

**ST. MARY'S UNIVERSITY COLLEGE**

**FACULTY OF BUSINESS**

**DEPARTMENT OF MARKETING MANAGEMENT**

**AN ASSESSMENT OF PHYSICAL DISTRIBUTION CHANNEL**  
**IN THE CASE OF AL-SAM P.L.C**

**BY:**

**KIDIST NEGASH**

**JUNE, 2013**

**SMUC**

**ADDIS ABABA**

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CASE OF AL-SAM P.L.C**

**BY:**

**KIDIST NEGASH**

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

**BUSINESS FACULTY**

**ST. MARY'S UNIVERSITY COLLEGE**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF  
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**JUNE, 2013**

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**APPROVED BY THE COMMITTEE OF EXAMINERS**

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## **Chapter One**

### **Introduction**

#### **1.1. Background of the Study**

Physical distributing is the art and science of determining requirement acquiring, distributing and finally maintaining them in operationally ready for the entire life and it includes activities like freight transportation, warehousing, material handling, protection packaging, inventory control, plant and warehouse site selection, order processing, market for casting and customer service. (Khan, 2002, 15)

Physical distribution activities are mainly the result of the separation in distance and time between a production center location and point consumption.

It is largely due to inability or between production center location and point of consumption of the market place. Thus, primary physical distribution activities are movement and storage. In addition, information flow especially distribution information is a key activity. Actually, the distribution pattern sets a guide line for the total system; (Khanna, 2002, 16)

Currently it is seen that physical distribution becomes one of the core aspect that firms must give emphasis to give comparative advantage within the industry. Therefore AL-SAM is one of the firms in the industry that give emphasis to physical distribution.

AL-SAM was established in May 1999 as a private limited company with initial paid up capital for Br. 20,000,000.

The company was engaged in distribution of consumer goods. However, because of the existence of tough competition and some other reasons, the business was not successful.

Now a day, the company which is owned by joint venture manufacturing of B-29 laundry soap in Ethiopia. The company was established with the mission increasing the market share of the company by providing high quality after seller service and diversified products to the market.



## **1.2 Statement of the Problem**

Physical distribution is the process of delivering the product to the consumer promptly, self and in time. (Sherlekar 2004, 417)

Physical distribution is the management of all activities which facilitate movement and coordination of supply and demand in the creation of time and place utility in good. (Khanna, 2002, 15)

As indicated above in the background information of the company (AL-SAM PLC) uses various methods of distribution techniques. These physical distribution techniques which include track transportation, ware housing, material handling, protective packaging, inventory control have agreement contribution as well as organization objective in general.

Most business and trading companies face challenges to manage the marketing mix movement because of company or customer based resource such as customer need are not limited and customer have different culture, values, norms and information perception.

The student researcher has observed that AL-SAM PLC has specific problems that affect their customer satisfaction, such as;

- \* The number of distribution is not equally compared with the number of customer.
- \* Lack of reprocessing capacity
- \* Also the company face challenges with physical distribution techniques mostly with transportation mechanisms and finally
- \* Also challenges to manage the marketing mix movements.

Generally speaking the combination of these and other related problem lead the company to the market share reduction.

## **1.3. Research Questions**

In order to investigate the above problem the student researcher has tried to answer the following research questions.

1. What transportation method the company faced in distributing its products?

2. What are the main objectives of the company's physical distribution?
3. What transportation method makes the company physical distribution to compete with the competitors?
4. What are the criteria's the company uses to select branch location?

## **1.4. Objective of the Study**

The student researcher has both general and specific objectives.

### **1.4.1. General objective**

The general objective of this research was to assess physical distribution in the practice of AL-SAM PLC.

### **1.4.2. Specific Objectives**

- To assess the transportation method that the company faced in distributing its products.
- To identify the company's main objective of physical distribution.
- To show the transportation method that made the company's physical distribution to compete with the competitors.
- To asses when and where the product was needed.

## **1.5. Significance of the Study**

This research has multi-dimensional significance. Among these significance's, it might have a documental reference for the company to adjust its act. It can also be used as a reference for further studies concerning the specified topic. Apart from these, it would use as capacity building in the area of research for the student researcher.

## **1.6. Delimitation of the Study**

The study was delimited to physical distribution of AL-SAM PLC. The company's physical distribution engaged with the administration as well as mass distribution. However, due to the size of the enterprise and resource limitation it was not possible to consider both groups. Therefore, the student researcher has focused only door to door physical distribution and furthermore, the student researcher covered information from 2010- 2012.

## **1.7. Research Design and Methodology**

### **1.7.1. Research Design**

In order to answer the above basic research questions the student researcher has used descriptive type of research method. Descriptive research primarily aims at gathering data about description and explanation of the study. The student researcher simply described the things, event and data which were collected through questionnaires and interviews.

### **1.7.2. Population and Sampling Techniques**

The target population of the study was the business customers and marketing manager of AL-SAM PLC. The student researcher has used census method used because the population size is quite low in number. To make the study meaningful, the student researcher took in to account the marketing manager and business customer as a unit of study. The business customers are those customers who resell their products to customers. Since the number of the business customer was less than 30 census method was used.

### **1.7.3. Data Collection Method**

The student researcher has used both primary and secondary data collection method. The primary data has been collected through interviews of top level marketing management and questionnaires distributed to all employees of the company and to all business customers of the company.

The secondary data had got from the company manual, company web site and publication.

### **1.7.4. Data Analysis Method**

The data that has been collected from respondents will be analyzed using graph, tabulation and percentage. The information obtained from interview that had been conducted with the manager by using qualitative method and presented in the form of paragraph has been used for evaluation purposes. The data which has been collected from the questioner had been evaluated by using quantitative techniques and presented in the form of tabulation and percentage.

## **1.8 Limitation**

The student researcher had experienced certain limitation while conducting the study. Among others, the following are the major limitation encountered by the student researchers.

- \* Some respondents were not able to complete the questioners.
- \* The time schedule outlined to collect the questionnaires was not met because of respondents.
- \* Availability of information from the company's side.

## **1.9 Organization of the Paper**

In this research, to keep and grasp the flow of understanding the study has been divided in to four chapters.

The first chapter has introduction, background of the study, statement of the problem, research questions, objective of the study, significance of the study, and scope/delimitation of the study, methodology of the study and data analysis method. The second chapter has dealt with the review of the literature. The third chapter also has dealt with data presentation, analysis, interpretation and the findings. Finally, the last chapter has focused on the conclusion and recommendation of the study.

## **Chapter Two**

### **Related Literature Review**

#### **2.1 Physical Distributions Overview**

According to sherlekar, (2004:147); physical distribution means the process of delivering the product to the user or consumer promptly, safely and in time. Physical distribution involves management (planning action and control) of the physical flows of raw materials and finished goods from the point of use consumption to meet the customer needs at a profit. It covers all activities in the flow of goods between producer and consumer ;(James.E; 1997:60).

Kotler, (2002:536); explains physical distribution as market logistics a physical distribution has recently expanded in to the broader concept of supply chain management. Supply chain management starts earlier than physical distribution attempts to procure the right input (raw materials, component and equipment), Convert them efficiently into finished products and dispatches them to the final destination.

