. However, opportunities are given to the respondents to say more through open-ended questions. Key informant interview is also conducted to collect primary data. Concerning this primary data collection instrument, the structured interview is also undertaken with the two management members and experts of the enterprise.

Secondary data such as documents, periodical reports, publications, and others relevant to the study are collected from different government institutions like Central Statistical Agency (CSA), Ministry of Trade and Industry, and last but not least formally Bejimla wholesale enterprise. Those institutions become integrated with the work of ALLE enterprise.

3.2 Target population and Study area

3.2.1 Study area

The study area of the research is Hawassa city. Before 2020 Hawassa was found in the SNNPR region which including a huge area and topography SNNPR is the third-largest region in Ethiopia in terms of population, and is located in the southwest of the country. Its estimated population is approximately 20 million people, which makes up 20 percent of the Ethiopian population. The region is one of the most populous parts of Ethiopia, with a density of approximately 151 people per square kilometer. Central SNNPR is particularly highly populated. Like elsewhere in the country, the population is young (UNICEF, 2019). Based on Ermias Kifle Gedecho's paper Hawassa is in a strategic location in the rift valley the city has an area of 47.66km² comprising more than 225,700 people. This means 4735 people live within one square kilometer (CSA, 2013). The city is located strategically for different purposes the city is located 275 km south of Addis Ababa via Debre Zeit-Mojo, 130 km east of Sodo, 75 km north of Dilla, and 1125 km north of Nairobi. Hawassa is the capital of the Southern Nation Nationalities and Peoples regional state and Sidama Zone and is a special zone of this region (Ermias, 2015)

3.2.2 Target population

The target population of my research is the study population in which the data has been collected. This includes Alle Bejimla enterprise, the retail agents of Alle Bejimla with indirect observed the end-user. Alle Bejimla: it is a wholesale enterprise that distributes products to consumers through selected retailers.

- Alle Bejimla retail agents: are licensed distributors of the enterprise's products to the consumers and who are engaged in the commodity retail business.

3.3 Sampling techniques and sampling procedures

The research activity executed purposive sampling techniques for selecting representatives from Alle Bejimla retail agents. Based on purposive sample technics the total population data is arranged in the Hawassa different selected sub-city and then after from each sub-city, retailers are selected purposively. Moreover, to select representatives of consumers, who buy goods from the retail agents, the research applied random sampling and contacted them randomly while

buying goods at Alle Bejimla retail agent's shops. Additional non-Alle retail agents are also selected based on the purposive sampling technique.

This purposeful selection of sample comes due to the Enterprise Alle Bejimla consisted of a different form of distributor like a profit-based and non-profit based institution. Profit-based institutions consisted of Exclusive kiosks, independent kiosks, medium-size retailers, and large-size retailers. Non-profit institutions consisted of religious institutions, governmental institutions, and higher educational institutions. For that matter, these methods of sampling are purposeful, in focus on the independent kiosk and both large and small size retailer.

The reason to employ the purposive sampling techniques method to select the representative consumers is because of the homogenous nature of the sample. In the city large number of retailers be partners with the enterprise, to get effective results with the given time resource selected the purposive sampling.

In the study in Hawassa city, there are 3988 Alle Bejimla retail agents. For the total research, a total number of 92 retail agents are selected. First, the retail agents are grouped based on their address (sub-city), and 12 representative retail agents are purposefully selected from each sub-city. In Hawassa city, there are eight sub-city administrations. The consumer respondents are contacted and requested to complete the questionnaire while there are at shopping in the Alle Bejimla retail agent's shops.

The sub-cities are the following: -

- Addis Ketema Sub City
- Mehal Ketema Sub City
- Bahil Adarash Sub City
- Hayik Dar Sub City
- Misrak Sub City
- Menehariya Sub City
- Tabor Sub City
- Tula Sub City

The selection criteria of these retail agents are mainly based on the location of the shops and specifically the size in their area of the location to the community. Purposefully selected that retailer is for getting effective representatives in the sub-city about the distribution of goods from the enterprise to the community.

Based on Patton (2002), the purposeful sampling majorly indicated logic and power in quantitative research with intended in different purpose activity. Where purposeful sampling consisted of 16 strategies. Purposeful sampling practiced information-rich cases which indicated the importance of central inquiry. Thus, the term purposeful sampling. Studying information-rich cases yields insights and in-depth understanding rather than empirical generalizations (Harsh,2016)

3.4 Data Collection Instruments

Questionnaires: to verify and evaluate the basic research question formulating a questionnaire if basic. To identify the opinions of the operator and existing network systems the researcher should formulate these activities. The researcher adopted standard close-ended questionnaires and also developed open-ended questionnaires that can allow for collecting information from different sources of customers.

The Questionnaires forwarded to the retailer consisted of a closed question and open in areas of commodity flow, information flow, and price exchange between the Enterprise Alle Bejimla and retailer. The questionnaire will be filled in person with communication with the retailer in the subject matter.

Summary of the annexed in the questionnaire indicated it consisted of 26 questions with different approaches and explanations. The closed-ended question indicated Yes/No type, argumentative type, and optional type of question. The open-ended question needs further explanation on the subject matter raised in that particular question.

Interview:

At the last 3 people from the management administrative member of the enterprise and 2 personals from the customer service section, the group of workers is also selected in considering their experience and level of knowledge about the enterprise. Interview with the selected

personals illustrates the activity that had been done in the enterprise in the section of distribution channel of commodities.

The focus of interview questions indicated the distribution channel activity within the Alle Bejimla in the Enterprise in the information and commodity flow and financial transaction. Connection with head office in Addis Abeba in the flow of both commodity and information, not only that it indicated the communication with a local retailer in the Hawassa

The number of personally selected in the interview is due to the nature of questions in the interview which focused on the managerial and operational attributes that need those personals with appropriate skill and experience.

Observation:

In the time of data collection from the enterprise, Alle Bejimla and selected retailer's observation become essential to impute in the data organization. My observation will add additional entities for the result and outcome. The observation will be executed in the field visitation of stores and wholesaler warehouses. Visiting include in what way did the distribution of good is exchanging between the supplier and retailer.

Checklist:

Based on the checklist prepared, observation of the enterprise and its activity is visited. The checklist consisted of different observation questions, which elaborate the visitation in various areas.

Secondary data:

Different sources from other researchers in the particularly related company and methods of distribution channel. Varies articles, published documents, referenced books, and other materials will be over-covered in the process.

3.5 Method of data analysis

The raw data collected from different sources are analyzed in terms of the study objective already stated or designed previously. The analysis of the data is employed both through quantitative and qualitative methods. To analyses, the quantitative data different statistical

techniques like tables, graphs, and charts were used. Having the collected data, we can interpret it in a different method, using an SPSS data analysis based on the data formulating statistical data used to show the current attribution of the existed distribution channel of the enterprise in direction gap in the flow of information and commodities. The data analyses will have descriptive approaches to analyze the data.

3.6 Ethical considerations

In conducting the interview and survey interview the interviewee's consent and willingness are asked and got a confirmation and willingness of the interviewee. Any information that needed to be kept confidential and gathered in the process of conducting the research has been kept accordingly. The study will focus on the study scope and attribute of educational purposes. The method and procedure will follow the principle of the enterprise and ethical consideration of the company.

CHAPTER FOUR: RESULT AND DISCUSSION

INTRODUCTION

The chapter describes the result and discussion based on a questionnaire survey. Interview, data analysis, field observation, and checklist describe based on chapter three in the methodology. The assessment of the current trend indicated the distribution method of the Alle Bejimla enterprise in the Hawassa branch. Formulation of a model in the distribution of goods in the sub-city of the town under the umbrella of Alle Bejimla. The sample model also discusses in the literature part of the research which complied and supports the activity in this research. The statistical packaging social science (SPSS) software version 20 was used in the data analysis of the Questionary up to the test of normal distribution.

To analyze the Questionary state the range which the responder of the questionnaire indication of their states in which the accuracy of the answer. With the retailer activity, the software generates the fact in which passion, level of ownership, the attribute which the enterprise and the retailer make a relationship. The responders analyzed in the position of the retailer time and ownership. This attribute enabled the questioner to be true. Different charts and diagrams will be presented in the chapter for the presentation of results collected by the questionnaire. That presentation consisted of scenarios in the retailer side of the chain and customers of the enterprise.

The respondent's value was discussed by various procedures likely to scale up to the normal distribution of the test of bill diagram. Those tests and check-ups to understand the collect respondent's value different from the mean distribution. For each of the above discussions, the result will be discussed in the following topics.

4.1 Response Rate

A total of Ninety-six (96) questionnaires distributed 92 questionnaires were collected and analyzed and the rest 4 questionnaires were discarded due to retailers were not collaborate. Thus, the response rate of the questionnaires is 92 (95.8%).

4.2 Position retailer in the shop

In this section personal information of respondents like the position of respondents at the shop respondents in the retailer facility. Whether the person is the owner of the facility, family of the owner, employee, or other. Other indicated related person with payment working in the shop.

Table 4. 1: Personal Information of Respondents position

	Frequency	Percent	Valid Percent	Cumulative Percent
Owner	28	30.4	30.4	30.4
Employee	21	22.8	22.8	53.3
Valid Family	20	21.7	21.7	75.0
Other	23	25.0	25.0	100.0
Total	92	100.0	100.0	

Regarding respondents' position at the shop, 28(30.4%) were owners, followed by 23(25.0%) others, 21(22.8%) employees, and 20(21.7%) families. Thus, we can infer most of the respondents were the owner and others.

The above result indicates that the respondents are with the appropriate experience and understand the activity hence the result obtained is reliable. This indicates that the data collected is more acceptable and vital in adding value to the trend of findings for this study.

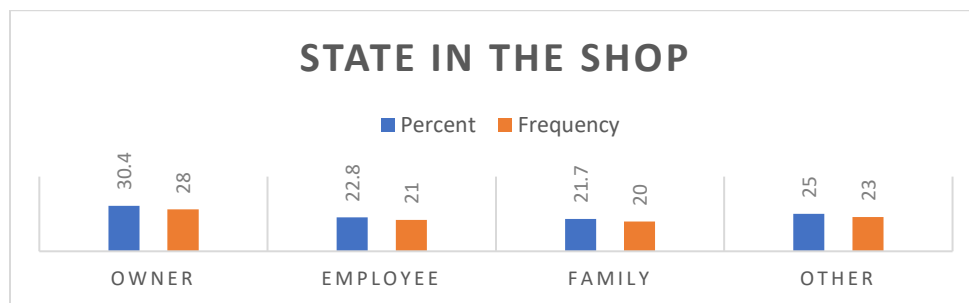


Figure 4. 1: State in the shop

4.3 Goods demanded by the customer

Demandable goods in the community are essential in which they can challenge and make influence the retailer and supplier. The enterprise provides different materials but out of those, the key demandable material becomes so important in the distribution attribution.

Table 4. 2: Consumable goods demanded by consumers

	Frequency	Percent	Valid Percent	Cumulative Percent
sugar	3	3.3	3.3	3.3
sugar and oil	46	50.0	50.0	53.3
oil and flour	15	16.3	16.3	69.6
Valid sugar and flour	7	7.6	7.6	77.2
All of the above	21	22.8	22.8	100.0
Total	92	100.0	100.0	

Out of the three fundamental goods based on the respondents' response, the first rank indicated, 46(50.0%) sugar and oil, next all of the above the three goods 21(22.8%), then oil and flour 15(16.3%), then sugar and flour 7(7.6%) and last sugar 3(3.3%). Thus, the most response response sugar and oil and all the three goods are demandable by the retailer that implies huge expectations in the community.

These indicated huge requests for sugar and oil and all the three goods from retailer to the enterprise. The enterprise will give more infancies in those goods to deliver to the community due to the high demandable goods.

Based on the interview with the administration the outsourcing of the goods to the enterprise is led by the government with domestics and foreigner supply in those three goods. Those delays in the supply chain the demand will be increased will create a shortage in the product so, will create tension among the retailers and the end-user.

