



**ST. MARY'S UNIVERSITY  
SCHOOL OF POST GRADUATE STUDIES  
MASTER OF GENERAL BUSINESS ADMINISTRATION PROGRAM**

**ASSESSMENT OF ETHIOPIAN CASH AND CARRY WHOLESALE  
ENTERPRISE'S (ALLE BEJIMLA'S) EFFECT ON FOOD AND FAST  
MOVING CONSUMER GOODS MARKET IN ETHIOPIA**

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**July, 2016  
Addis Ababa, Ethiopia**

**RESEARCH TOPIC:**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY GRADUATE STUDIES  
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AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN  
GENERAL MANAGEMENT**

**July, 2016**

**Addis Ababa, Ethiopia**

## DECLARATION

I, Fekadu Girosh, declare that this work entitled “**Assessment of Ethiopian Cash and Carry Wholesale Enterprise’s (ALLE BEJIMLA’s) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**” is outcome of my own effort for partial fulfillment of the requirement for the award of the degree of Master of Business Administration [MBA], specialized in General Management and has not been submitted for any degree in this University or any other Universities. All sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor Dr. Alem Hagos (Assistant Prof).

By: Fekadu Girosh (Writer of the Thesis)

Signature\_\_\_\_\_

Date\_\_\_\_\_

## ENDORSEMENT

This is to certify that this thesis works entitled “**Assessment of Ethiopian Cash and Carry Wholesale Enterprise’s (ALLE BEJIMLA’s) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**” undertaken by Fekadu Girosh for the partial fulfillment of the requirements for the Degree of Master of Business Administration [MBA], specialized in General Management at St. Mary’s University, is an original work and has been submitted for examination with my approval as a university supervisor.

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**Research Advisor**

Assistant Professor at St. Mary’s University  
July, 2016  
Addis Ababa, Ethiopia

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**Signature**

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**Date**

**ST. MARY'S UNIVERSITY  
SCHOOL OF POST GRADUATE STUDIES  
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## **Acronyms & Abbreviations**

**ALLE/ALLE BEJIMLA/:** Trade Name of Ethiopian Trading Enterprise/  
**ALLE/ALLE BEJIMLA/:** Ethiopian Cash and Carry Wholesale Enterprise