Both authors underline on the point which explains physical distribution as delivering products to consumer promptly safely and in time. That is, the time and place utility aspect is regarded as the major task in Physical distribution decision making process. Physical distribution takes place with in numerous Wholesaling and retailing distribution channels, and includes such important decision areas as customers Service, inventory control, materials handling, protective packaging order, processing, transportation, Whole house site selection and ware housing physical distribution is part of a larger process called “Distribution” which includes whole sale and retail marketing as well the physical movement of products.; (Clancy, 1990:56).

Physical distribution activities have recently received increasing attention from business managers including Small business owners. This is due in large part to the fact that those functions after represent almost half of the total marketing cost of a product. In fact research studies indicate that physical distribution costs nationally amount to approximately 10% of the country’s total gross national product. These finding have led much small business to expand their cost cutting efforts beyond their historical focus on Production to encompass physical

distribution activities. The importance of physical distribution is also based on its relevance to customer satisfaction. By storing goods in convenient locations for shipment to Whole sellers and retailers, and by creating fast, reliable means of moving.

Good, small business owners can help a sure continued success in rapidly changing competitive global Market.; (Ibid)

## **2.2 Importance of physical distribution management**

“If farms and factories are the heart of industrial America, distribution network are its circulator system” (Corey, 1989:78) this statement help to show how vital distribution is to the industrial sector. Without proper Distribution, products have no way of reaching the ultimate consumer. Distribution systems are organized in to channels. These channels are an organized set of institutions what goal is to over goals from point of Manufacture to point of consumption. The institution that exist within these distribution channels are known as intermediaries or middleman; (Smith, 2000:69).

The actual handling and subsequent delivery is a significant portion of total cost of goods. In this area if is Important to keep a healthy balance between two important concepts; total product concept and total cost Concept. When we see total product concept firms; should never be so short sighted as to think they only provide customers a physical product. In today’s market place it takes more than that to a complete. Customers expect more. Customers no longer view the physical product in isolation from the service associated with that product. Often service can be Deciding factor when choosing among firms providing a commodity product. This view is known as the Total product concept. Costs are clearly important as well and the total cost concept seeks to maximize the effectiveness of the entire distribution channels rather than one piece at a time. No stock outs may maximize service, but typically at acceptable cost; (Blake, 1983:126).

Raw materials have to be moved over long distance from the lender supply point to the production centered. These materials have to be stored for some time as raw materials and them as finished product. The finished Products have to be transported to marketing areas, where the pattern of consumption shows fluctuations. Some products may be consumed on a daily basis, some only in a particular season. Hence the storage of some goods is inevitable. Renewing and

using physical distribution strategically may enable company to Strengthen and/or by reducing operating costs; (Etlel, 2004:416)

## **2.3 The Function Performed by physical Distribution Channel**

The distribution channel performed several function in the overall marketing system. These include facilitating the changes process sorting to alleviate discrepancies in assortment. Standardizing transactions holding inventors assisting in the search process and transporting materials and finished products; (Etlel, 2004:422)

### **Facilitation the Exchange Process**

As market economics grew-the exchange process itself become complicated with more producers and more potential buyers. Intermediaries come in to existence to facilitate transactions by cutting the number of market place contacts; (Ibid)

### **The Nature and Important of Marketing Channel**

Few producers sell their goods directly to the final users. Instead, most use intermediaries to bring their products to market. They try to forge a marketing channel (or distribution channel) a set of interdependent originations involved in the process of making a products or service available for use or consumption by the consumer or business user. Company often pay too little attention to their distribution channel, sometimes with damaging results. In contrast, many companies have used imagination distribution system to gain a competitive advantage; (Ibid)

### **How Channel Member Add Value**

Why do producers give some of the selling jot to channel partners? After all, doing so means giving up some control over how and to whom the products are sold. The use of intermediaries results from their greater efficiency in making goods available to target markets. Through their contacts, experience, specialization, and scale of operation intermediaries usually offer the firm more than it can achieve on its own; (Kotler , 2006: 36) .

Those who would use them, members of the marketing channel perform many key functions some help to complete transactions.

- Information – Gathering and distributing marketing research and intelligence information about actors and forces in the marketing environment needed for planning endearing exchange.
- Promotion – developing and spreading persuasive communications about an offer.
- Content - finding and communication with prospective buyers.
- Matching – shaping and fitting the offer to the buyer’s needs. Including activities such a manufacturing grading assembling and package.
- Negotiation – reaching an agreement on price and other terms of the offer so that ownership or possession can be transferred.

Others help to fulfill the completed transactions.

- Physical distribution – transporting transaction
- Financing – Acquiring and using funds to cover the costs of the channel work.
- Risk taking- Assuming the risks of carrying out the channel work.

The question is not whether the use functions need to the performed they must be-bet rather who will perform them. To the extent that the manufacture performs these functions, its a costs go up and its prices have to be higher. When some of these functions are shifted to intermediaries, the producer’s costs and prices may be lower. But the intermediaries must charge more to cover the cost of their work. In dividing the work of the channel, the various functions should be assigned to the cannel member who can add the most value for the cost;( Philip K and Gary A,2006:37)

## **2.4 Physical Distribution Components/Activities**

### **2.4.1 Warehouse Location**

A warehouse is a location with adequate facilitate where volume shipment are received from a production centre broken down, resembled into combination representing a particular order or order and shipped to the customer’s location of location. The reasonable for establishing a warehouse in a distribution networked is the creation of differential advantage for the firms. This advantage accrues from achieving a lower overall distribution cost and or obtaining service advantage in market area. Given the service which is desired to be achieved by a company every warehouse components must have be added or eliminated only when, as a result of this action the total cost of distribution is reduced; (K. Khanna, 2002 :188).



The number of warehouse in the logistic system is a function of the transportation cost saving from Consolidating shipments and the level of customer service desired. Customer service usually can be improved by decentralizing supplier inventories to provide faster replenishment of customer inventories, thus permitting customer to reduce their inventories. Flow ever this is done at the greater capital costs of physical warehouse facilities, the higher cost of increased safety stocks the potential cost of more Shorter-haul shipments, and ever transshipment among warehouses. Thus the business market must analyze the tradeoffs service warehouse configuration ;(K. Khanna, 2002 :188).

#### **2.4.1.1 Types of warehouse**

A firm with a large and stable enough demand to fully the facility will own a private warehouse to achieve Low warehousing costs. This arrangement offer the ability to custom design the work flow equipment and Environment and provides the greatest direct control over operation: private warehouse also often Incorporate regional sales offices and service centers.

A variation on the privet warehouse is the Construction of a dedicated customized facility that is leased to the firm. Leasing provides greater Flexibility with no fixed investment;(Gross, 1998:498).

A company wishing to have warehouse facilities in a market area with too small demand to justify a Private warehouse can rent space in a public warehouse such independent operation provides professional Management of all the function normally under taken by private warehouse and offer the renter flexibility Charging according to the amount of work done and the amount of space required typically on the basis Of month-by month commitment. This arrangement reduces the renter's capital investment and the risk of being locked in to an owned facility of fixed size or to materials-Handling equipment that is subject to Technological obsolescence. The use of public warehouse space is a particular advantage to a firm who's Requirements may change due to seasonal demand or shifting markets, where promotional campaigns create unusual demands, and where alternative transportation opportunity may vary; (Ibid)

A bonded warehouse is a legally secure repository in which goods are temporarily stored for Transshipment, for consolidation, or until taxes and duties are paid it may be public or private.