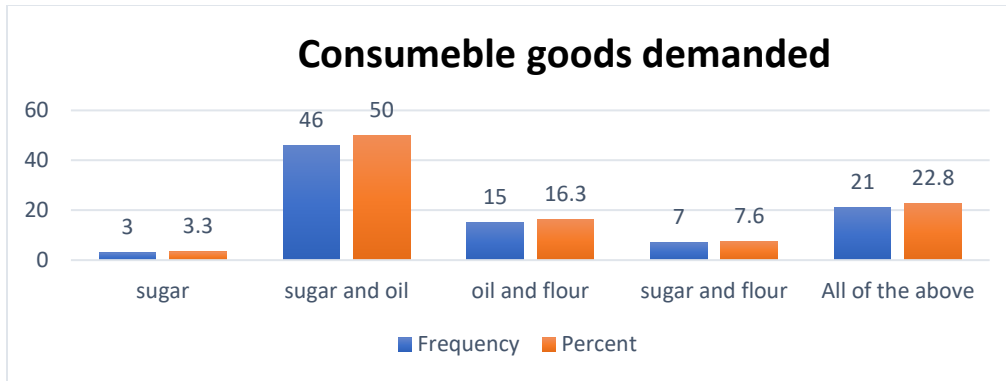


Figure 4. 2: Consumable goods demanded by consumers

4.4 Number of years as a registered retailer

Alle Bejimla is a governmental enterprise established to regulate the market in the community and providing goods at a fair price for the middle- and lower-class community. The enterprise will be accepted specific retailers that are registered as an agent. Those agents will have access to get a product from the enterprise and will provide it to the end-user as representatives.

Table 4. 3: Number of years stay register in Alle Bejimla

	Frequency	Percent	Valid Percent	Cumulative Percent
<2 years	20	21.7	21.7	21.7
3-4 years	42	45.7	45.7	67.4
5-6 years	23	25.0	25.0	92.4
>6 years	7	7.6	7.6	100.0
Total	92	100.0	100.0	

Based on the respondents' answers the retailer with less than two years as the register was 20(21.7%) the retailer that has stayed as register in the enterprise for three to four years 42(45.7%) those between five and six years are 23(25.0%) and the last those retailers that had been a registered agent for more than six-year are 7(7.6%).

These indicated that as time goes more retailers are joining the enterprise chain that will increase the accessibility of material for the end-user. The high number of years most retailers are partners to the enterprise were from (3-4) years.

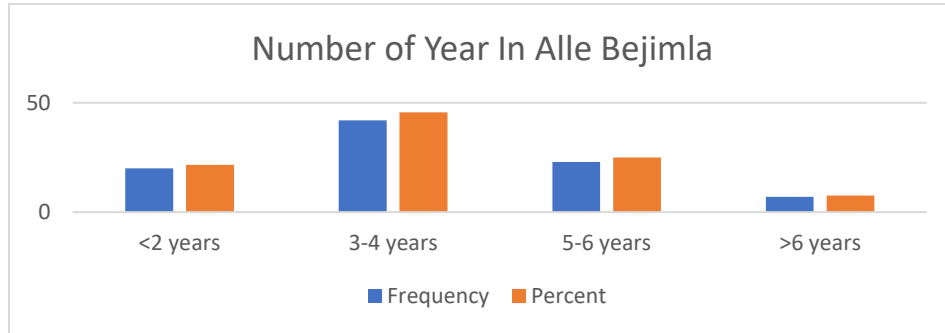


Figure 4. 3: Number of years in Alle Bejimla

4.5 Consumable goods available in Alle Bejimla

These huge enterprises consisted of different types of goods and materials which are consumable and non-consumable goods. Those consumable goods are goods that people used for day-to-day activities. They are major demandable by the community due to they are consumable.

Table 4. 4: Consumable commodities available

	Frequency	Percent	Valid Percent	Cumulative Percent
None	3	3.3	3.3	3.3
Few	38	41.3	41.3	44.6
Valid Most	44	47.8	47.8	92.4
All	7	7.6	7.6	100.0
Total	92	100.0	100.0	

As the responder's feedback for the questionnaire the rate of availability in the enterprise on the consumable goods 44(47.8%) of the responders are said they find most of the consumable goods in the enterprise. 38(41%) of the responders are said they will find few consumable goods in the enterprise while they are going to the Alle Bejimla. The 7(7.6%) of the retailer in the questionnaire responded they will find all the consumable goods in the enterprise. The last one 3(3.3) of the retailers said they will not find consumable goods that they looking for.

Thus, the response will be indicated large range of the retailer will find their consumable goods while they go to the enterprise and about 3.3% of the retailers are not finding their demand due

to varies reason. Based on the interview with the enterprise I get the supply chain of the material from the head office some time will be delayed and shortage in numbers.

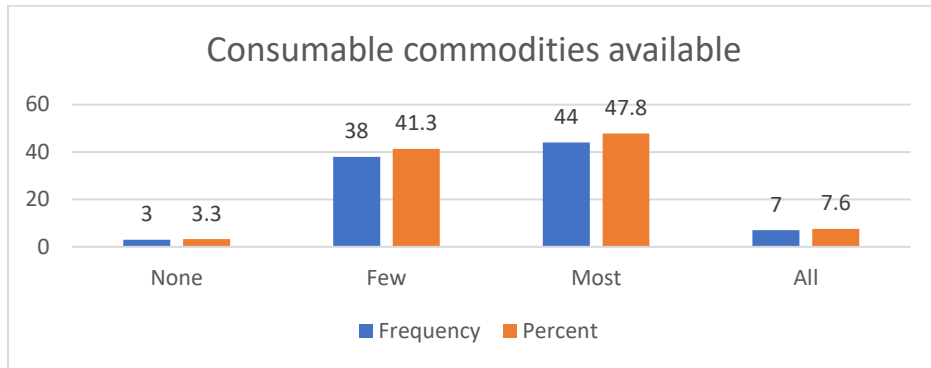


Figure 4. 4: Consumables commodities available

4.6 Technology approach between supply and consumer

Technology has become critical now a day in our day-to-day life. In distribution goods, the supply will form a connection that information and material flow simultaneously. All activities of people become dependable in technology. Due to it reduces energy waste and gives efficiency in their work that produces effectiveness in general.

Table 4. 5: A technology approach

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No	92	100.0	100.0	100.0

From the retailer's response, there is no technological connection regardless of the distribution of goods from the enterprise to the retailer. The retailer personally goes and purchases the product where the enterprise provided. These will not imply the technological advancement in the enterprise it is self. Alle Bejimla has become advanced in the internal technological implication. As my observation and interview, it uses Microsoft Dynamic NAV software in the transaction sector. Not only that it uses bar code for the payment and warehouse management system.

As the responder implies the technology platform in which information can be transfer from one side to the other. Those information gaps will create dissatisfaction and unorganized collaboration between the enterprise and the retailer.

4.7 Communication of Alle Bejimla with retailers

Communication is the essential mechanism in takes place of trading. Without best communication goods are not effectively transported from the provider to the customer. In the distribution of various, products to different retailers need an effective and modernized communication platform. When the communication platform is secured, the exchange will be effective.

Table 4. 6: Wholesaler communicated with the retailer

	Frequency	Percent	Valid Percent	Cumulative Percent
In person	59	64.1	64.1	64.1
Valid Phone	33	35.9	35.9	100.0
Total	92	100.0	100.0	

Based on the response indication out of four options which the enterprise aimed to adders the retailer in information and other credentials response. The communication platform between enterprise and retailer is limited to personal contact and phone. Out of the respondents, 59(64%) retailers describe their communication with the enterprise as personal. The 33(35.9%) of retailers indicated phone communication.

In-person communication if the retailer wants any information regarding the material provided by the enterprise can be accessed in person. So, they must move to the facility to communicate with. The rest can access through phone medium. Those communications will create a gap between the need and supply.

Email and social media become the inactive platform for the retailer to have communication about the goods and distribution of the material. As social media Alle Bejimla has a Facebook page in general, not the Hawassa branch.

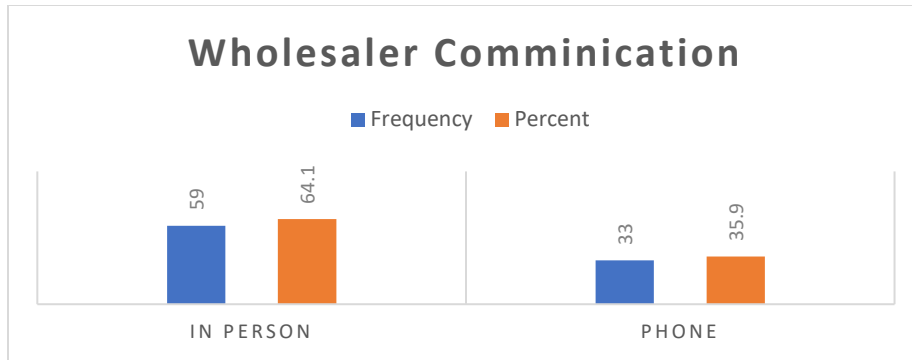


Figure 4. 5: Wholesaler communication with retailers

4.8 Method of receiving complaints and suggestions

Communication is not only giving one-way directional information flow rather the two-directional flow of information. That information consisted of complaints and suggestions that the retailer gives feedback to the enterprise. Feedback will be established basement for improvement and correction in the enterprise were become suitable for their customers.

Table 4. 7: Available methods of receiving complaints and suggestions

	Frequency	Percent	Valid Percent	Cumulative Percent
Very poor	6	6.5	6.5	6.5
Poor	25	27.2	27.2	33.7
Valid Good	34	37.0	37.0	70.7
Very Good	27	29.3	29.3	100.0
Total	92	100.0	100.0	

From the table, we can understand based on the respondents' the rate of compline and suggestion platform provided and exercising by the enterprise showed in the above. From the retailer of 34(37.0) respondents describe the plat for complaint and suggestion is good. 27(29.3%) of the responders replay the oppportunity for complaint and suggestion said very good. Out of the retailer feedback, 25(27.2%) said the platform of the complaint and suggestion is poor. Finally, 6(6.5%) of the responders replay the platform of complaint, and suggestion is very poor.

Thus, indicated that the enterprise has a routine in outdoor serve lance and visitation to the retailer in which collected the complaint and suggestion made by the customer. Now, this activity is inactive due to a resource shortage in staff and an internal load of work. So, the platform of complaints and suggestions can be performed in person.

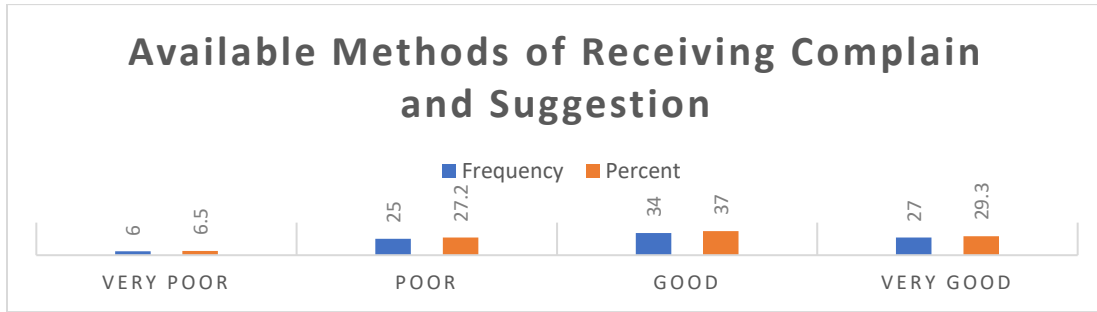


Figure 4. 6: Available methods of receiving complaints and suggestions

4.9 Transportation service provision by Alle Bejimla

Transportation services become one of the key factors in the trading activity in willing of the customer need. Having an effective and simplified transportation facility the customer will eventually prefer those ways of trading.

Table 4. 8: Transportation service provide

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	3	3.3	3.3	3.3
Valid No	89	96.7	96.7	100.0
Total	92	100.0	100.0	

Based on the responder of retailers 89(96.7%) of the person replay there is no transportation provided by the enterprise for the take of the products that had been purchased by the customers. 3(3.3%) of the customer agreed there is a transportation facility provided eventually.

These indicated that almost all customers will not have transportation facilities provided by the enterprise. Having a transportation facility, the customer priority selection becomes the

enterprise. But in fact, that Alle Bejimla is the only governmental enterprise that has no other competition. So, the customer will select the enterprise whether they are interested or not.

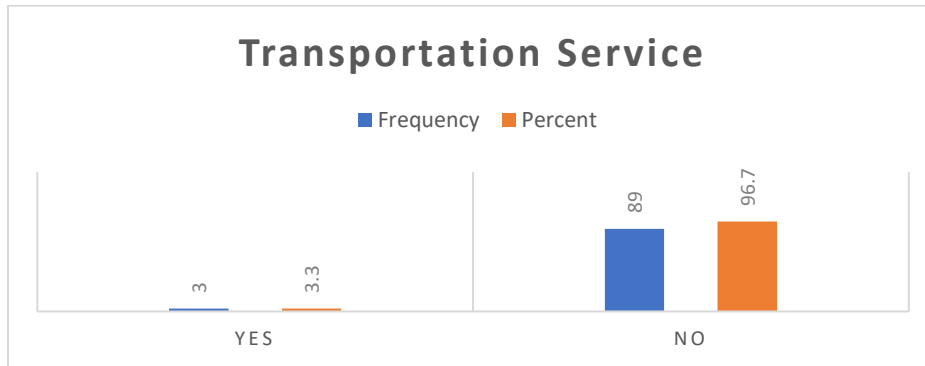


Figure 4. 7: Transportation service provided by enterprise

4.10 Frequency of purchasing goods from ALLE in month

The frequency of the retailer that visited the enterprise indicated the demand of the community in the month for the material.