**B2B:** Business to Business

**CEO:** Chief Executive Officer

**CO:** Company

**CPI:** Consumer Price Index

**CSR:** Corporate Social Responsibility

**CSA:** Central Statistical Agency

**ECC:** Ethiopian Chamber of Commerce

**ERCA:** Ethiopian Revenues and Customs Authority

**ERP:** Enterprise Recourse Planning

**ETE:** Ethiopian Trading Enterprise

**FDRE:** Federal Democratic Republic of Ethiopia

**FMCG:** Fast Moving Consumer Goods

**GDP:** Gross Domestic Product

**HoReCa:** Hotel, Restaurant and Cafe

**IMF:** International Monetary Fund

**MoFED:** Ministry of Finance and Economic Development

**MoT:** Ministry of Trade

**MRP:** Maximum Retail Price

**No:** Number

**OECD:** Organization for Economic Cooperation and Development

**Org:** Organizations

**PCI:** Precise Consult International

**RIL:** Reliance Industries Limited

**SPSS:** Statistical Package for Social Science

**SKU:** Store Keeping Unit

**USD:** United State Dollar

**U.S:** United State

**VAT:** Value Added Tax

**WIC:** Walta Information Center

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## **Abstract**

*The main purpose of this study was to assess the effect of the newly established Ethiopian modern cash and carry wholesale business enterprise (ALLE BEJIMLA) on food and FMCG market in Ethiopia. The researcher used descriptive research design to describe the existing circumstances of the effect of ALLE on the market (on its competitors, suppliers, customers, supplies, market shares, price and consumers (end users) satisfaction in the market as it is. To achieve the study objectives, the researcher also used both quantitative and qualitative research approaches. Besides, the researcher used both probability sampling techniques the so called stratified random sampling techniques and non-probability sampling techniques the so called judgmental or purposive sampling techniques as per of their requirements. Accordingly, the researcher gathered data from ALLE BEJIMLA Employees, ALLE BEJIMLA Customers (Consumers Associations, executive supermarkets, minimarkets, HoReCa, Independent shops and institutions), ALLE Competitors, suppliers, End users and from another organizations as per of the data required. Thus, ALLE BEJIMLA has 352 of total employees, 13004 of customers [including 323 of ALLE employees but excluding 29 of ALLE employees who were not ALLE customers)]; 106 (30 foreign suppliers and 76 local suppliers) of suppliers, 10 big competitor(s) which the researcher used as a population. Accordingly, the researcher used 10 % (35) of respondents from all ALLE employees emphasizing on managers, supervisors and specialists excluding guards, cleaners, trolley operators and daily laborers; 1.83% (232 out of 12,681 excluding ALLE employee) of respondents from all ALLE's customers; specifically: [6% (20) from consumer associations, 1.5% (55) from HoReCa, 1% (60) from independent, 1.5% (30) from exclusive retailer, 10% (16) from minimarket, 12% (10) from supermarket, 11% (5) from shops, 10% (36) from institutions). Moreover, the researcher used 50% (5) from large competitors of ALLE BEJIMLA, 100 from end users and 20% (15) of local suppliers as respondents. Totally, the researcher distributed questionnaires to 387 respondents (taken as a sample size for the study). But, data was collected from 31 ALLE employees, 219 ALLE customers, 13 suppliers, 5 competitors and 93 end users. Totally 361 (93%) respondents were returned questionnaires. So, the study utilized primary and secondary data. The whole analysis of the paper was analyzed by SPSS 20 version. So, as of the finding, ALLE doesn't bring significant contributions on food and FMCG market in Ethiopia as much as expectations rather than a little bit effects and psychological impacts on stabilizing food and FMCG (price, product availability, market share in the market) and has negative and little bit positive impacts on its competitors even though its negative impact was higher than positive impact and also, it doesn't satisfy its customers, end users while some of its suppliers were also dissatisfied. Based on the findings, necessary conclusion and recommendations were given. The recommendations given includes the government financial support, high product assortment, cash purchase, ALLE suppliers and customer's satisfaction, competitor's attitudinal change would be required for ALLE.*

**Keywords: Cash and Carry Business Model, Price, Market share, Product Assortment and Availability, Customer Satisfaction, End users Benefit and Competitors**

## **CHAPTER ONE: INTRODUCTION**

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

Cash and carry wholesale business model is a form of trade in which goods are sold from a wholesale store operated either on a self-service basis and customers (retailers, professional users, caterers, institutional buyers, etc.) settle the invoice on the spot in cash, and carry the goods away themselves (Alemayehu, 2014). The absence of fair competition in the market causes price inflation which has double impact on the consumers. Meaning that because of price inflation, consumers are affected in two ways, by increase in the price of the goods and by the decrease in the quantity they buy. Both these change make them worse off, as they are now receiving less of good and paying more for it (Alfred, 2013). Ethiopian Government has also declared various laws to create conducive environments for competition in addition to market lead results. For instance trade and consumers' protection proclamation No. 685/2010 which is desirable to protect the business community from anti-competitive and unfair market practices, and also consumers from misleading market conducts, and to establish a system that is conducive for the promotion of competitive market (FDRE Consumer protection proclamation No. 685/2010). But, since the wholesale market was occupied by few of power full suppliers, there were no fair competition, fair price and in 2011 there were very high inflations which reached to 40% in Ethiopia (US commercial report, 2013). This and other similar factors leads the Ethiopian government to intervene in to markets especially on food and FMCG markets through establishment of Ethiopian Trading Enterprise (ALLE BEJIMLA) as a modern cash and carry business model to provide quality goods at competitive prices in Ethiopia ([www.alle.et](http://www.alle.et)). So, governments can intervene in markets to protect societal wellbeing's. These would be achieved may be through export promotion, commodity sector protection, and price stabilization, or addressing societal welfare such as hunger alleviation and equitable income distribution. In other words governments can intervene in markets in any ways in which it broadly disturb the overall nature of the markets in its country. These interventions may include embargoes, price controls, quotas, duties, direct purchases of buffer stocks, and other price-impacting policy measures (Hathaway, 2007). Besides, government can sets the legal and institutional framework within which markets would be operating. It raises taxes based on the activities of businesses and consumers in markets. It has an interest in market outcomes and the way these are distributed between different groups and firms in society. Sometimes Government wants to encourage the