A field warehouse is a legally secure building or area within a building (whether a public or a private Warehouse) where material is safeguarded by a bonded employee of a field. Warehouse organization who issues receipts to the owner of the goods. The owner can then obtain loans based on the security of the field warehouse goods (as represented by the receipts). Such goods are not released to the owner without authorization of the lending institution; (Gross, 1998:498).

According to Gross (1998:498) warehouse can be production centered, market centered, or intermediately centered.

### **Production Centered Warehouse**

A production centered warehouse is located at manufacturing plants or close to several production facilities and primarily serves as a consolidation point to accumulate full train load or truck quantities for shipment at the lowest vehicle rate. This shipment may process directly to the customer plant or to other Warehouse located in market center;(Gross,1998:499)

### **Market Centered Warehouse**

The market centered warehouse receives full vehicle. Load from the factory or production-centered Warehouse and provides more certain on time replenishment of customer inventories. It acts as a break Bulk facility receiving truck or container loads and reassembling shipment in smaller loads to provide the Assortment that matches individual customer requirement typically smaller quantity. In small delivery Vehicles, for more frequent, and timely short-haul deliveries to small distributors or manufacturing plants;(Ibid)

### **2.4.2 Protective Packaging and Material Handling**

Another important component of small business physical distribution system is material handling. This comprise all of the activities associated with moving product within a production facility warehousing and transportation terminals one important innovation is known as unitizing-combining as many packages as possible into one load, preferably on a pallet. Unitizing is accomplished with steel band or shrink Wrapping to hold the unit in place advantage of these material handling methodology include reduce labor, Rapid movements and minimize damage and pilferage;(K.khanna,2002:206)

A second innovation is containerization the combining of several unitized loads in to one box containers that are presented in this manner are after unloaded in fewer than 24 hours, where as the task could other Wise take days or weeks. This speed allows small export business adequate delivery schedules in Competitive international market; (Donald, 2000:502)

## **Material handling system**

The problems of inadequate transportation service and uncertain transit times can cause a company to hold several days' more inventory than physical distribution plans call for. This problem, in turn, adds to the cost of carrying inventory and reduces the number of times that capital invested in inventory can be turned over during the year, not to mention the undesirable effects of poor customer service and missed product promotions. Consequently, the selection of appropriate transportation modes and the maintenance of a concerted effort by physical distribution management to ensure efficient and reliable transportation are prerequisites for accomplishing distribution objectives. In this section, we describe various transportation modes and the functions they can perform for various channel members in facilitating the movement of products; (Louis W,1996:155).

- a) Raw material is transported from the vendor to the warehouse of the production unit. It is received by trucks, by rail wagon or even by ship. At the warehouse the handling of materials takes place, and a system is required to be evolved. Thereafter, the material is stored.
- b) At the time the material is required for production process, it is again handled. It is retrieved and transferred of fed into the production process.
- c) During the production process, too, the material is handled in many ways. However, this material handling is generally an integral part of the production process and therefore is not discussed here.
- d) After the material has been finally processed and turned into a finished product, the finished product is handled and loaded for dispatch by a given mode of transport to a field warehouse or to a dealer.
- e) Sometimes, the finished product is packed and directly loaded on to the transport vehicle.
- f) Sometimes, the material produced at the end of a production process is not the final finished product but only an intermediate finished product. This intermediate product is required to be handled and stored onto be retrieved again, whenever required for final finishing.

- g) Sometimes, the semi-finished product is required to be sent out of the production unit to another production unit of the same manufacturer or another manufacturer. This would require the physical transport of this intermediate product to the other production unit. In this case, the product may again be transported back to the production unit for final processing or storage before dispatch.
- h) Sometimes, the semi-finished product may be finished in another processing plant and loaded and dispatched from there.
- i) Assuming that the product has been stored in its final finished form, it has to be handled before dispatch from the production centre.
- j) The goods may be dispatched straight to the customer, in which case the handling of the product is done by the customer as a regular feature, and if specialized handling of goods at the time of delivery is required, suitable arrangements will have to be made to ensure that handling is good.
- k) Sometimes the goods are sent to a retailer or dealer. In this case, the quantity of goods dispatched may be larger. If the dispatches are regular and in large quantities, specialized handling may be required. Accordingly, the necessary arrangements will have to be made.
- l) The goods may be dispatched to a field warehouse of the company, or to a public warehouse, or to the warehouse of a stockiest or distributor. In this case they are required to be stored suitably for sometime before they are dispatched to a customer, retailer or dealer, as the case may be. This alternative requires the handling of the finished product during its receipt and during its retrieval and dispatch to a proper destination. At the destination the product is handled again;(Ibid)

## **2.5 Modes of Transportation**

The problems of inadequate transportation service and uncertain transit times can cause a company to hold several days' more inventory than physical distribution plans call for. This problem, in turn, adds to the cost of carrying inventory and reduces the number of times that capital invested in inventory can be turned over during the year, not to mention the undesirable effects of poor customer service and missed product promotions. Consequently, the selection of

appropriate transportation modes and the maintenance of a concerted effort by physical distribution management to ensure efficient and reliable transportation are prerequisites for accomplishing distribution objectives. In this section, we describe various transportation modes and the functions they can perform for various channel members in facilitating the movement of products; (Louis W, 1996:155).

The basic modes available for transportation are rail, highway, water, pipeline and air. The following are the vital elements:

A. The most critical distribution decision is the selection of appropriate mode of transport. This fixes two basic elements of distribution functions:

-transit time or time lapse between production and sale and level of transportation costs.

In general, there is an inverse relationship between transit time and transport cost-the lower the transit time, the higher the transport cost. However, a decision that takes into account only one cost factor cannot be justified. An evaluation of the effect of transit time on other costs must also be considered. Unsold production represents a high cost, and the longer the transit time on other costs;(Ibid)

i. Rail- Rail road's carry the greatest amount of freight typically because of the volume of forest products, grain, chemicals, metals, and bulk. Materials that are handled or great distances. Rail shipments can accommodate a wide range of types and Sizes of goods-dry, liquid, frozen, controlled atmosphere, and awkwardly shaped in carload (CL). At an advantage rate of just a few cents per ton-mile, rail is an inexpensive transport made to and from rail road terminus points, unless shippers or receivers have spare lines in to their plants or warehouse. Rail road's primarily are used to transport low-value, high density, large volume shipments over long Distances. As an indication of the large scale of a rail shipment, fractured goods shipments by rail advantage 36 tons. Whereas forestry, mining and mining products average 62 tons per shipment. Sensitive equipment May be damage by the impact of rail cars being shunted in train assembly, so other modes are preferable for such shipments;(Ibid)

ii. Highway-The most popular mode of transportation is truck. Its importance shipment of selected industrial products can be seen on the fact that more than 80 percent of the weight of all machinery fabricated metal products. Truck transport is the most available and accessible of the

modes because motor vehicles are not restricted by terminal to terminal operation but can provide service from the shipper loading points to the receiver dock;(Ibid)

iii. Water- the prime advantage of water transport is its capability to move very large shipments. Water offers lowest cost transport, but at a slow speed and restricted access. Deep water shipment are primarily move low-value, high-density cargoes such as cement, chemicals, grain, mined items, and Bulk commodities;(Ibid)

iv. Air- the utilized and most costly (about 80 cents per ton-mile) freight mode is air shipment. The first large all-cargo air carrier was flying tiger. Other large airlines loan most of their revenue from passenger Service;(Ibid)