Table 4. 9: How often you go to Alle Bejimla per month

	Frequency	Percent	Valid Percent	Cumulative Percent
One time	33	35.9	35.9	35.9
Twice	51	55.4	55.4	91.3
three times	8	8.7	8.7	100.0
Total	92	100.0	100.0	

According to the respondents' the range of frequently visited the enterprise indicated as the following: 51(55.4%) of the respondents indicated they will visit the enterprise twice in a month. 33(35.9%) of the respondents indicated they will visit once a month. The other response 8(8.7) describe they will be visited three times in a month.

These responses indicated most of the retailers above the half have they're purchased twice, most of the consumable and non-consumable goods can be purchased twice. Most huge shop and facility owners will have those characters and customer needs. The next most visit is once a

month this most retailer with having average shops and customer need can be part of this section. The last is mostly exceptional where some retailers that consisted of association found by the government that facilitated consumable goods for the community frequently.

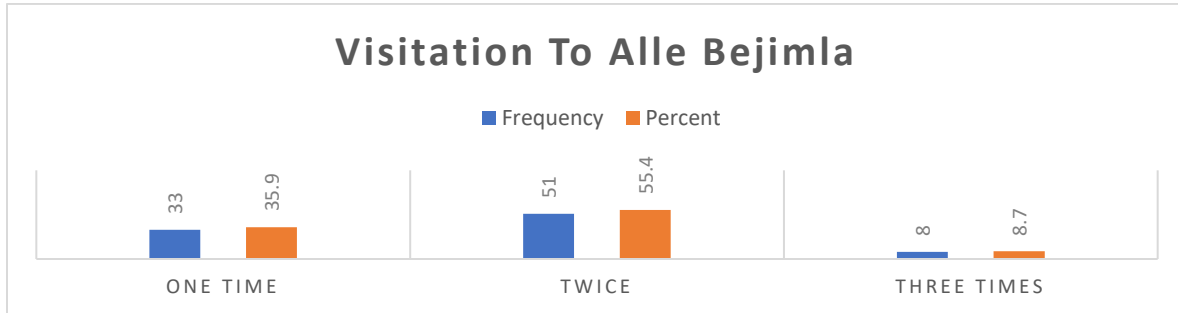


Figure 4. 8: How often retailers visit Alle Bejimla per month

4.11 Location arrangement of Alle Bejimla

Location is the basic one in almost all activities of logistics and distribution. Having appropriate location selection in the facility and service giving occasions become an essential requirement. With losing these basic elements having customer satisfaction becomes difficult. Location of the facility makes easy for the customer be loyal customer due to it save resource and energy.

Table 4. 10: Locational arrangement of Alle Bejimla is suitable

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	51	55.4	55.4	55.4
Valid No	41	44.6	44.6	100.0
Total	92	100.0	100.0	

Out of the respondents' 51(55.4%) clam, 'yes' the location is suitable for them. And the rest 41(44.6%) of retailers claimed 'No' the location of the Alle Bejimla was not suitable for them.

This indicated that having 8 sub-cities in the town with huge kebele structure the accessibility of the enterprise becomes limited. More than half of the respondents respond they are close or suitable in the location of the facility. Even though the rest complain about the accessibility of the facility in their close location.

4.12 Kinds of commodity selection from Alle Bejimla

As the governmental facility enterprise, the wholesaler consisted of consumables and non-consumables material in the enterprise. The enterprise provides various goods for the community at a fair cost concerning private retailers. Alle Bejimla consisted of the following package of goods in general: Beverages, commodities, Groceries, Home and personal care, snacks, and sweets and stationery.

Table 4. 11: Your selected product kind from Alle Bejimla item beverage

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	17	18.5	18.5	18.5
Valid No	75	81.5	81.5	100.0
Total	92	100.0	100.0	

Table 4. 12: Your selected product kind from Alle Bejimla item commodities

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	45	48.9	48.9	48.9
Valid No	47	51.1	51.1	100.0
Total	92	100.0	100.0	

Table 4. 13: Your selected product kind from Alle Bejimla item groceries

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	51	55.4	55.4	55.4
Valid No	41	44.6	44.6	100.0
Total	92	100.0	100.0	

Table 4. 14: Your selected product kind from Alle Bejimla item home and personal care

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	68	73.9	73.9	73.9
Valid No	24	26.1	26.1	100.0
Total	92	100.0	100.0	

Table 4. 15: Your selected product kind from Alle Bejimla item snack and sweet

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	42	45.7	45.7	45.7
No	50	54.3	54.3	100.0
Total	92	100.0	100.0	

Table 4. 16: Your selected product kind from Alle Bejimla item stationers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	2	2.2	2.2	2.2
No	90	97.8	97.8	100.0
Total	92	100.0	100.0	

Based on the response of the retailer for this section out of the six categories in which the enterprise provides the highest acceptable product that had been selected is home and personal care with 68(73.9%), the next acceptable product among the retailer was groceries within 51(55.4%). The third acceptable product indicated was commodities with 45(48.9%). The next remaining product are listed according to a level of acceptance was snacks and sweet 42(45.7%), beverages 17(18.5%) and the last accepted product was stationeries with 2(2.2%).

We can understand the commodities that existed in home and personal care is selected eventually and frequently by the customer. Those products will have consisted of non-consumables goods in the enterprise where the customer used continually. The least accepted product was stationers that product and goods mostly purchased occasionally when student education was started and other occasions, they will not be a frequent request from the customer.

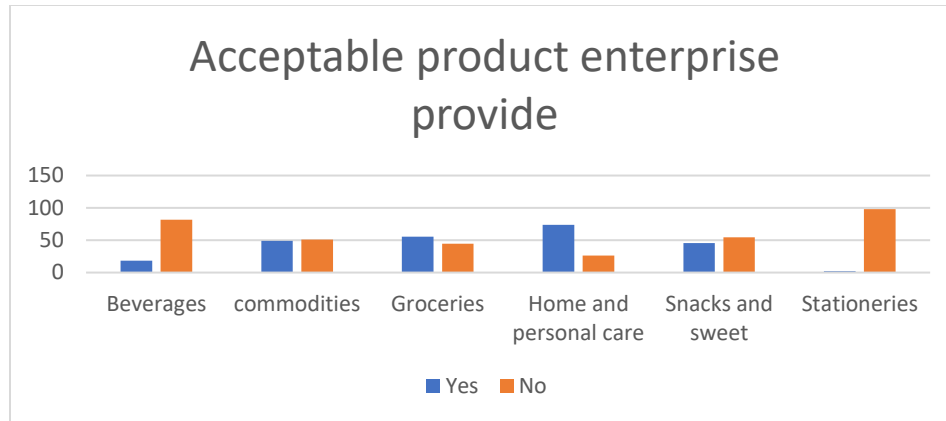


Figure 4. 9: Acceptable product enterprises provide

4.13 Available product the enterprise provides

Unbalance of demand and supply will lead to a shortage in the product in the market will eventually produce complaints. The demand of the retailer from the enterprise will sustain customers in the enterprise list.

Table 4. 17: Available product where the retailer requests

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	55	59.8	59.8	59.8
Valid No	37	40.2	40.2	100.0
Total	92	100.0	100.0	

Based on the responder 55(59.8%) of the retailer will get their request from the enterprise in consumable and non-consumable goods. The 37(40.2%) of the responder were responded they will not get their request from the enterprise for consumables and non-consumables goods.

The availability of the product in the warehouse indicated that the retailer and the end-user will easily get their goods as their want. Even though half of the retailers in the questionnaire said yes which they have no trouble in finding their request item and commodities, but about 40.2% are not

privileged to get their need of commodities as they request. Those problems indicated in the interview in enterprise due to national commodity shortage and foreign exchange that material comes from another country.

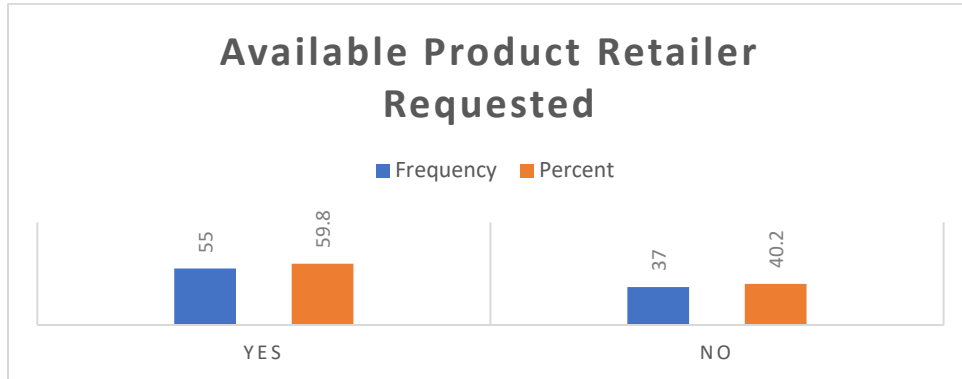


Figure 4. 10: Available product retailer requested

4.14 Price states of the commodities

In the distribution of goods among the consumer from the supply the trading activity will be affected by price majorly. Price is signifiabile in the communication and transaction. When the price is not considered in the logistics of the goods the trading will not be effective. The institution will not have long existed if its product is balanced with its customer states. As a governmental institution, Alle Bejimla's major aim is to regulate the price inclination and market stability.

Table 4. 18: Price increase unexpected way

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	48	52.2	52.2	52.2
Valid No	44	47.8	47.8	100.0
Total	92	100.0	100.0	

On the respondents' feedback 48(52.2%) are claimed to say there is a frequent change in price among commodities.44(47.8%) of the respondents replay they faced price change in the commodities while they want to purchase.

Even if the change in the price is less than the independent market holder or a business owner. As the government will be limited and regulate the price and the amount of the product exchange in the Alle Bejimla. But there is fluctuation in the price while the change was visible.

These particular questions will have an open statement if the responder says yes, they will forward their expectation of why the price is changed. For that response, there are some explanations.

- The Availability of material in the warehouse is a shortage it eventually creates a shortage in the market that raises the price.
- Shortage in the commodities national wide will create a local market that raises the price of the same commodity where Alle Bejimla is not able to provide.
- Uncleared why the price is changing rapidly.

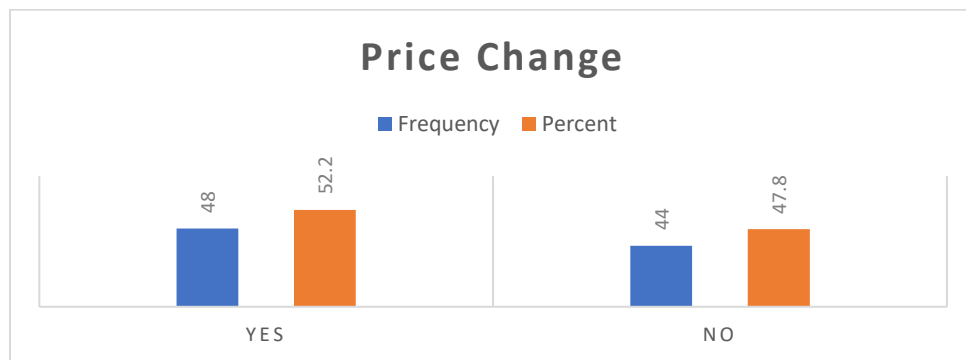


Figure 4. 11: Price change

4.15 Time delivery gap between retailer and enterprise

Lean time management is the advanced logistic division that can be applied in a different sector. It providing service in a smoother, uninterrupted flow, can reduce the cycle time of the entire value stream. It concentrated on the flow. In this area of activity, the flow of material and information from the side of retailers and suppliers should be on the principle of lean management.

Time of delivery gap between the retailer and the enterprise with the accordance of the request of the customer influenced by various causes.

Table 4. 19: Delivery Gap

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	35	38.0	38.0	38.0
Valid No	57	62.0	62.0	100.0
Total	92	100.0	100.0	

Based on the response 57(62%) of the retailer are said there is no time delivery gap in the requesting of the commodities. 35(38%) of the respondents said there is a gap in the time of delivery of their request.