market to deliver particular products and services for wider social benefit while another time it wants to discourage market products because of their wider negative effects. These links and tensions are an intrinsic part of a modern market economy. Government can affect markets either through direct participation (as a market maker or as a buyer or supplier of goods and services), or through indirect participation in private markets. For example, through regulation, taxation, subsidy or other influences (Office of Fair Trade, 2009). Accordingly, Ethiopian government recognized the prominence of intervening in markets and inaugurated a unique cash and carry chain business model the so called ALLE BEJIMLA or Ethiopian Trading Enterprise in Ethiopia for different purpose like to supply a wide range of quality food and FMCG at competitive prices to B2B enterprise, to complement the current trade market environment, serving the needs of all key participants including kiosks, cafes, bars, hotels, associations, institutions and restaurants, providing savings to such key trade market participants and at increasing affordability of goods to consumers, to facilitate modern trade through the application of best-in-class practices in countrywide cash-and-carry stores at easy accessible locations, to reliable local and international suppliers to provide high-quality goods across the segments of commodities, beverages, packaged foods, personal care, stationeries and others to the country residents ([www.alle.et](http://www.alle.et)).

Besides, Ethiopian government realized the importance of state intervention in the market and designed and implemented various intervention approaches so as to correct market failure. The establishment of food and FMCG wholesale enterprise called ALLE is among the several measures taken by the government to control inflation of food and FMCG prices through enhancing competition in the market. ALLE's wholesale stores established to supply products to consumers and retailers with low price is contributing to the government's efforts to stabilize the market. The primary mandate of the enterprise (ALLE) is to increase affordability of goods to consumers, support to increase competition and investment in the private sector, facilitate the development of a modern trade sector, and develop commercially viable business, reducing consumer costs and inflation in Ethiopia by developing an efficient distribution platform, providing quality goods at competitive prices, and building a profitable business and create a lasting impact in their communities (Alemayehu, 2014). So, we would the effects of this company on markets especially on food and fast moving consumer goods market in Ethiopia together in this study.

## **1.2 Background of the Company**

Ethiopian Trading Enterprise is a state-owned enterprise with the aims of supplying food and other consumer goods (quality products) at competitive prices to retailers (customers) through sourcing from national and international wide companies. It was established under the guidance of A.T. Kearney (American based international consultant) as of February, 2013 when the government of Ethiopia awarded to them for a two and-half-years management contract. This profit making state venture enterprise is also commonly referred to as ALLE BEJIMLA meaning “Available in Wholesale” in Amharic. It is the first Ethiopia's modern cash and carry wholesaler of food and FMCG. ALLE cash and carry stores has been opening in strategic locations across the country and operating in accordance with international best business practices with having a vision of future in which local consumers get better value for their money and have a broader choice of quality consumer goods and a mission of supplying quality food and other FMCG at competitive prices, stabilize food and FMCG wholesale markets in Ethiopia, facilitate modern trade and become a role model for professional business practices. Besides, it has values of customer focused, driven and socially responsible. ALLE adheres to a B2B model and does not offer retail services. ALLE has been operating by setting up modern and efficient stores carrying a broad assortment of products sourced from international, local suppliers and maintain lean supply chains to increase the availability of highly in-demand of food and FMCG. After its inauguration this Ethiopia’s modern cash-and-carry wholesale enterprise started opening of its stores in different towns in Ethiopia. Currently it was opened 3 stores or shops /branches/ in Addis Ababa (1 at Megenagna area, 1 at Kality and 1 at Merkato), 1 store in Hawassa, 1 store in Shashemene, 1 store in Bahirdar, and 1 store in Dessie; Totally 7 stores or shops/branches in the country and on the way to open others. The stores stacked with more than 750 SKU which has been locally and internationally sourced products, and has wide spectrums of customers include kiosks, supermarkets, minimarket, HoReCa (hotels, restaurants and cafes), Institutions, and Associations. According to Ato Nuredin Mohammed, general manager of Alle and advisor at the Ministry of Trade (MoT), Alle plans to open 36 stores in 27 major towns across the country in three years. This will enables ALLE to have a 25 to 30 percent market share in the country offering products with a five to 10 percent price lower than the competition ([www.alle.et](http://www.alle.et)). ALLE provides a wide range of food and FMCG categorized as commodities, beverages, snacks & sweets, personal care, home care, groceries and stationery all under one roof. The assortment of

products is also expected to expand with the inclusion of vegetable items (WIC, 27-May-2014). Currently this company was administered by Ethiopian Trading Businesses Corporations. This Corporation is a newly established firm by the Council of Ministers Regulation No. 369/2015 by amalgamating the former Ethiopian Grain Trade Enterprise, Ethiopian Trade Enterprise (ALLE BEJEMLA), Fruits and Vegetables Share Company and the Procurement Service Enterprise with the core objective of purchasing selected agricultural and industrial products and basic commodities from local and international markets competitively and as such to stabilize domestic market. The Corporation is governed by the Public Enterprises Proclamation No. 25/1992 and it is under the process of organizing itself and currently effective.