## **2.6 Major Channels of Distribution**

Diverse distribution channels exist today. The most common channels for consumer goods, business goods, and services are described next and

### **2.6.1 Distribution of Consumer Goods**

Five channels are widely used in marketing tangible products to ultimate consumers:

- Producer---- consumer: The shortest distribution channel for consumer goods involves no middlemen. The producer may sell from door to door or by mail.
- Producer ----- retailer ----- consumer. Many large retailers buy directly from manufactures and agricultural producers. To the chagrin of various wholesaling middlemen.
- Producer ---- wholesaler ----retailer ---- consumer. If there is there is a traditional channel for consumer goods, this is it. Small retailers are manufactures by the thousands find this channel the only economically feasible choice.
- Producer- agent ---- retailer ---- consumer: Instead of using wholesalers, many products prefer to use agent middle men to reach the retail market, especially large scale retailers.

Producer ---- agent ----wholesaler ----retailer ----consumer: To reach small retailers, producers often use agent middlemen, who in turn call on wholesalers that sell large retail chains and/or small retail stores. Working as an agent on behalf of varies grocery-products manufactures; (Philip Kotler and Gary Armstrong, 2006:37).

## **2.6.2 Distribution of Business Goods**

A variety of channels are available to reach organizations that incorporate the products into their manufacturing process or use them in their operations. In the distribution of business goods, the terms industrial distributor and merchant wholesalers are synonymous.

The four common channels for business goods are;

- **Producer user:** This direct channel accounts for a greater dollar volume of business products than any other distribution structure. Manufactures of large installations, such as airplanes, generator, and heating plants, usually sell directly to users.
- **Producer industries distributor user:** producers of operating supplies and small accessory equipment frequently use industrial distributors to reach their markets. Manufacture of building material and air-conditioning equipment are two examples of firms that make heavy use of industrial distribution.
- **Producer agent-users:** firms without their own sales departments find this a desirable channel. Also, a company that wants to introduce a new product or enter a new market may prefer to use agents rather than its own sales force.
- **Producer agent industrial distributor user:** This channel is similar to the preceding one. It is used when, for some reason, it is not feasible to sell through agents directly to the business user. The unit sale may be too small for direct selling. Or decentralized inventory may be needed to supply users rapidly. In which case the storage services of an industrial distributor are required; (Michael J, Etzel et al, 2004:196).

## **2.7 Factors Affecting Choice of Channels of Distribution**

As there are a number of distribution channel tasks of identifying and selecting the most appropriate one, a careful decision-making process is usually required. The identification and selection of the appropriate distribution channels is based on all relevant factors. According to many authors, it should be based on such factors as the firm's products, capabilities, and marketing resources; the target market and the buying patterns of potential customers and the product itself; (Ibid)

## **The Nature and Important of Marketing Channel**

Few producers sell their goods directly to the final users. Instead, most use intermediaries to bring their products to market. They try to forge a marketing channel (or distribution channel) a set of interdependent originations involved in the process of making a products or service available for use or consumption by the consumer or business user. Company often pay too little attention to there distribution channel, sometimes with damaging results. In contrast, many companies have used imagination distribution system to gain a competitive advantage;(Kotler,2008:26)

### **How Channel Member Add Value**

Why do producers give some of he selling jot to channel partners? After all, doing so means giving up some control over how and to whom the products are sold. The use of intermediaries results from their greater efficiency in making goods available to target markets. Through their contacts, experience, specialization, and scale of operation intermediaries usually offer the firm more than it can achieve on its own; (Kotler , 2008: 36) .

Those who would use them, members of the marketing channel perform many key functions some help to complete transactions.

- **Information** – Gathering and distributing marketing research and intelligence information about actors and forces in the marketing environment needed for planning endearing exchange.
- **Promotion** – developing and spreading persuasive communications about an offer.
- **Content** - finding and communication with prospective buyers.
- **Matching** – shaping and fitting the offer to the buyer’s needs. Including activities such a manufacturing grading assembling and package.
- **Negotiation** – reaching an agreement on price and other terms of the offer so that ownership or possession can be transferred.

Others help to fulfill the completed transactions.

- **Physical distribution** – transporting transaction



- **Financing** – Acquiring and using funds to cover the costs of the channel work.
- **Risk taking**- Assuming the risks of carrying out the channel work.

The question is not whether the use functions need to be performed they must be-bet rather who will perform them. To the extent that the manufacturer performs these functions, its costs go up and its prices have to be higher. When some of these functions are shifted to intermediaries, the producer's costs and prices may be lower. But the intermediaries must charge more to cover the cost of their work. In dividing the work of the channel, the various functions should be assigned to the channel member who can add the most value for the cost; (Philip Kotler and Gary Armstrong, 2008: 37).

### **Major Channels of Distribution**

Diverse distribution channels exist today. The most common channels for consumer goods, business goods, and services are described next and

### **Distribution of Consumer Goods**

Five channels are widely used in marketing tangible products to ultimate consumers:

- **Producer---- consumer:** The shortest distribution channel for consumer goods involves no middlemen. The producer may sell from door to door or by mail.
- **Producer ----- retailer ----- consumer.** Many large retailers buy directly from manufacturers and agricultural producers. To the chagrin of various wholesaling middlemen.
- **Producer ---- wholesaler ----retailer ---- consumer.** If there is there is a traditional channel for consumer goods, this is it. Small retailers are manufacturers by the thousands find this channel the only economically feasible choice.
- **Producer- agent ---- retailer ---- consumer:** Instead of using wholesalers, many products prefer to use agent middle men to reach the retail market, especially large scale retailers.
- **Producer ---- agent ----wholesaler ----retailer ----consumer:** To reach small retailers, producers often use agent middlemen, who in turn call on wholesalers that sell large retail chains and/or small retail stores. Working as an agent on behalf of various grocery-products manufacturers; (Philip Kotler and Gary Armstrong, 2008:38).

## **Distribution of Business Goods**

A variety of channels are available to reach organizations that incorporate the products into their manufacturing process or use them in their operations. In the distribution of business goods, the terms industrial distributor and merchant wholesalers are synonymous.

The four common channels for business goods are;

- **Producer user:** This direct channel accounts for a greater dollar volume of business products than any other distribution structure. Manufacturers of large installations, such as airplanes, generator, and heating plants, usually sell directly to users.
- **Producer industrial distributor user:** producers of operating supplies and small accessory equipment frequently use industrial distributors to reach their markets. Manufacture of building material and air-conditioning equipment are two examples of firms that make heavy use of industrial distribution.
- **Producer agent-users:** firms without their own sales departments find this a desirable channel. Also, a company that wants to introduce a new product or enter a new market may prefer to use agents rather than its own sales force.
- **Producer agent industrial distributor user:** This channel is similar to the preceding one. It is used when, for some reason, it is not feasible to sell through agents directly to the business user. The unit sale may be too small for direct selling. Or decentralized inventory may be needed to supply users rapidly. In which case the storage services of an industrial distributor are required; (Michael J, Etzel et al, 2004:15)

## **Distribution of Services**

The intangible nature of services creates special distribution requirements. There are only two common channels for services.