In the open question response of the responder indicated the following:

Thus, result from an indication that above half of the retailers are comfortable in the delivery processes of the enterprise. It occurred due to the delivery pick-up is done by the retailer in person in the enterprise compound. In the warehouse delivery activity, the customer will be serving as the priority of coming and will orderly serve and pick the commodity and move.

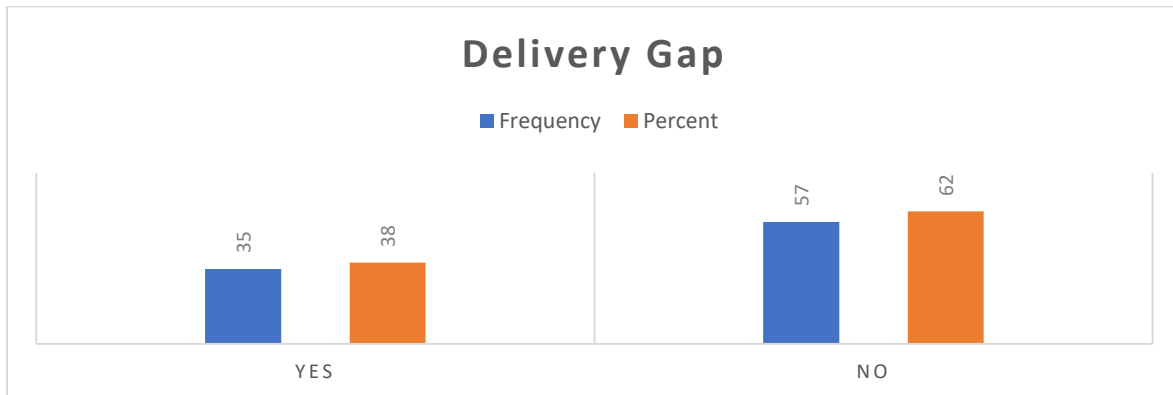


Figure 4. 12: Delivery gap

4.16 Better provision on consumable goods by Enterprise

The provision of effective treatment and support from the supply indicated the good interaction created between the two chains of trading.

Table 4. 20: Better provision of enterprise on consumable goods

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	9.8	9.8
	Moderate	24	26.1	35.9
	Agree	44	47.8	83.7
	Strongly Agree	15	16.3	100.0
	Total	92	100.0	100.0

Based on the data collected the positive support and help provided by the enterprise was observed as the following: 9(9.8%) of the responders disagree, which the help and support provided by the enterprise become less their expectation. While the retailer there is less approach in which they encourage to continue their partnership. But the enterprise is the only governmental-supported facility they will not get a better one so, they will stick with it.

24(26.1%) of the respondents indicated their respond as moderate. The term indicated that the service-giving activity by the enterprise is satisfaction. No more interested nor disparage. Those answers indicated the service provider to the retailer while they were purchasing and getting commodities the support and help is satisfied those number of customers.

Within this group, 44(47.8%) of the respondents indicated their feedback on the services giving by the enterprise as agree. Thus, indicated that those groups of retailers will be comfortable and appreciated the services giving process and help that are given by the enterprise.

The last population group 15(16.3%) of respondents strongly agreed in the service giving process and help of the enterprise to the retailer. Thus, indicated that those responders indicate they strongly accept the service and attribute given to the retailer in the commodity exchange.

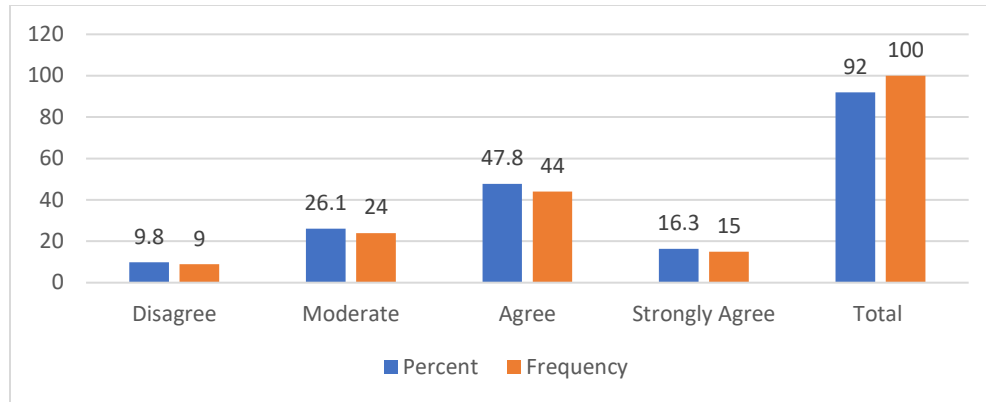


Figure 4. 13: Better provision of enterprise on consumable goods

4.17 Distribution channel of materials from Alle Bejimla

Distribution channels became crucial for the marketing and logistics of commodities from one supply wholesaler to a different retailer. This attribute will increase time usage, resource management, and increase customer satisfaction. Without effective distribution channel, the transaction of goods and information become impossible and cost huge resource.

Table 4. 21: Distribution channel in goods

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	19	20.7	20.7	20.7
Moderate	35	38.0	38.0	58.7
Agree	27	29.3	29.3	88.0
Strongly Agree	11	12.0	12.0	100.0
Total	92	100.0	100.0	

Based on the response from the retailer 19(20.7%) of the respondents indicated that the distribution channel arranged by the enterprise was not goodly satisfied. They are disagreeing the existed systematic channel that links the supplier of the enterprise with the customer of the retailer. Those numbers are huge with the need for updated and changed distribution channels between the supplier and customer.

35(38.0%) of respondents indicated that the distribution channel of the commodity between the enterprise and retailer was moderate. They do not support or reject the existed distribution channel that is good for them.

Out of the respondents' 27(29.3%) are accepted the distribution channel of the enterprise now use it. Those groups will support the attribute and method in which the supplier provides the commodity and is distributed to the retailer.

11(12.0) of the retailers out of those respond strongly agree the existed distribution channel of commodities. Those retailers are not requested new kings of channels for the distribution of commodities from the enterprise.

Out of the range of validity of distribution channel expectation the highest range is moderate 38% takes. This indicated majority of the respondent moderately accepted the distribution channel of commodities from the enterprise to the retailer.

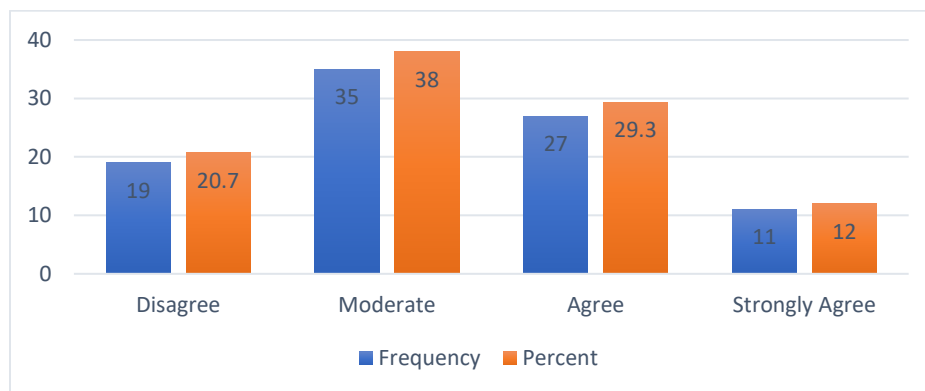


Figure 4. 14: Distribution channel in goods

4.18 Retailer location for their customer

Due to the city size and rapid growth from a geographical perspective, many retailers are found in the Hawassa. Those retailers should be located the best way in the community where the community will easily and effectively address the commodity that has been requested. When the location becomes unappropriated it will have a side effect on the distribution channel.

Table 4. 22: The retailers are located in an appropriate area

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	18	19.6	19.6	19.6
Moderate	32	34.8	34.8	54.3
Agree	36	39.1	39.1	93.5
Strongly Agree	6	6.5	6.5	100.0
Total	92	100.0	100.0	

Based on respondents listed in this table 18(19.6%) of the retailer disagree with the location of his/her facility to the community. Those responders are implying they have to make a change to their residents to get a better site of location that is appropriate for the customer address.

32(34.8%) of the respondent replay the location of their retailer is moderate. Which indicated that the location is satisfied with the customer's need and request. No need to have changes in the retailer site it's good for the customer and retailer.

Retailer replay Agree in the location of the retailer facility were 36(39.1%). Those retailers are satisfied and accepted the position and location of the retailer shop in customer.

The remaining 6(6.5%) of the respondents replay that the current site and location of the retailer are accepted effectively. Those retailers will no need of changing the location and others relate to the customer having commodities distributed by the Alle Bejimla.

From the respondents' the highest rate of selection in the location of retailer among the end-user is the agreed position with 39.1%. thus indicated the majority of the retailer is satisfied by the location of their shop existed

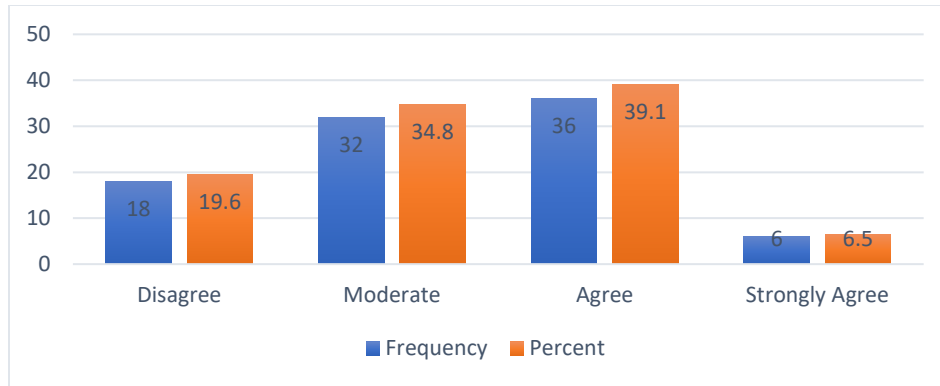


Figure 4. 15: The retailers are located in an appropriate area

4.19 Existed distribution channel

The systematic approach in which the commodities are distributed from the enterprise to the community through the retailers. The existed distribution structure implied that the commodities will be imported from national and international supply as the retailer requested. After commodities are imported the government will distribute goods in the country based on the need as respected. From the local branch of the enterprise to the community will be distributed as the registered retailer in the city as their priority coming.

Table 4. 23: The existed distribution channel

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	25	27.2	27.2	27.2
Moderate	33	35.9	35.9	63.0
Agree	30	32.6	32.6	95.7
Strongly Agree	4	4.3	4.3	100.0
Total	92	100.0	100.0	

As the responder indicated in these segments 25(27.2%) of the responder replay the existed distribution channel was disagree with them. Implies they are not interested in the existed system of distribution and there must be a change in the distribution channel structure.

The 33(35.9%) of responders indicated the existed distribution channel of the enterprise as Moderate. Indicated that they are not interested nor supported they accepted it as it is. The existed distribution channel method will be no big deal for those retailers.

Out of those respondents, 30(32.6%) of retailer implies the existed distribution channel as agree. Indicated that the enterprise working structure in the distribution channel will support it as it is. They were as comfortable and happy with the existed channel of distribution in commodities.

The remaining 4(4.3%) of the respondents indicated that strongly agree. Which indicated that those groups of retailers in the community will strongly support and no need for change in the distribution channel.

As the data indicated that the higher reply in these particular sections was retailer reply as moderate. That implies is the enterprise change some of the attributions in the distribution channel of commodities and information among the community most of the retailers will be positively appreciated.

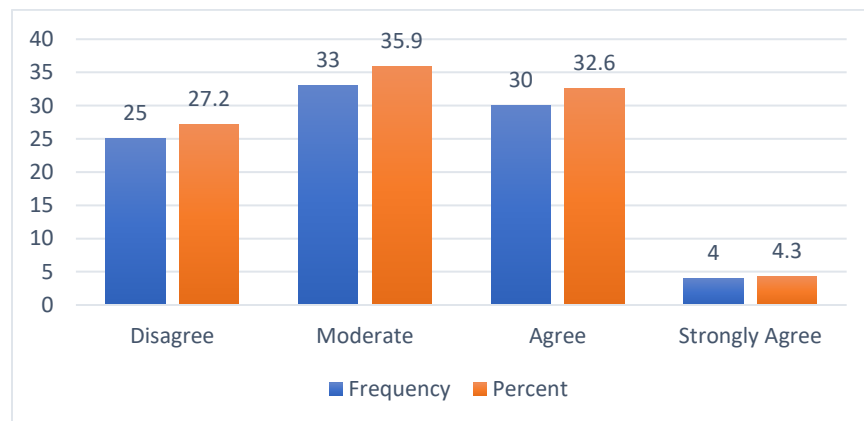


Figure 4. 16: The existed distribution channel

4.20 Information distribution from the enterprise

Information becomes an essential element in the distribution channel and logistics of material from supply to consumers. Not only distribution of goods and materials is sufficient now day rather the information from the supply side of the chain and consumers' side will be integrated into the information. Losing the advantage of information creates ineffective trading in the market and losing the satisfaction of the customer.