### **1.3 Statement of Problems**

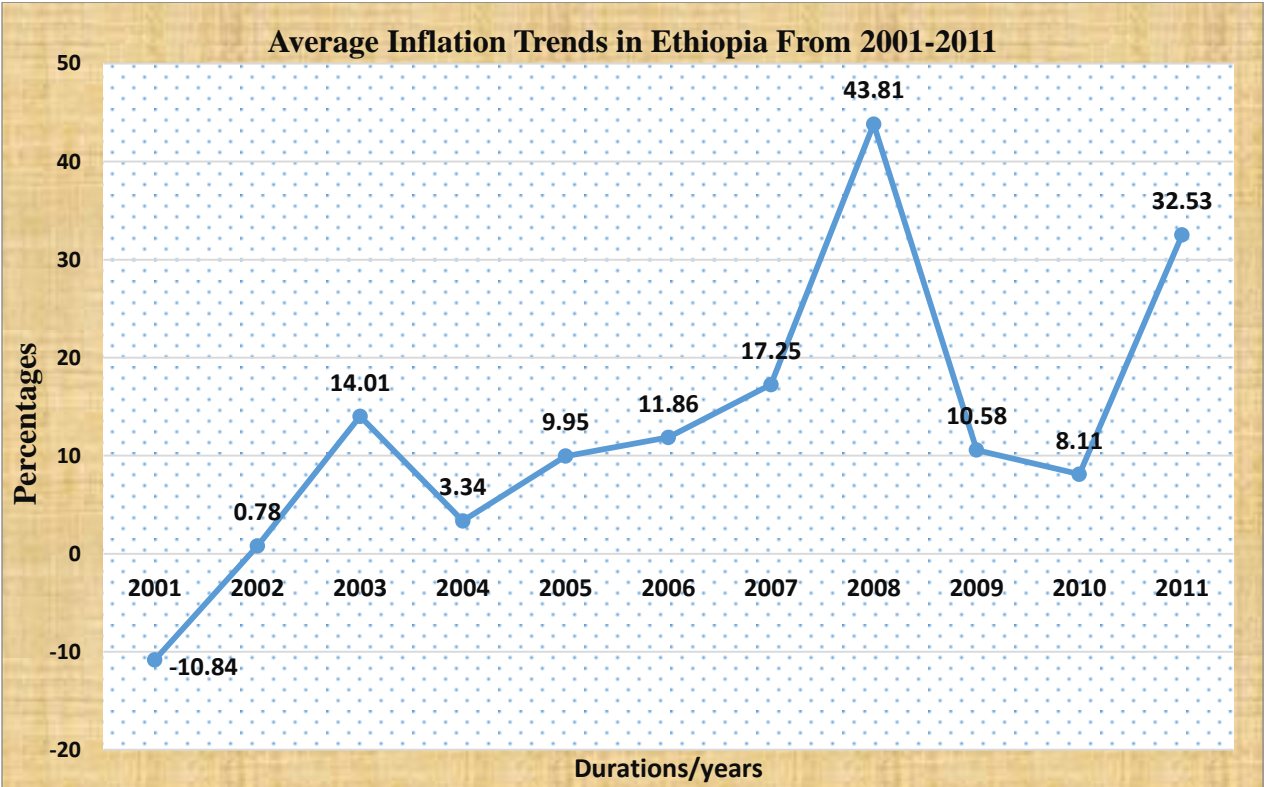
As of U.S Department of State Investment Climate Statement, 2014; Ethiopia is one of the fastest-growing economies in the world. It has registered impressive GDP growth for several years, ranging between 6% and 12%. The World Bank and IMF forecast continued average growth of 7% over the next three years. With a population of roughly 90 million, Ethiopia is the second most populous country in sub-Saharan Africa, after Nigeria. Even though there were some clues of economic growth in country, most local companies didn't practice CSR programs. During the imperial regime or feudalistic government (1960-1974), Ethiopia's markets were characterized by some government intervention with low economic development and limited infrastructure (Leronso, 1987) while in the Derg regime or state-controlled markets (1975-1990) or the socialist government of Ethiopia instituted a wide range of controls over markets (Webb and von Braun, 1994). But, following the overthrow of the Derg regime in May 1991, various economic reform programs were launched to correct market failures in Ethiopia (Bekele, 2002). Behind economic boom, however, inflation rate has been highly increasing by increasing rate in Ethiopia. According to data obtained from IMF report (2015) for the past 10 years (2001-2011); starting from its lowest stage in 2001 which was -10.84%, 3.34% in 2004, 13.6% in 2006, and 17.7% in June 2007, 24% in April 2007; inflation reached 43.81% and 32.53 in 2008 and 2011 respectively. This shows inflation rate in Ethiopia was low before 2005 compared to 2008. This high inflation in Ethiopia was observed in a variety of goods. Food price inflation rate is also high at 19.9% in June 2007 after increasing to 26.8% in April 2007. Again, food price shows a rapid increase while food is the largest component of CPI with 60% of weight in CPI. One can