- **Producer – consumer.** Because a service is intangible, the production process and/or sales activity often require personal contact between producer and consumer. Thus a direct channel is used. Direct distribution is typical for many professional services, such as health care and legal advice. And personal services, including travel, insurance, and entertainment may, also, use direct distribution.

- **Producer- agent:-Consumer:** While direct distribution often is necessary for a service to be performed. Producer- consumer contact may not be required for distribution activities, Agents frequently assist a service producer with transfer of ownership (the task) or related tasks. Many services notably travel, lodging advertising media, entertainment, and insurance, is sold through agent; (Michael J, Etzel et al, 2004:197).

In an attempt to the factors affecting the choice of distribution channel, He argues that the selection is conditioned by a host of factors which is summarized in the following checklist; (Pride and Ferrell, 1975:392).

The customer characteristic contains the number of prospect customers with their geographical distribution. On this the frequency of purchase and the average size order are considered. Lastly the distribution of the users on the basis of consumption and credit standing put in to consideration; (Ibid)

On the characteristics of middleman considered firstly marketing coverage and gross margin. Secondly, proportion of salesmen's time available for selling product, degree of technical expertise and financial strength and ability. Finally the capacity of stock carrying, servicing and servicing ; (Ibid)

On the characteristics of the company size both absolute, and relevant to the industry or market of which it is a member and the financial strength. Industry position which is either leader or follower and spatial relationship between plants and major users taken as the member. Finally degree of technical component and breadth of service provided considered; (Ibid)

For the environmental and competitive characteristics the nature of seasonal cyclical and secular trends in demand and the degree of concentration in user industry considered. The nature and usage of existing distribution channels and the extent nature of legal restriction and regulation. In addition to government procurement policies and the impact of taxation for instance leasing put in to their effect; (Ibid)

Consumer needs- the demand for industrial goods is derived from consumer demand shifts in the later will have an impact on the former. He has also made a conclusion that consideration of all these factors plays an important role in determination a firm's distribution policy and result in many divers channel alternatives;(Michael. J. Baker,1985:288)

## **Chapter Three**

### **Data Analysis, Presentation and Interpretation**

This chapter mainly focused on the collection of data and its analysis as well as interpretation, which was being gathered from both business customers and marketing managers of AL-SAM PLC.

These data were obtained through questionnaires and interviews. The questionnaires which encompassed both an open ended and close ended question were distributed to business customers of AL-SAM PLC and also the interview was held with marketing managers of the company.

Among the customers of AL-SAM PLC in Addis Ababa, 30 customers were selected as sample respondent using census method of sampling technique. Thus, 30 questionnaires were distributed to customers. However, 28(93.33%) of them cooperate in filling out the questionnaires and returning the questionnaires while 2(6.67%) were not able to give their response.

### 3.1 General Information about respondents

#### Classification of Respondents by Age and Gender.

| No    | Item   |             | Frequency | Percent (%) |
|-------|--------|-------------|-----------|-------------|
| 1     | Gender | Male        | 19        | 67.85%      |
|       |        | Female      | 9         | 32.15%      |
| 2     | Total  |             | 28        | 100%        |
|       | Age    | Below-20 yr | 6         | 21.42%      |
|       |        | 21-30 yr    | 3         | 10.71%      |
|       |        | 31-40 yr    | 19        | 67.87%      |
|       |        | 41-50 yr    | -         | -           |
| Total |        | 28          | 100%      |             |

On Item 2 of table 1, 6(21.42%) of the respondents are between 21-30 years of age group, 3(10.71%) of respondents are between 31-40 years of age group, 19(67.85%) of respondents are between the age group of 41-50 years. From this we can understand that the company's most customers or 19(67.85%) of respondents are in the age group of 41-50 years so, the information collected from them is relevant for the subject matter of the study with acceptable degree of reliability.

### 3.2 Works Relation with the Company

| No | Item            | Frequency | Percent % |
|----|-----------------|-----------|-----------|
| 1  | A. ≤ 1 years    | -         | -         |
|    | B. 2-4 years    | 7         | 23.33     |
|    | C. 5-7 years    | 11        | 39.28     |
|    | D. 8-10 years   | 7         | 23.33     |
|    | E. 11 and above | 3         | 10.72     |
|    | Total           | 28        | 100       |

As it can be seen from the item-1 of table 2, 11(39.28%) of the respondents have been in the business for 5-7 years, 7(23.33%) of the respondents have been in the business for 2-4 years, besides 7(23.33%) of the respondents were between 8-10 years. Furthermore, 3(10.72%) of the customers of the company have existed within this between 11 and above years.

Accordingly, the above figure entails that most of the company's customers have got more experience.

So in general from the above figure and information, we can understand that the majority of those customers are between 5-7 years that they have been stayed with in the business. And this showed that they are some how relevant to this research in such a way that they have a good understanding about the business and they can give the right response to the student researcher.

### 3.3 Distribution of the Company Products

| No | Item   | Frequency           | Percent % |       |
|----|--|---------------------|-----------|-------|
| 1  | For how long you have been distributed the company product | A. less than 1 year | -         | -     |
|    |  | B. from 2-3 year    | 12        | 42.85 |
|    |  | C. from 4-6 year    | 13        | 46.43 |
|    |  | D. from 7-9 year    | 3         | 10.72 |
|    |  | E. 10years & above  | -         | -     |
|    |  | Total               | 28        | 100   |

Based on the data presented on item-1 of table 3, among the total respondents 13(46.43%) of the respondents are distributed the products of the company between 4-6 years, 12(42.85%) of them distributed the company product between 2-3 years,

3(10.72%) of the customers are distributed the company products for 7-9 years and finally, 0(0%) of them distributed the company's product between 10 years and above and less than 1 years.

It can be seen from the data we can understand that most of the company's customers had get good knowledge regarding the company's products.



### 3.4 Availability of the Transportation

| No | Item  | Frequency    | Percent % |       |
|----|---|--------------|-----------|-------|
| 1  | How do you evaluate the company's transportation(truck availability)  | A. very good | -         | -     |
|    |   | B. good      | -         | -     |
|    |   | C. medium    | 17        | 60.71 |
|    |   | D. poor      | 4         | 14.29 |
|    |   | E. very poor | 7         | 25    |
|    | Total   |              | 28        | 100   |
| 2  | How do you measure the transportation system of the company towards distributing the products at the right time | A. very high | -         | -     |
|    |   | B. high      | -         | -     |
|    |   | C. medium    | 10        | 35.71 |
|    |   | D. low       | 14        | 50    |
|    |   | E. very low  | 4         | 14.29 |
|    | Total   |              | 28        | 100   |

As indicated in table 4 item-1- shows that 17(60.71%) of the company's customers measure availability of truck as medium, 7(25%) of the customers said very poor, finally 4(14.29%) of the customers said poor availability of truck within the company.

As it observed from table 4 item-2- concerning the transportation system of the company to distribute the company's product at the right time,14(50%) of the company's customers evaluate as low,10(35.71%) of the respondents measures as medium, and 4(14.29%) of them evaluate vary low.