Table 4. 24: The information from enterprise

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	6	6.5	6.5	6.5
Disagree	27	29.3	29.3	35.9
Moderate	28	30.4	30.4	66.3
Agree	26	28.3	28.3	94.6
Strongly Agree	5	5.4	5.4	100.0
Total	92	100.0	100.0	

As the data implied that 6(6.5%) of the respondents indicated the information flow as strongly disagree, 27(29.3%) of the respondents indicated disagree in the flow of information among the enterprise to customer. 28(30.4%) of the respondents indicated moderate, 26(28.3%) of the retailer indicated they agree with the existed flow of information in the channel. And lastly 5(5.4%) of the responders replied strongly agree.

From these indications out of the responders, the rate of moderate is high with close to disagreeing. Thus, indicated even though 30.4% of the retailer said moderate closed persons replied disagree. That showed us the existed information flow structure and channel from the enterprise to the retailer become unsatisfied.

Having a huge percentage of disagreement indicated the system of information gap and flow should be changed in different ways to get the customer's interest. Finding advanced methods of receiving the information will enable the retailer to communicate easily with the supplier in different aspects specifically in the commodity exchange.

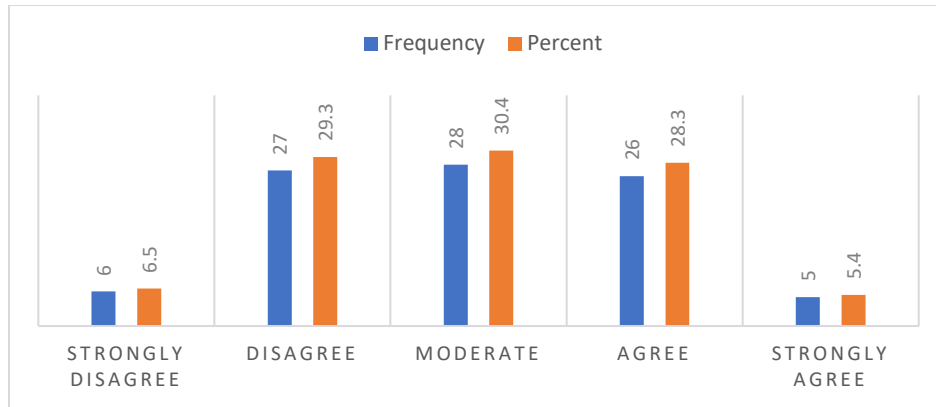


Figure 4. 17: The information from enterprise

4.21 Reliability test

Table 4.25: 1Cronbach Alpha test of Reliability Test

Respondent	Cronbach Alpha Coefficient
Retailer	0.793

The result indicates that all items in this Section are reliable. There is internal consistency between the items. This is because the Cronbach Alpha coefficient for all the components is Strong between ± 0.50 and 0.80 . Therefore, we can conclude that the test and questions were reliable (Cohen et al., 2007).

4.22 Questionary result

The questionaries collected from the responder can be summered in the three groups. The material flow, information flow, and transaction flow in the enterprise. Those attributes can be described as the following:

Material flow:

The material flow was started from the wholesaler warehouse to the retailers, where the retailer will collect products in person from the warehouse of Alle Bejimla. The enterprise consisted of different products in the warehouse that can be distributed to the retailer. Based on the respondents 40.2 % of the respondents indicated the material available by the Alle Bejimla based on the request of the retailer is not available. These scenarios will create a gap in the material flow from the enterprise to the retailers. On the material provided by the enterprise the level of agreement among the responders indicated by the questionnaire was indicated to agree about

47.8%. This indicates even though there is a material in the warehouse the level of better provision 9.8 % of retailers disagrees and 26.1 % moderate implies unsatisfied.

The responder indicated by their response the channel of material distribution in the enterprise was 29.3% agree. Among the responders, 20.7% are indicated as disagree and 38.0% as moderate. This implied the amount of disagreement and moderate is higher than greed responder. Which shows there must be a system of distribution of the material in the enterprise. The location of Alle Bejimla will eventually influence the flow of material, where there is only one warehouse in the city. Based on the responder 44.6% indicated the location is not appropriate relative to their workplace. This also affects the material flow as in general activity.

Information flow

Based on respondents the information flow from the warehouse to the retailer and vice versa summered as the following. The way of communication the enterprise has with the retailer indicated on the responder's response 64.1% in-person communication and 35.9 % in phone communication in the small and large retailer and kiosk. This indicated most of the communication is in person. Where the retailer goes to the enterpriser for the need. This activity will create a gap in the information flow of the enterprise.

The information of retailers on the regard of feedback and complaints to the enterprise indicated by the questionnaires as poor with the rate of 27.2%. The retailer information was eventually given in person due to no platform was providing specifically for kiosks and retailers. Based on the respondent's indication the level of information address from enterprise to retailer expressed as 30.4% for categories in moderate. That indicates the system of information flow is insufficient. A technological approach to information flow is mandatory. The enterprise will have no technological approach for independent and exclusive kiosks and retailers. Alle Bejimla will communicate in different technological platforms with those associations and corporates.

Transaction flow

All retailer makes their financial transaction in person in the enterprise. Based on the respondent the change of price variation indicated as yes in the rate of 52.2 %. Those responders will be suggested why the change of price could happen; from those, some can replay that they do not have an understanding of why the change has occurred. Based on the existed distribution

channel of the enterprise described by the responder as 20.7% disagree and 38.0% of the responder indicated moderate. Thus, indicated a huge attribute that must be other alternative suggestion methods which reduce the problem and maximized the retailer satisfaction in enterprise beneficiary in behalf.

Based on Figure 4.16 indication the flow of material and information in the enterprise and among the retailer is inadequate. The level of responder accepted the distribution of the enterprise in which material is distributed among the retailer is much less than the responder who describes the distribution channel is insufficient. This will indicate that in the enterprise of Alle Bejimla there is indicated commodities and information distribution channel from the wholesaler to the retailer in perspective of the flow. Having a better alternative distribution flow method will limit the gap in the flow of commodity and information within the enterprise chain.

4.23 Observation

Material flow in the enterprise will start from the domestic and international commodity suppliers. Next to Addis Abeba head office warehouse, then distributed to all regional branches of Alle Bejimla based on their capacity and request. The flow of material in the regional branch of the enterprise observed commodities will be store in the warehouse and the retailers will pick up their delivery from the enterprise store.

The flow of information, commodity, and price within those structures from the national and international supplier to the end chain of the enterprise flow. These descriptions are as below:

Commodities supply

The enterprise use of different suppliers in the provision of commodity, those are the prime source of material that Alle Bejimla have like:

Domestics Commodity Supply: 76 local suppliers found in Ethiopia that can provide commodities as the enterprise request. They can be associations, Industries, private companies, and government-supported institutions.

Foreign Commodity Supply: 30 foreign suppliers that the government has an agreement and supply the commodities as the enterprise requested.

Hawassa regional branch of Alle Bejimla:

Governmental enterprise providing food and non-food item to the retailer found in Hawassa and around. In this branch, there is a different department in which overall activity is practiced from those the purchasing department where the flow of material is distributing. The department indicated like:

Seles and purchasing: a department that involves finance and cash which involving of customer purchasing division.

Instore warehouse: main responsibility of these departments receiving commodities, control the warehouse activity, arrange inventory management.

Customer service: focus on customer service that works on the registration of customers as a new retailer in the enterprise.

Retailers:

A major branch of the enterprise that registers and becomes a regular customer for the enterprise. The registration is provided by the enterprise based on the governmental procedure. Those retailers in the enterprise consisted of different categories based on the amount of commodity they purchase and distributed.

Buyer association: The government formulation association that works for profit which the retailer organized together for getting commodities from the enterprise were distributed for the retailers themselves.

Customer association: the association formulated by the government in which the lower economic class of the community will be beneficiaries that they can purchase from the lower retailer shop and kebele. With low cost, the association provides for the community.

Higher education: like universities, colleges, and other education facilities the worker will get a provision directly from those cooperatives in that institution. No cost addition as the enterprise price.

Governmental institutions: different governmental offices and institutions provide those commodities from the enterprise. No additional cost can be adding, most civil servants can be beneficiaries of these provisions.

Kiosk Exclusive: retailer existed in the community that have additional register work besides the retailing of goods like Hotel and Ristorante

Kiosk Independent: Retailers only work on that specific retailer there is no other registered working option.

Medium size retailers: Retailers having a store with a minimum size of shop that can serve 100 people and less per day. the capacity of storage is less than compared to the larger retailer.

Large size retailers: Retailers having the capacity of serving more than 100 people per day and having huge storage and capacity for commodity handling.

Note: The different division of retailer is based on the size and kinds of their end-users, not on the kinds of the commodities they purchase from Alle Bejimla. The enterprise is considered as customers who manly works with the retailer. The kind of retailer can be different from one another but all the retailers will use the same kinds of the commodity from the enterprise.

The Flow of Commodities and information in Alle Bejimla

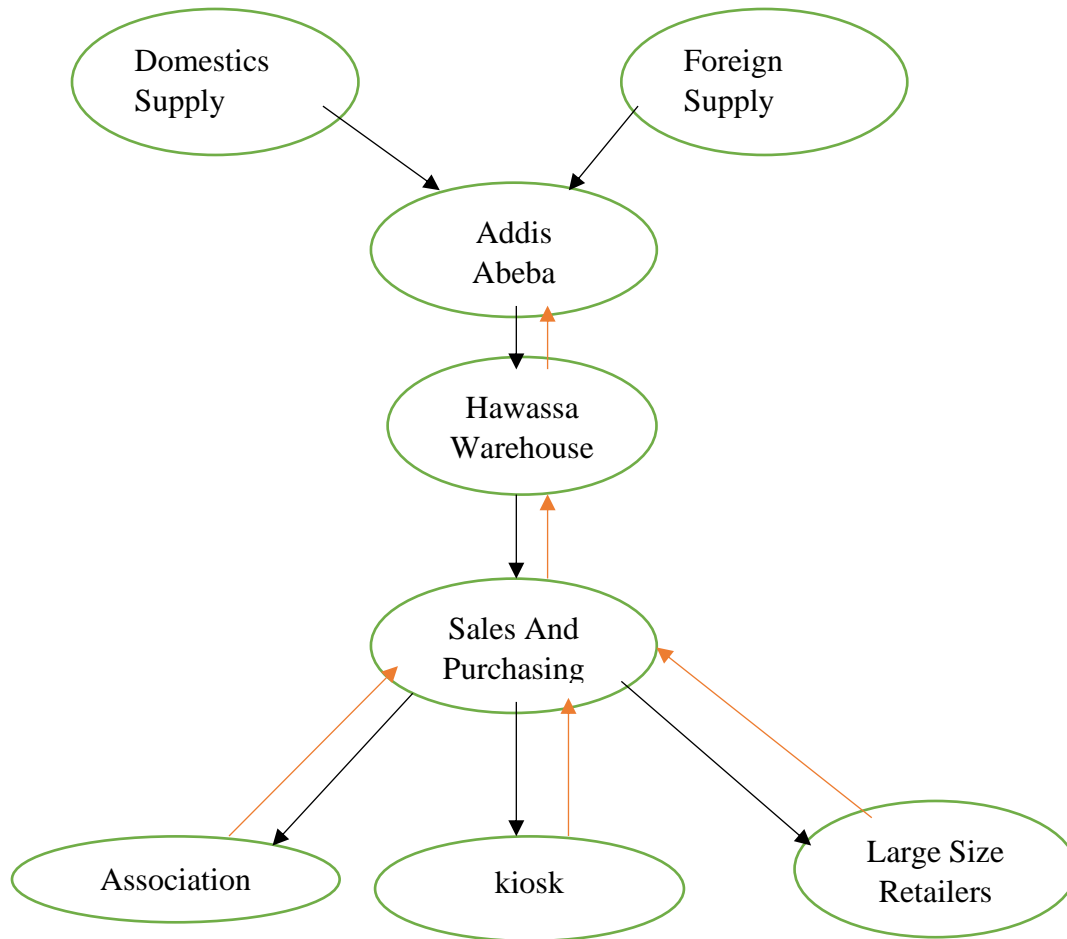
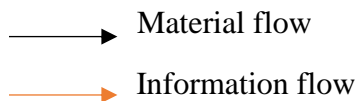


Figure 4. 18: The Flow of Commodities and information in Alle Bejimla



4.23.1 Warehouse material flow

Section of Inventory

The enterprise consisted of one warehouse in which the internal flow of material can be practiced. The warehouse consisted of different sections to accommodate the item that Alle Bejimla provide. Those sections are divided by partition based on type and availability for pick up. There are frequently changing the position of the section due to the space availability in the warehouse the commodities which frequently pick will be in the front and the other will be organized respectively.



Figure 4. 19: Sectional row in warehouse

Inventory should never be stored anywhere outside of the locations to ensure protection against shrinkage and wastage. Further, all storage locations of inventory must be clean, dry, and maintained at stable and appropriate temperature levels. Additionally, external exits for each location must remain closed and locked when not in use. Security staff must perform thorough checking procedures for all employees and visitors as they enter and exit these facilities



Figure 4. 20: Sectional row in warehouse clean path



Figure 4. 21: Sectional row of warehouse snacks

To promote safety and minimize wastage, inventory should be arranged on pallets and shelves in a consistent arrangement, as designed by the Store Operations team. The transportation instrument for carrying commodities in the warehouse is carts. Those instruments are used by the retailer and the operators in the enterprise to select and mobile in the area.



Figure 4. 22: Transport cart

4.23.2 Barcoding

In a financial transaction in the enterprise, the main component is barcoding. A barcode, consisting of bars and spaces, is a machine-readable representation of numerals and characters. Today, stripes, as shown below on packages of products sold at supermarkets, convenience stores, and other stores, are global expressions.

Barcoding has huge significance in the material flow like Eliminate the possibility of human error, reduces employee training time, inventory control improves, provide better data, and data obtained through barcodes is available rapidly.



Figure 4. 23: Barcoding

4.24 Result of Interview

Based on two administrative and three operatories in the enterprise, the interview can be summarized in three categories: material flow, information flow, and financial transaction.

4.24.1 Material flow:

Commodities are imported from the enterprise from the domestic and international supply. The Hawassa branch of Alle Bejimla receives its commodities from the Addis Abeba head office warehouse. The approval and procedure for the initial purchase of new merchandise are managed by the Category Management team. The Category Management team and relevant Category

Managers are responsible for assessing and recommending the appropriate evaluation of goods. After the initial merchandise purchase approval, all subsequent orders are initiated and managed by the Inventory Management team and follows the below process:

Inventory Receiving

- All imported merchandise shall be received at the CBWs (Customs Bonded Warehouse) that ALLE established. Hence, all category management team along with logistics resources need to verify that all important documents and processes assures receiving at CBW's
- all Food and Non- food items have to be received and stored at separate segregated places where the storage time is significantly long. Warehouse operations will assure adherence to the same when receiving and storing.
- As soon as the unloading process is done at the respective CBW, the warehouse team must verify the inventory quantity on the packing list does arrive and is accepted at the CBW.

Replenishment:

ALLE's management does not afford stock situation, especially for Strategic and bottleneck Retail items. Hence,

- Monitor weekly sales and inventory data every week (by store and by-product).
- Update weekly ending inventory levels by assessing Goods Receiving Notes sent from each store, and weekly sales data of each product.
- Assess the level of historical sales (3 weeks average sales) vs. the level of current inventory and classify it into various levels to calculate the 'weeks of coverage' metric.
- Develop the quantity to be ordered, reflecting any minimum order quantities required from the supplier (in partnership with the Category Management team).
- Communicate to the Category Management team the amount to be ordered from the supplier and executes a Purchase Order.

Inventory Barcoding:

All merchandise that enters an ALLE store must be immediately and appropriately barcoded. Barcoding allows ALLE to classify and monitor each product that will be sold by the company. The barcode contains unique information regarding the product's category type, product description, price, and units of measure. The Barcoding system creates the link from the physical inventory to the ERP and strict adherence is necessary to run the company efficiently. All barcoding is executed according to the below following process:

- Products are received in the In-store warehouse of each ALLE store
- The In-store warehouse management team is responsible for the appropriate receiving of each product and applying the barcode to each carton received
- The barcodes are printed using the ERP system, which contains all of the product-specific information (input by the Category Management team).
- Only after the product is barcoded, it is then allowed to be transferred onto the store floor.

Kind of strategic structure used in the enterprise warehouse

Inventory should only be stored in ALLE's warehouses (including Custom Bonded Warehouses), in-store warehouses, and cash & carry stores. Inventory should never be stored anywhere outside of the locations to ensure protection against shrinkage and wastage. To ensure appropriate handling and avoid wastage, inventory should not be stored on the ground or floor of these locations.

Distribution channel in the enterprise in consumable goods

Based on the administration response, ALLE does not use any kind of distribution channel. The customers pay and carry their goods by their way. So, the enterprise has no distribution channel providing by the enterprise rather, the retailer will personally come to ALLE and get their need.

A systematic model to distribute goods in those sub-cities

ALLE does not distribute goods to sub-cities. The customers pay and carry their goods by their way. The business model is Cash and carries it have not to focus on the distribution of goods where the retailer will personally purchase commodities from the enterprise.

4.24.2 Information flow

The flow of information from the enterprise to the retailer and vice versa, and also from the head office to the regional branch. described by the administrator indicated that:

Information flow in the enterprise with the headquarter

ALLE has a policy that safety and normal stock shall be kept in its store to ensure continued operation and service. The minimum level of stock for these items depends on the demand level showed on the three weeks moving sales average and seasonality demand trend. But when there is a need to increase the level, justification has to be submitted to the listing meeting and approval secured. The enterprise has no additional warehouse to store its stock rather packing commodities in one warehouse.

- Ordering information

Depending on the lead time and reliability of the source of supply, ALLE has an estimated order cycle of 3 months for international orders. In effect, stock of such materials that will enable it to run at least for 3 months shall be kept.

Complaint and feedback receiving strategy

As a normal complaint practice by customers, they may give feedback or complaint to any staff. Hence; every store staff should extend support to direct customers to the place where they can get solutions. Customer Service is the provision of service to Customers before, during & after purchase. Customer service is skilled to handle any complaints. Store staff shall report to the store manager when unable to handle the situation. Basic Complaints & feedback should be recorded well & filled for further investigation.

Technological controlling structure proving by the enterprise

The technological controlling system regarding information flow to the independent and exclusive kiosk and medium and large size retailer is none. Alles Inventory control is conducted by using its ERP system and manually. In the technological aspect of information, there is a huge gap between the retailer and enterprise.

4.24.3 Financial flow takes place in the enterprise

Alle Bejimla uses ERP (Enterprise Resource Planning). Which is developed by Microsoft company named Microsoft dynamics NAV. This software enables the flow of cash relay on the digital platform and makes the system legitimate and clean. ICT becomes the very one tool in facilitating and controlling the system. Involving the barcoding system, the retailer payment will transfer into the system of NAV software that helps the enterprise to control the financial activity of commodity explicitly. Whenever the Finance Department of ALLE prepares its accounts, it should always keep in mind that the accounting information prepared is capable of fulfilling the below-stated objectives of accounting: Relevance: This relates to Predictive Value, Feedback Value, and Timeliness.

- **Predictive Value:** Information about past activities aids in the prediction of the outcome of related future activities.
- **Feedback Value:** Consequences of actions taken in the past will improve the decision-making ability to predict the results of similar future actions.
- **Timeliness:** Information needs to be available at the time a decision needs to be made.

4.24.4 Commodity and information flow between retailer and enterprise

Commodity flow: The flow of goods from the warehouse to the retailer as the enterprise distribution channel way. Consisted of transportation service and warehouse management system. Transportation service consisted of loading and unloading of material from the warehouse to the retailer's transportation facility.

Price Exchange: one of the channels in which the retailer and the enterprise exchange price. Within the enterprise, the government and retailer transaction of finance is critical. The enterprise will make a transaction with the retailer and the finance will have to connect with the head office and the federal government. It consisted of Finance and Cash, ERP Manager, and Barcoding under the division.

Information Flow: Dual flow of information from the enterprise to retailer and vice versa. It consisted of different logistic variations.

Warehouse management system:

The approval and procedure for the initial purchase of new merchandise are managed by the Category Management team. The Category Management team and relevant Category Managers are responsible for assessing and recommending the appropriate evaluation of goods and their respective quantities by following the procedures of ALLE's Direct Procurement policy (see ALLE's Direct Procurement Policy and the ALLE Authority Matrix for further details).

It consisted of the following attributes in the distribution of material inside the warehouse:

Inventory Receiving: All imported merchandise shall be received at the CBW's that ALLE established. Hence, all category management team along with logistics resources need to verify that all important documents and processes assures receiving at CBW's.

Replenishment: A major objective of an inventory management system is to assure that materials are on hand when they are needed and to maintain adequate control over the level of stock, standard order quantities and order points must be established

Inventory Transfer: All transfers of merchandise are managed by the Inventory Management team using the same procedure as for replenishment. The Inventory Management team identifies the need for products to be transferred from one store to another based on current inventory levels, as well as expected sales activity.

Inventory Barcoding: All merchandise that enters an ALLE store must be immediately and appropriately barcoded. Barcoding allows ALLE to classify and monitor each product that will be sold by the company. The barcode contains unique information regarding the product's category type, product description, price, and units of measure.

Disposal: The Quality Assurance team is responsible for identifying and analyzing the quality of all inventory. If a product is determined to be non-conforming, the Quality Assurance and Store Operations teams should segregate the product immediately in a separate area (away from other goods for sale).

4.25 Supposed Model for Distribution Channel for the Enterprise

The effective distribution channel will integrate the flow of material and information effectively in the mids of retailers and wholesalers. The proposed model of distribution for the enterprise

initiated from the limitation of an existed channel of distribution used for and from an adopted model from the literature.

From the questionnaire, it indicated that the information flow in the channel from the enterprise to the retailer and vice versa shown in Figure 4.17 the rate of disagreement and moderate categories of the responder is much higher than the categories of agree. That indicated the channel of information flow should be upgraded. Not only the information the rate of the existed distribution channel inclusive of material and information flow shows in Figure 4.16 is the rate of disagreement and moderate combined is much greater than the categories of agreeing the existed distribution in material and information.

This leads to conclude the existed method of material and information flow is indicated in the face of the retailer.

Based on observation the enterprise focus on the provision of a material provision in the warehouse not the distribution of material among the retailer based on the request of a retailer. The methods of information flow from the retailer to the enterprise were in person, which makes it a challenge to get effective supplementary information from the retailer. For that matter, the need assessment will be ineffective.

It was observed lack of a bridge that interconnects the retailer with the enterprise there is a gap in material and information flow which gradually leads to customer dissatisfaction. If there is another enterprise with the same purpose as the commodity provider the customer will divert to the other option. Being the only distributor will not make a guaranty for consistent customer loyalty in the transaction.

Based on the interview the administrative indicated that they do not have a distribution of channel commodity due to the enterprise focus on the provision of material in the warehouse. For that matter the gap between the retailer become irrelevant. These activities create a significant challenge in the need of retailers that the enterprise can provide the commodity.

From those three perspectives of visualization the distribution channel, the current channel of distribution in material and information is indicated in forming integration between the retailer and enterprise. For that matter the gaps in the flow will raise among retailers and the enterprise,

gradually it creates dissatisfaction of the customer. That will insist to a proposed channel will limit the gap between the retailer and enterprise.

From the literature Badenhorst (2018), selected as an adopted model from different modes. This model has a huge contribution to the distribution channel. The primary advantage is the manual ways of the channel of distribution in material abasement for the upgrade systematic channel. Uses of both manual and online distribution channels which can be role models for developing country distribution channel platforms.

The basic appreciable attribute for the model was using a technological platform in order and distribution of commodities. That will make their customer more integrated with their service. Based on our technological capacity and practice adopting the online system of distribution is not practical in our scenarios. Rather, adopting the order and distribution into a platform that receiving information from the retailer and create a bridge between the retailer and enterprise.

The adopted model has limitations in which the technological infrastructure is not fully capable the technological distribution channel has an obstacle.

Based on Badenhorst (2018), the selected model for the research in the distribution channel model of Alle Bejimla indicated it is the recommended model. The omnichannel consisted of technological and manual distribution in the adopted model. Where the system is eventually progressing to the technological distribution channel. In ongoing we can observe the mixed distribution channel.

The proposed model will adopt the systematic approach of the distribution system in which the retailer can get the goods in the flow of the material and reminded the existed channel of Alle Bejimla to start facilitation to omnichannel in the technological distribution channel.