As it is maintained on the literature part, transportation is an important element of logistics function which really provides the time and place utility and its primary function of the physical distribution system which can significantly influence the final selling price of the product and its profitability. Based on the above definition we can understand that have relevant transportation is, and it's the single most important element which was a significant influence on the final selling price of a given product.

From the above result we can conclude that majority of the customers of the company evaluate the transportation aspect of the company are not capable enough to give the desired service for its customers and this may create dissatisfaction on the customers sides and in turn affects the company's profitability.

### 3.5 Availability of the Inventory

|  | Item   | Frequency    | Percent % |       |
|--|--|--------------|-----------|-------|
|  | How do you measure availability of inventory with desired level of customer? | A. very high | -         |       |
|  |  | B. high      | -         |       |
|  |  | C. medium    | 17        | 60.71 |
|  |  | D. low       | 3         | 10.72 |
|  |  | E. very low  | 8         | 28.57 |
|  | Total  | 28           | 100       |       |

From item-1- of table 5, we can clearly understand that 17(60.71%) of the customer evaluate as medium, 8(28.57%) of the customers evaluate as very low, 3(10.72%) of the respondents as low. It can be seen from the data there is lack of inventory that satisfy the customers desired level.

### 3.6 Order Processing Capability

| No | Item  | Frequency            | Percent % |       |
|----|---|----------------------|-----------|-------|
| 1  | How do you evaluate the overall order taking capability?                | A. very good         | 4         | 14.28 |
|    |   | B. good              | 4         | 14.28 |
|    |   | C. medium            | 4         | 14.28 |
|    |   | D. low               | 8         | 28.57 |
|    |   | E. very low          | 8         | 28.57 |
|    | Total   |                      | 28        | 100   |
| 2  | How often do you get orders on the promised delivery schedule?          | A. very often        | -         | -     |
|    |   | B. often             | 5         | 17.85 |
|    |   | C. sometimes         | 4         | 14.29 |
|    |   | D. late              | 5         | 17.85 |
|    |   | E. very late         | 14        | 50    |
|    | Total   |                      | 28        | 100   |
| 3  | Do you agree with the statement that AL-SAM PLC delivers orders on time | A. strongly agree    | 4         | 14.28 |
|    |   | B. agree             | 5         | 17.85 |
|    |   | C. neutral           | 5         | 17.85 |
|    |   | D. disagree          | 9         | 32.15 |
|    |   | E. strongly disagree | 5         | 17.85 |
|    | Total   |                      | 28        | 100   |

With regard to the overall order processing technique capability table 5 item-1- we can clearly see that 8(28.57%) of respondents evaluate the overall order taking capability as

low, 8(28.57%) of respondents also evaluate as very low 4(14.28%) of the customers evaluate it as medium, 4(14.28%) of the customers give there respond as high and 4(14.28%) of them evaluate it as very high.

It can be seen from the data majority of the respondents which are 16(57.14%) of them measure as medium, Low and very low.

This implies that the company has some problem related with order taking capability.

In relation to the figure presented on table 6 of item-2- shows that 14(50%) of the respondents evaluate as very late, 5(17.85%) of the customers evaluate as late,5(17.85) of the respondents measure order on promised time as often, and 4(14.29%) of the respondents measure order on promised time as sometimes.

Concerning delivery orders on time in table 5 of item-3- shows that 14(50%) of them evaluate as disagree and strongly disagree. In addition to this 5(17.85%) of the respondents replied as agree, in addition to this 5(17.85%) replied as Neutral, and 4(14.28%) of the respondents respond as strongly agree.

This implies that most of the respondent had some doubt related to time delivery performance of the company.

### 3.7 The Quality of the Products

| No | Item   | Frequency     | Percent % |       |
|----|--|---------------|-----------|-------|
| 1  | How often you receive defective product by your company? | A. very often | -         | -     |
|    |  | B. often      | -         | -     |
|    |  | C. sometimes  | 12        | 42.83 |
|    |  | D. late       | 9         | 32.15 |
|    |  | E. very late  | 6         | 21.42 |
|    | Total  |               | 28        | 100   |

As it can be seen from item-1- of table 7, 21(74.98%) of the respondents measure receiving defective products by their company as sometimes and often. 6(21.42%) lastly response as very late.

This shows that the company mostly uses modernized material handling equipment that help to handle raw materials and finished products which can have a significant impact on the company reputation.

So in general, from the above figure we can observe that the company's material handling practice in a good condition.

### 3.8 Complaint Handling

| No | Item  | Frequency    | Percent % |       |
|----|---|--------------|-----------|-------|
| 1  | How do you measure the responsiveness to handle customer's complains? | A. very good | -         | -     |
|    |   | B. good      | 4         | 14.28 |
|    |   | C. medium    | 5         | 17.85 |
|    |   | D. poor      | 9         | 32.15 |
|    |   | E. very poor | 10        | 35.71 |
|    | Total   |              | 28        | 100   |

As it can be seen from item-1- of table 8, 10(35.71%) of the respondents evaluate the company complain handling system as very poor, 9(32.15%) of them also measure the company responsiveness to handle the complain as poor, in addition to this 5(17.85%) of the company customers also evaluate the company ability to handle customer compliant as medium and finally, 4(14.28%) of the customers measure it the potential to handle customer compliant as good.

This implies that 10(35.71%) and 9(32.15%) of the company customers are evaluate the company's complain handling system as very poor and poor.

This is because of the company not provide prompt solution for their problem. Accordingly on the literature part customer service is defined as the result of physical distribution activity which creates customer value or benefits that has an impact on the company profitability. So in general, from the above figure and information, we can understand that the company complaint handling system is in a good condition.

### 3.9 The Company Overall Distribution Practice

| No | Item   | Frequency    | Percent % |       |
|----|--|--------------|-----------|-------|
| 1  | How do you rate the overall physical distribution practice of the company? | A. very good | 2         | 7.15  |
|    |  | B. good      | 8         | 28.57 |
|    |  | C. medium    | 8         | 28.57 |
|    |  | D. poor      | 10        | 35.71 |
|    |  | E. very poor | -         | -     |
|    | Total  | 28           | 100       |       |

As it can be seen from table 9 of item-1- with regard to the overall physical distribution practice of AL-SAM PLC 10(35.71%) of them as poor, 8(28.57%) of them as medium, 8(28.57%) of them as good and finally 2(7.15%) of the respondents evaluate it as very good.

Therefore, from the above figure we can clearly understand that, most of the respondent, (10 or 35.71%) of the respondent have evaluate the overall physical distribution as poor. This implies that most of the respondents have some kind of doubt regarding the company's physical distribution practice.

### **3.2. Analysis of the Interview**

Based on the response get from the open ended questions, the majority of the respondent complains on the company's transportation system, on company's deliver of order promising time. The customers were also asked to give their suggestion on how to improve the timely delivery of orders. Most of them gave suggestion for the company to make available materials required in order to produce the ordered product on the promised delivery schedule, the customer also asked to give suggested that the company's vehicles are not sufficient enough to give the desired service so the company give due attention for this problem and increase the number of vehicles to give the products at the right time.

For the company to improve the order processing, the customers suggested the enterprise to accept orders properly and reduce the process which involves longer paper work and to use advanced technology to manage orders.

Generally, the customers were asked that based on there experience that they want to continue as a customer in the future, as a majority of respondents replied although the company has some major problem on this physical distribution activity, they want to continue their relation.

In this part the student researcher presents. The information collected from the interview with marketing and sales manager of AL-SAM PLC.

The researcher has asked about the factory distribution system and trends the marketing manager replied that the product distribution both direct and indirect distribution system. That means question is about the company's that affect product distribution strategy. They replied that that affect the distribution lack of its own transportation trucks from the company to the consumer, lack of identification and selection of the appropriate distribution channel, the company often pay a little attention to its distribution product. Less demands of the products in the consumers, high pricing of the products, lack of environmental and competitive trend.



According to the interview from the company, to avoid trends the problem that affects the distribution process the company designed appropriate strategy to the future.

The student researcher has asked what are the strongest and weakness of AL-SAM distribution channel with respect to competitors. They replied that the company composed of all kinds management technique by specialist to avoid the problem. The strongest part and the weakness side of mentioned above in the affected point.

The following question what are the problem related to product distribution channel with respect to price, place, promotion using agents and intermediaries, the manager replied that most of the customers expect low price but according to the current row material and equipment high price influence the pricing of products. With this high price customers complain at any company when they do not work necessary promotion with place and time.

The student researcher asked about the branches that the company currently serves is enough to the major market. The manager tries to answer that the company has brunches through out the country to distribute its products.

Lastly the student researcher has asked about the company's future plan. The manager replied that the company is trying to identify and select the appropriate distribution channels, create suitable transportation, give attention for gathering and distribution marketing research, work sufficient information and communication to distribute the product frequently, develops serving the capacity, minimizing and competitive train about our products are the most essential activity for the future.

## CHAPTER FOUR

### SUMMARY, CONCLUSION, AND RECOMMENDATION

The objective of the study is to assess the physical distribution practice of AL-SAM PLC. Accordingly the student researcher gathered data through primary and secondary source of information mainly through questionnaire and interview to spot out major findings.

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

#### 4.1 Summary

On this part of the study the findings of the study would be summarized as follows

- 46.43% of the respondents distribute the company product for 4-6 years.
- 60.70% of the respondent medium evaluates the company's transportation or availability of truck.
- Majority of the respondent which was 50% of them evaluate the transportation system of the company towards distributing the products at the right time.
- Regarding the response made by customer with respect to availability of transportation truck of the company and 28(100%) of them replied as medium, poor and very poor.
- 60.7% of the respondent medium evaluates the availability of inventory with the desired level of customer.
- Majority of the respondent which was 47.14% them did not satisfied by the overall order taking capability of the company.
- 50% of the respondent replied that they did not get orders on the promised delivery schedule.

- 32% of the respondent did not agree with the statement that AL-SAM PLC deliver orders on time.
- 42.83% of the respondent replied that sometimes they receive defective products from the company.
- Regarding the response made by the company marketing manager in relation to availability of transportation truck in the company the respondent as very low.
- 35.71% of the respondent poorly evaluate the company on the responsiveness to handle Customer's complains and the overall physical distribution practice of the company.

## 4.2 Conclusions

The finding of the study concluded on this part of the study.

- The company didn't have enough transportation or truck for the distribution of the products.
- The company didn't perform properly on the transportation system towards distributing the product at the right time.
- The company had a problem on the order taking capability giving of orders for the promised delivery schedule.
- The company didn't offer the products that deliver orders on time.
- According to the data of the study it can be concluded that the company doesn't have advanced technology to take customers order effectively and efficiently.
- Sometimes the company offers defective product for sell.
- The company had a problem on the responsiveness to handle the customers complain and on the overall physical distribution practice of the company.

### 4.3 Recommendation

The student researcher gives my own recommendation on the physical distribution practice of AL-SAM PLC.

According to the finding the recommendation of the company performance are under listed below:-

- \* In relation to availability of truck the company should try to acquire additional vehicles (buy, lease) so as to have enough truck to deliver its product to its target customers since transportation is primary function of physical distribution it need to give due attention to solve this problem.
- \* Fast delivery of orders is very crucial. There are a lot of competitors in the current market environment. Fail to deliver on time will result in the shifting of customers to competitors. Because if customers don't receive product on time, they will be dissatisfied and disappointed. The enterprise should maintain consistency and reliability in meeting delivery schedule.
- \* To avoid delay of orders the company should assign (stock) enough raw materials used as an input in the production process. In addition to these the service given for the existing product should be improved by increasing the concerned man power.
- \* In order to handle customers complaint the company should design customer complain handling format with full information and the company prepare suggestion box to get full information from the customer and use it as a feedback for the future performance.
- \* In to avoid problems related with order processing the company should use computerized data handling system for customer order effectively and efficiently and reduce the process which involves longer paper work.

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## APPENDIX

### St. MARY'S UNIVERISTY COLLEGE

#### FACULTY OF BUSINESS

#### DEPARTMENT OF MARKETING MANAGEMENT

The questioner is developed by final year marketing degree program student of **St. MARY'S UNIVERSITY COLLEGE** for partial fulfillment of senior paper in titled

**'An assessment of physical distribution practice of AL-SAM P.L.C'**

The out put of this Questionnaire will have greater contribution for the enterprise to improve its distribution, for the company to improve its distribution performance your kindly willingness and accurate feed back in answering the question will be helpful for the researcher to accomplish the research. Therefore, please kindly extend your cooperation by frankly and honestly responding to the items contained in this questionnaire.

#### **Instruction;**

-It is not necessary to write name

-For alternatives items with alternatives response please put in the boxes corresponding to your choice and write your answer on the blank space

#### **I. General characteristics of respondent**

1. Gender

A. Male

B. female

2. Age

A. less than 25

C. more than

B. between 26-35

3. Education back ground

A. Elementary

C. certificate

B. Secondary

D. Degree

## II. Information relate with the subject of the study

4. How many years you have been in business?

A.  $\leq 1$

B. 2-4

C. 5-7

D. 8-10

E. 11 and above

5. For how long you have been distribution AL-SAM products?

A. less than 1 years

C. from 4-6 years

B. from 2-3 years

D. from 7-9 years

6. How do you evaluate the company transportation truck availability for delivering the product?

A. very good

B. good

C. medium

D. Poor

E. Very poor

7. How do you measure on the time base availability of inventory with desired level of customer?

A. very high

B. high

C. medium

D. low

E. very low

8. How do you measure the company capability the transportation for distributing the product?

A. very high

B. high

C. medium

D. late

E. very late

9. How do you measure the transportation system of the company towards distributing the product at the right time

A. Very high

B. high

C. medium

D. low

E. very low

10. How do you evaluate the company's responsiveness to handle customer's complains?

A. very good

B. good

C. medium

D. poo

E. very poor

11. How do you evaluate the delivery on time of the company?

A. very good

B. good

medium

D. poo

E. very poor



12. How often get orders on the promised delivery schedule?

- A. very often       B. often       C. sometimes   
D. rare       E. very rare

13. How do you evaluate the company overall order taking capability?

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

14. How often you inform the company about the problem you faced?

- A. very often       B. often       C. sometimes   
D. rare       E. very rare

15. How do you evaluate the company overall physical distribution practice?

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

16. Based on your experience, what are the cause of delay of orders please specify the

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17. What should be done to improve the timely delivery performance? Please specify them

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18. What do you think the solution for the problem related with the company transportation system?