The process of the model proposes indicated that the material flow indicated in one direction and the flow of information in another direction. The commodity will be imported in the warehouse of the regional office then, the retailer personally will come and have purchased the commodity and leave when they finish. The other direction of the model indicated the customer bridge has a mechanism that interrelated the retailer and the warehouse in combination with the material and information flow in both directions.

The information from the retailer will be collected in person and on various technological platforms. The information will be forwarded to the enterprise and become usable information in the commodity flow from the enterprise to the retailer.

Customer Bridge: This is a critical division of the department that can have a significant role in the integration of retailers and Alle Bejima. The main focus of this division is described below: -

- Facilitation of information flow in dual-direction, from the retailer side feedback and service provision information and the enterprise price and commodities information update.
- Facilitate commodity flow having retailer surveillance and field observation provide effective prediction in the level of commodity needed amount can be required in different kinds of product where Alle Bejimla provide.
- Furcating better system and service which minimize the effect of the retailer and maximizing the performance of the enterprise. This system can involve different kinds of technology with easy and simple usage for the retailer.

Customer bridge will reduce the gap in information and commodity flow from the two ends. The retailer will have a middle bridge that easily communicates and forward the challenge. On the other hand, Alle Bejimla has great access with the retailer which can develop and maximum its activity based on their customer the retailers. By involving two majors impute:

Complain Receiving: activity of information flow where the retailer gives their suggestion and complained about the distribution of commodities. It consisted of different options of activity like customer service and quality.

Market serve lance: observation of market in which the retailer delivers the product of Alle Bejimla to the community as the enterprise principle. It consisted of finance and customer bridge as the department of the enterprise.

The significance of Customer bridge existence will create effective change in the information gap in material and others. The retailer will have a platform to get information in commodity and forward feedback. On the other side, the enterprise will have a great opportunity to understand its

customer and forward its capacity and attribute based on the assessment of the retailer in the commodity and service provision.

Retailer trade/shops /center: materials are temporarily stored in the retailer shop/center which enables the end-user to have access to purchase. The material from the enterprise will be assigned to that particular place.

Analysis &Forecast

It is the basic function of the customer bridge in which the information forward from the retailer in the means of different tools it will analysand made forecast to the enterprise. This will enable the enterprise to make significant solutions based on the problem forwarded from the customer bridge.

Retailers:

A major branch of the enterprise that registers and becomes a regular customer for the enterprise. The registration is provided by the enterprise based on the governmental procedure. Those retailers in the enterprise consisted of different categories based on the amount of commodity they purchase and distributed.

Association: The groups of retailers in Alle Bejimla as community associations in the distribution of goods from the enterprise to the lower economic states arranged in the kebele and other structures.it consisted of two types:

Buyer association: The government formulation association that works for profit which the retailer organized together for getting commodities from the enterprise were distributed for the retailers themselves.

Customer association: the association formulated by the government in which the lower economic class of the community will be beneficiaries that they can purchase from the lower retailer shop and kebele. With low cost, the association provides for the community.

Cooperative:

organized forms of the retailer which formulated in the governmental institution for the beneficiary of the works. It can be found in those areas.

Higher education: like universities, colleges, and other education facilities the worker will get a provision directly from those cooperatives in that institution. No cost addition as the enterprise price.

Governmental institutions: different governmental offices and institutions provide those commodities from the enterprise. No additional cost can be adding, most civil servants can be beneficiaries of these provisions.

Methods of receiving information

The information of material and information flow can be organized by three basic tools:

Mobile application:

based on the adopted model mobile used for making order in our model the use of the mobile application to received information from retailers in feedback and complaints about the service and material flow. Mobile becomes simple, accessible, and affordable in the community, using this tool enables the enterprise to create an effective method of interrelation between retailer and enterprise. The application enables the customer bridge to forward information about the material flow within the enterprise. This will help the retailer to save their energy and resource from wasting unnecessary visitation to the enterprise.

Website:

The enterprise has a website formerly mainly aimed at advertising the enterprise in general. This interface has become crucial now a day for interaction with their customer. Upgrading and integrating with information flow mainly from the enterprise to the retailer. The retailer will have access to review the material information that the enterprise has in every updating time frame.

Face to face:

our community is not fully engaged in technological advancement. There are retailers also who are not familiar with using applications and websites for those retailers there must be a method that addresses their feedback and forwarded them the material information. For that matter, there will be a face-to-face visitation of the retailer.

Those three methods will be controlled and practiced by the customer bridge the information collected from the retailer will be effectively forwarded to the branch enterprise and move to the national Alle Bejimla if the issue is not solved in-branch capacity. The material and information flow from the enterprise will be forwarded to the enterprise as the platform facilitated by the customer bridge.

Stock and cost information:

The enterprise will be forwarded the information to the retailer on the stock and cost update. The information of cost and stock enables the retailer to plan, arrange, and organized to purchase the goods from the enterprise.

End users

End users are the lower chain of the distribution channel in which the retailer is mandatories to give service in consumable goods. The enterprise of Alle Bejimla focuses on communication with the retailer indirectly it will serve the need of the end-user. The end-users will forward their need and feedback to the retailer in which the retailer will transfer to the customer bridge eventually the needs will be forwarded to the enterprise.

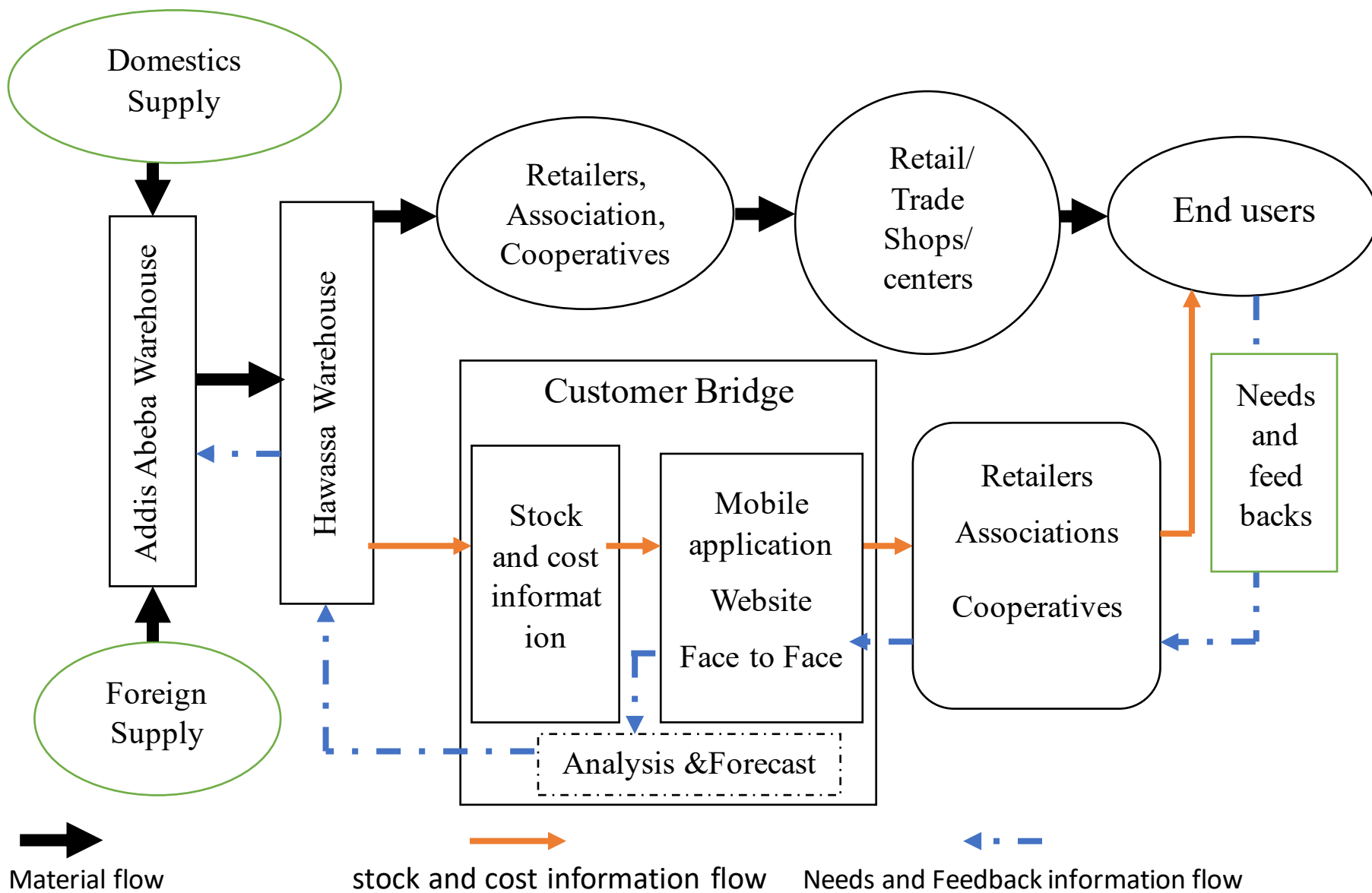


Figure 4. 24 Commodity and information flow in Alle Bejimla

The modification as compared to the adopted Badenhorst (2018) was the online platform used for information flow exchange from the users and enterprise. Not only that having to abridge mechanism to facilitate and forecasting information and commodity flow in the distribution channel.

It is easy and simple to implement the model in the current scenarios of the enterprise due to the technical simplification and applicable methods in the enterprise. The technology that should be used can be easily applied to the different societies in the distribution channel platform.

The implementation guideline indicated that the customer bridge exists a platform in which the flow of information and material from the enterprise and retailer can be facilitated through this existed body.

The summary form of the model indicates changing the gap between the retailer and enterprise there will be the integration of information and material flow among the two sides. This integration eventually has a positive outcome in the satisfaction of the retailer and the profitability of the enterprise.

The material flow of the commodity in the enterprise will have an influence on the distribution of information in the enterprise. The material flow consisted of two major causes the first was the availability of commodities in the warehouse and the commodity requested by retailers. Those attributes will create a gap in the material flow in the enterprise.

Shortages in the information among the retailer will provide huge resource, energy, and price cost due to limited information in commodities. the basic challenge of information flow limitation is retailers have limited access to feedback and complain about the flow and the services. The other will be giving the limited option to know the commodity update. This indicated the price change, commodity availability in the warehouse, and the timing when the new commodity arrives.

Those two basic limitations will immerge a method of solution that indicated the customer bridge, which is described as the platform of the enterprise that creates interrelation within the retailer and enterprise in material and information flow. This will help the enterprise reduced the gap in information and material in the distribution channel.

Process of the proposed model

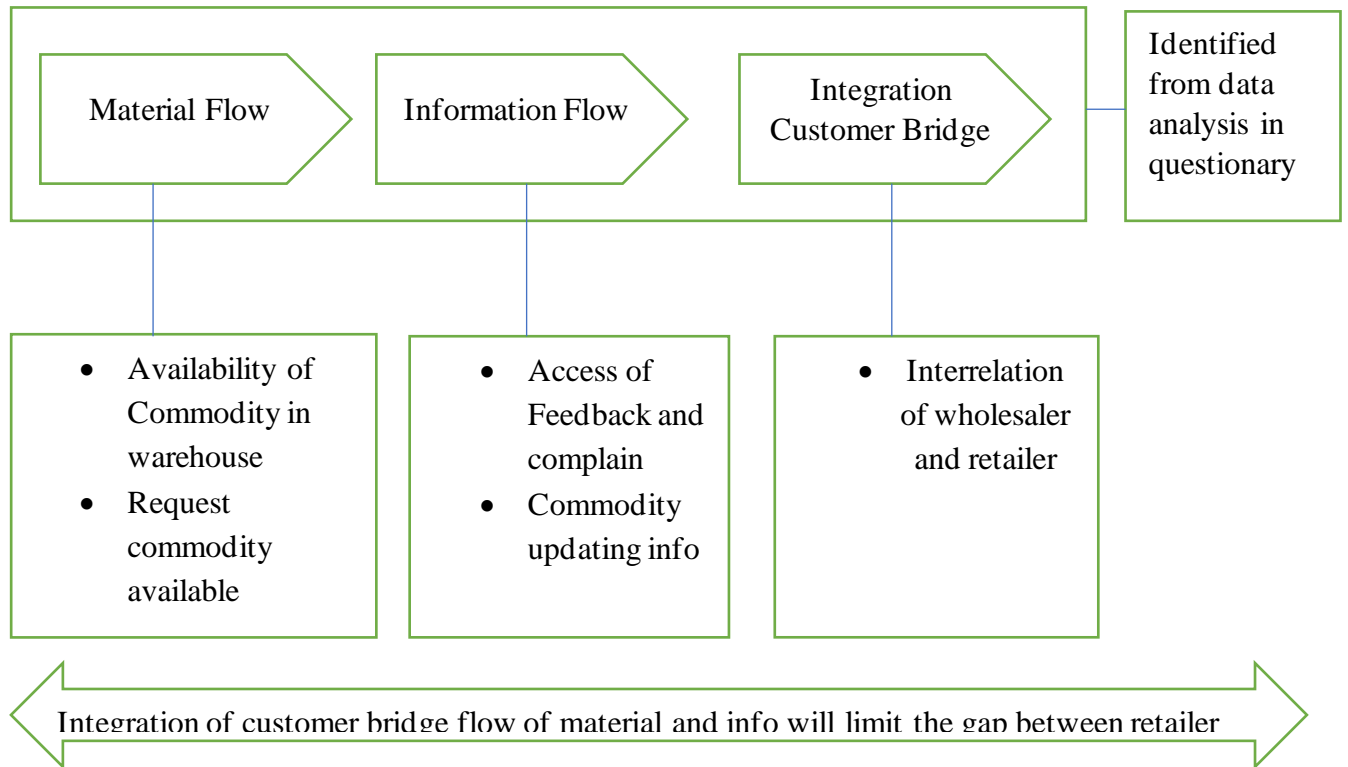


Figure 4. 25: Process of the proposed mode

In figure 4.26 implies the process flow of the model described the material and information flow have a huge contribution in the integration of customer bridge. Material flow consisted of the availability of commodities in the warehouse and requested item availability in the system. The information flow focuses on the feedback and complaints about, the addition of commodity updates. The customer bridge will integrate the information flow in the retailing system and the material flow from the enterprise to the retailers.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