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# ቅድስት ማርያም ዩኒቨርሲቲ ኮሌጅ

## የቢዝነስ ፋክልቲ

### ማርኬቲንግ ሜጅሪንግ የትምህርት ክፍል

ይህ ማጠቃለያ የተዘጋጀው በቅድስት ማርያም ዩኒቨርሲቲ ኮሌጅ ለመጀመሪያ ድግሪ የማምረት ጥናት ለማዘጋጀት ነው። ይህ ጥናት የማይተኮረው በአልሳም ኃላፊነቱ የተወሰነ የግል ድርጅት ወስጥ ያለውን የምርት ስርጭት ማጥናት ነው። የማጠቃለያ ዓላማ ስለ አገልግሎቱ ስርጭት፣ ጥራትና ከዚህ ጋር ተያይዞ ስለሚታዩ ችግሮችና ለችግሮቹ መፍትሔ ምን መደረግ እንዳለበት መረጃ ለማስባሰብ ታቅዶ በደንበኞች እንዲሟሉ የተዘጋጀ ነው። የመልሶቹ በትክክል መሞላት ለጥናቱ መሳካትም ሆነ ለድርጅቱ ስራ ጠቃሚ እና ወጠታማነት ስለሚረዱ ለመደረግ ስትብብር በቅድሚያ አመሰግናለሁ።

#### መረጃ፡ -

→ስምዎን መግፍ አስፈላጊ አይደለም፡፡

→አማራጭ ላላቸው ጥያቄዎች በባዶ ሳጥን ወስጥ ይመልሱ፤ አማራጭ ሀሳቦችዎን ደግሞ በተጓዳኝ ባዶ መስመሮች ወስጥ ይስጡ፡፡

#### I. ይህንን ማጠቃለያ የሚያሟሉ አካል አጠቃላይ መረጃ

1. ያታ

ሀ. ወንድ

ለ. ሴት

2. እድሜ

ሀ. ከ25 በታች

ሐ. ከ46 በላይ

ለ. ከ26-25

3. የትምህርት ደረጃ

ሀ. አንደኛ ደረጃ

ሐ. ሰርተፍኬት

ለ. ሁለተኛ ደረጃ

መ. የመጀመሪያ ድግሪ

4. በዚህ ስራ ወስጥ ምን ያህል ጊዜ ቆይተዋል?

ሀ.

ለ. 2-4

ሐ. 5

መ. 8-10

ሠ. 11 እና በላይ

#### II. ከጥናቱ ሀሳብ ጋር የተያያዙ መረጃዎች

5. ለምን ያህል ጊዜ የአልሳም አቃዎችን አከፋፍለዋል?

ሀ. ከአንድ ዓመት በታች

ሐ. ከ4-6 ዓመት

ለ. ከ1-3 ዓመት

መ. ከ7-9 ዓመት

6. የድርጅቱን ምርቶች የማስፋፈል አቅም እንዴት ይለኩታል?

ሀ. በጣም ከፍተኛ

ሐ. መካከለኛ

ለ. ከፍተኛ

መ. የዘገየ

ሠ. በጣም የዘገየ

7. የድርጅቱ የምርት ክምችት አቅም ከደንበኞች ብዛት ጋር ሲነፃፀር እንዴት ያዩታል?

ሀ. በጣም ከፍተኛ

ሐ. መካከለኛ

ለ. ከፍተኛ

መ. አነስተኛ

ሠ. በጣም አነስተኛ

8. ድርጅቱ በአጠቃላይ ገበያውን ለማርካት በቂ የዕቃ ክምችት አለው ይላሉ?

ሀ. አዎ

ለ. የለም

9. የድርጅቱ የምርት ስርጭት እንቅስቃሴ በአጠቃላይ እንዴት ይለኩታል?

ሀ. በጣም

ሐ. መካከለኛ

ለ. ጥሩ

መ. የዘገየ

ሠ. በጣም የዘገየ

10. የድርጅቱ ምርቶችን የማጓጓዝ አቅም ምን ይመስላል?

ሀ. በጣም ጥሩ

ሐ. አነስተኛ

ለ. መካከለኛ

መ. በጣም አነስተኛ

11. ድርጅቱ ትዕዛዞችን የመቀበል አቅም በአጠቃላይ እንዴት ያዩታል?

ሀ. በጣም ጥሩ

ሐ. መካከለኛ

ለ. ጥሩ

መ. አነስተኛ

ሠ.በጣም አነስ

12. ድርጅቱ ትእዛዞችን ቃል በተገባላቸው ወቅት መሰረት በአግባቡ ይተገብራሉ?

ሀ. በጣም ብዙ ጊዜ  ሐ. አንዳንድ ጊዜ

ለ. ብዙ  መ. አልፎ አልፎ

13. ድርጅቱ ምርቶችን በሰዓቱ የማቅረብ አቅም እንዴት ያዩታል?

ሀ. በጣም ጥሩ  ሐ. መካከለኛ

ለ. ጥሩ  መ. አነስተኛ

ሠ. በጣም አነስተኛ

14. የድርጅቱ የአቃዎች ማሻሻያ ጥንካሬ ከሌሎች ተፎካካሪዎች ጋር ሲነፃፀር እንዴት ያዩታል?

ሀ. በጣም ጥሩ  ሐ. ደካማ

ለ. ጥሩ  መ. በጣም ደካማ

15. ድርጅቱ የደንበኞችን ቅሬታ የማስተናገድ እንዴት ያዩታል?

ሀ. በጣም ጥሩ  ሐ. መካከለኛ

ለ. ጥሩ  መ. አነስተኛ

ሠ. በጣም አነስተኛ

16. በሰራው ላይ ያሉትን ችግር ለድርጅቱ ምን ያህል ጊዜ ያቀርባሉ?

ሀ. አንዳንድ ጊዜ  ለ. ብዙ ጊዜ

17. ካሉት ልምድ አንፃር የምርት አቅርቦት ትእዛዞች መዘግየት ምክንያቶችን ይጥቀሱ

\_\_\_\_\_

18. ሰዓቱን የጠበቀ የምርት አቅርቦትን አቅም ለመጨመር ምን መደረግ አለበት? ዘርዝረው ይጻፉ

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19. ከድርጅቱ የመጓጓዣ አሰራር ጋር ተያይዞ መፍትሄው ምን ይመስሉታል?

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**St Mary's University College**  
**Business faculty**  
**Department of Marketing Management**

### **Interview Check list for Marketing Managers**

This interview is prepared by a student researcher. Prospectively graduate of year 2005 in the field of marketing management for the partial fulfillment of a senior essay and the main objectives of this interview is to make an assessment of physical distribution in the case of AL-SAM PLC.

There for you are kindly requested to respond honestly and with due care because of the answer will have paramount for out come of the researcher.

1. What kind of distribution strategy the company implements?
2. What are the factors that affect distribution strategy?
3. What are the strongest and the weakest side of the distribution channel and with respect to the competitors?
4. What are the problem related to distribution channel with respect to price, place, promotion, using agent and other intermediaries?
5. What is your suggestion about the company's overall physical distribution activity?
6. Do you think that the branch currently have is enough to serve the major market?
7. Does the company have sufficient and convenient distribution channels?
8. What strategy does the company apply to satisfy its customers?
9. What plan does the company have for the future?