This research project focused on three specific objectives: Assess the distribution channel structure of consumable goods in the Alle Bejimla Hawassa branch, Distinguish the distribution channel within the enterprise of Alle Bejimla from the warehouse to the retailer of the customer in the dispensation of goods found. And Projected distribution channel model in Alle Bejimla wholesaler is competent to reduce the logistics limitation within wholesaler and retailer. The conclusion and recommendations for future work are addressed in the following sections.

5.1 Conclusion

The following conclusions could be drawn from the research work in three basic divisions: As the distribution channel is aimed at the inflow of information, the flow of financial aspect, and material flow from the enterprise to the retailer.

Information flow: information is a dual direction from the retailer to the enterprise and vice versa. The information consisted of the complaint and suggestion that the retailer forwarded to the enterprise and different price and commodities information and updated from the enterprise to the retailer. As the analysis and observation indicated that the platform of the enterprise formulated for information towards the retailer is not advanced technology rather it's in personal contact. With an indication of moderate that most of the retailers will eventually need an updated platform of information flow.

The technological way becomes great understanding in the research where mostly all the responders indicated that the existence of the technology platform is unfamiliar. Those achievements imply information becomes so rare which the retailer will lack basic info about the commodities, price, and other critical cases in their place of work. Lacking information will create unsettled and predictable prices among the retailer that will eventually influence the end-user as a community.

The existence of suggestions and complaints receiving platforms in technological form create suitable supply retailer relationships. The enterprise will have constructive information from the retailer that will help amend and correct the way and attributed giving.

Financial flow: the other flow in the distribution channel is the flow of finance in the enterprise and the retailer while they purchasing the commodities. As observation and interviews, it

indicated the enterprise use an amazing system of the financial system that is a technology that will away from personal interference. The system is called ERP app (Microsoft Dynamics NAV) this software will connect the daily financial transaction with the branch office of the enterprise with the head office in Addis Abeba and the Federal minister of finance and Economic Development.

The financial flow from the enterprise to the retailer has not connected in a technological platform which the retailer has no access to purchasing in the online system or mobile system from their working place. Having a system that participates the retailer can purchase their commodities from their place will reduce the time, resource, and increase of safety in their finance. On the bright side, the enterprise will have a huge opportunity to access its demand need in the technological aspect.

Commodities flow: the flow of goods from the enterprise to the registered retailer will matter in different aspects. As the research indicated that the distribution channel will be influenced by the transportation activity within the enterprise and between the enterprise and retailer. As the goods come from a foreign nation and domestic supply. As the goods reached the warehouse of the Hawassa branch the distribution channel will be stated.

As the responder implied there is no transportation service provided by the enterprise. the retailer will personally transport the material by their transportation method. Ineffective transportation service will generate dissatisfaction of the customer in purchasing commodities from the enterprise.

Based on observation and interviews the enterprise uses small carts for transportation of inventory in the warehouse. Barcode is used in the enterprise to an arrangement of a warehouse in inventory management. Transportation of goods in warehouse become technological and based on logistic management principle.

5.2 Recommendation

The following recommendations are made based on the findings in this research and are forwarded to a management holder in the enterprise to improve the effectiveness of distribution channels in information flow, price exchange, and flow of commodities to the retailer.

The following measures could be taken for effective distribution channel:

- Based on the population range creating sub-branch in three sub-cities of the enterprise warehouse in the city. That facilitates customer service and customer satisfaction in the process of trading. Duplication of the small warehouse will increase the accessibility of the enterprise in the community as the whole indirection of location.
- Organized and maintained task force for visitation and inspection of the retailer while they are working in their place. That activity will help for regulation of unnecessary price increase in the community and get suggestions and complaints with the addition of other platforms created by the enterprise.
- Empower the ICT department for more engaging information flow within the retailer and enterprise. Creating social and mass media platforms for addressing the information to the customer in easily, quickly, and technologically available options. These activities will alert the retailer where there is a change in the price, commodities, and news updates as soon as the enterprise is notified.
- Formulating a merging department that focuses on the transportation service for the retailer and control and monitors the distribution of commodities to all sub-city with effective and easy methods.
- Formulation of integration with higher education in technology and experienced.

This paper has presented a brief overview of the distribution channel on the wholesaler enterprise. It is important to manage all channels of distribution from the head office to the branch. Poor handling of information, price, and commodities flow affect the overall performance of the wholesaler in terms of time, budget (cost), quality, and productivity. There is a need to develop new approaches to the distribution flow of material to improve the efficiency of customer services and satisfaction. The potential of ICT applications provides a basis for developing an effective framework to support the improvement of information address to the customer so the community will not be affected by sudden changes in price and commodities.

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APPENDICES

ANNEX: A

Program: Post Graduate in Industrial Engineering and Logistics Management

Interview question

Assess the distribution channel system of the organization.

To the respondent

The distribution channel system is conducted in the enterprise of Alle Bejimla in the coordination of retailers. Considering the importance of distribution channel system to the company good performance, customer's satisfaction and also the significance of this particular study can be vital. The research that I am doing is "**MODELING DISTRIBUTION CHANNEL FLOW IN WHOLESALER: THE CASE OF HAWASSA ALLE BEJIMLA ENTERPRISE**". The effectiveness of this questionnaire study is highly dependent upon your cooperation to provide reliable information on a timely basis. Therefore, I kindly request your kind cooperation in filling out the questionnaire. I confirm that all the information gathered will be held confidential. In case of any concern, you may call by telephone number.

Major Advisor: Fasika Bete Georgie (DR.-ING.): 0930279500

Habtamu Yacob. 0916606020

General information

The intention of this interview questions collecting relevant data based on distribution channels in the Alle Bejimla enterprise with the relation to retailer and end-users. The information you are going to provide will be used for the only academic purpose for the fulfillment of the MSc Degree, you are kindly requested to give a genuine answer.

Direction

In the interview questions for closed-ended questions, you are kindly requested to put a tick mark in each question that holds your opinion. The interview question was designed to gather the information to meet the aim of the research paper.

Interview questions guide for the enterprise

1. How is the material flow exercise in the Alle Bejimla Hawassa branch?
2. How is the financial flow take place in the enterprise?
3. What method is used in performing information flow in the enterprise with the headquarter and retailers?
4. What is the distribution channel in the enterprise in consumable goods aspects?
5. In what mechanism does the distribution channel take place from the wholesaler to the registered retailer?
6. What kind of technological controlling structure proving by the enterprise?
7. What kind of software is used in the enterprise for the transaction of financial and distribution of goods?
8. What kind of strategic structure is used in the enterprise warehouse?
9. What is the systematic model to distribute goods in those sub-cities?
10. What kind of complaint and feedback receiving strategy?

ANNEX: B

Program: Post Graduate in Industrial Engineering and Logistics Management

Questionary Survey

Assess the distribution channel system of the organization.

To the respondent

The distribution channel system is conducted in the enterprise of Alle Bejimla in the coordination of retailers. Considering the importance of distribution channel system to the company good performance, customer's satisfaction and also the significance of this particular study can be vital. The research that I am doing IS **“MODELING DISTRIBUTION CHANNEL FLOW IN WHOLESALER: THE CASE OF HAWASSA ALLE BEJIMLA ENTERPRISE”**. However, the effectiveness of this questionnaire study is highly dependent upon your cooperation to provide reliable information on a timely basis. Therefore, I kindly request your kind cooperation in filling out the questionnaire. I confirm that all the information gathered will be held confidential. In case of any concern, you may call by telephone number.

Major Advisor: Fasika Bete Georgie (DR.-ING.): 0930279500

Habtamu Yacob. 0916606020

General information

The intention of this questionnaire collecting relevant data based on distribution channels in the Alle Bejimla enterprise with relation to retailers and end-users. The information you are going to provide will be used for the only academic purpose for the fulfillment of the MSc Degree, you are kindly requested to give a genuine answer.

Direction

In the questionnaire for closed-ended questions, you are kindly requested to put a tick mark in each question that holds your opinion. For multiple answers in a given question, it is possible to rank more than one choice. The questionnaires designed to gather the information meet the aim of the research paper.

Questionnaire for registered ALLE Bejimla products retailers

1. What is your state in the shop?

Owner

Employee

Family

Other

2. Which one of the consumable goods is demandable by the consumers?

Sugar

Oli

Flour

Sugar and Oil

Oil and Flour

Sugar and Flour

All of above

3. How many customers do you serve per day on average?

<50

50-100

100-150

>150

4. How long did you stay as a registered Alle Bejimla agent?

<2 Years

3-4 Years

5-6 Years

>6 Years

5. Are all consumable commodities available at Alle Bejimla?

None

Few

Most

All

6. Is there a technology approach involved in the distribution of goods and information between supply and consumer?

Yes

No

7. In what way did the wholesaler communicate with you?

In-person

Email

Phone

Social media

8. How do you see the available methods of receiving complaints and suggestions from your perspective?

Very poor

Poor

Good

Very good

9. Is there a transportation service provided by the enterprise?

Yes

No

10. How often do you go to the Alle Bejimla goods storage warehouse per month?

One time

Twice

Three-time

More

11. Is the locational arrangement of Alle Bejimla suitable for you?

Yes

No

12. Is your selected product kind for Alle Bejimla item Beverage?

Yes

No

13. Is your selected product kind for Alle Bejimla item Commodities

Yes

No

14. Is your selected product kind for Alle Bejimla item Groceries

Yes

No

15. Is your selected product kind for Alle Bejimla item Home and personal care

Yes

No

16. Is your selected product kind for Alle Bejimla item Home and personal care

Yes

No

17. Is your selected product kind for Alle Bejimla item Snacks and sweets

Yes

No

18. Is your selected product kind for Alle Bejimla item Stationers

Yes

No

19. Did the enterprise provide an available product where the retailer requests it?

Yes

No

20. Did the price increase on the goods eventually in an unexpected way? If yes why it happens?

Yes

No

.....
.....

21. Is there a time delivery gap between request and delivery in the enterprise?

Yes

No

If "yes" how?

.....

No	Closed-end questions	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
1	The enterprise helps the retailer to get better provision on consumable goods					
2	Effective distribution channel in material distribution from Alle Bejimla					
3	The retailers are located in the appropriate area amid end user					
4	The existed distribution channel of goods appropriate to exchange					
5	The information from the enterprise effectively addresses the retailer					

ANNEX: C

Observation Checklist

No	Activities	Strongly agree	Agree	Disagree	Strongly disagree
1	Is there a technological approach in the distribution channel of commodities in the enterprise?				
2	Is there a distribution channel system that facilitates a material flow in Alle Bejimla?				
3	Is there a method of organized financial flow in the enterprise?				
4	Is there a distribution channel system in information flow in the enterprise?				
5	Are there platforms for receiving complain and feedback from the retailer?				
6	Is there a strategic structure used in enterprise warehouse activity?				
7	Is there software that used in the enterprise for the facilitation financial and distribution of commodities?				