observe a high rate of inflation also in other goods with relatively large weight such as house rents. Thus, inflation in Ethiopia is caused not by a certain goods, but also virtually all goods (Loening, Josef Gounder, Rukmani Takada, Hideki, 2008). The existences of high inflations year-to-year in the Ethiopia and reached 39.2% in August 2011, motives Ethiopian government to concerted effort on reducing the inflation rate through developing strict monetary and fiscal policy (US Commercial Service report, 2013).

The following graph shows inflation trends in Ethiopia for the past 10 years

**Figure 1.3: Average Inflation Trends in Ethiopia for the past Ten years (from 2001-2011)**



Source: Researcher observation from secondary data obtained from IMF report, 2015.

Generally, Ethiopian inflation basket divided in to two groups: these are food (57.01%) and non-food (42.99%). Out of this non-food; beverages (2.02%), clothing and foot wear (8.32%), house rent, construction material, water, fuel and power (20.56%), furniture, furnishing, house hold equipment, and operation (3.75%), medical care and health (1.11%), Transport and communication (2.49%), personal care and effects (0.83%), recreation, entertainment and education (1.09%), miscellaneous (2.34%) and cigarettes/tobacco (0.48)(CSA, IMF report, 2015)

Therefore, any governments in every countries or every political persuasion in general and developmental state in particular intervene in the market though varies degree of intervention to influence the allocation of scarce resources among competing uses so as to correct market failures and to achieve a more equitable distribution of income and wealth. However, such interventions create their own problems, which have to be addressed by taking into consideration the economic, social and political facts of countries (Tamerat, 2006). Accordingly, Ethiopian government tried to intervene in markets to stabilize the situations through establishing ALLE BEJIMLA. The enterprise buys the products directly from manufacturers at home and abroad and thereby avoid the unnecessary market chain which has been driving prices of consumer goods high. Besides, while ALLE inaugurated, Prime Minister Hailemariam said the enterprise seeks to create competitive and market oriented business environment in Ethiopia. The wholesale market in Ethiopia has been dominated by few powerful suppliers and ALLE's introduction is expected to spur more competition into the market and ultimately bring prices down and would influence suppliers. But, after its inauguration and started its operation, there were number of individuals (Business Men/Women) who directly confronted and opposed its establishment by defining their opinions. Accordingly, Tsedeke Yihune, the founder and owner of Flintstone Homes, a real estate company developing housing units around the capital, was one of the bold figures who directed his curious questions against this wholesale enterprise. For Tsedeke, ALLE is set up with the strong support of the government like easy access to land and cheap lease prices, prime sites in the capital where the location itself matters, availing all these resources for ALLE might be a little insensitive to other businesses or not enjoyed by other companies like his. Then, Mario Minutella, manager at A.T Kearney which is setting up and managing ALLE at a time said that among logistics operators, some 50 percent price variation is observed in the market. Most operators praise prices unprofessionally (Ethiopia Reporter 22 November 2014).

Therefore, since ALLE BEJIMLA was established almost two and half years ago to stabilize the market, to create competitive and market oriented business environment, carrying a broad assortment of products, to increase the availability of highly in-demand of Food and FMCG, does it have been doing as per of expected? So, why the researcher need to study on this topic was to assess whether ALLE BEJIMLA performs as of its objectives on foods and FMCG market in Ethiopia & specifically to answer the following basic research questions.

## **1.4 Basic Research Questions**

- What is the effect of ALLE BEJIMLA on price of Food and FMCG in the market in Ethiopia?
- What is the impact of ALLE BEJIMLA on its local competitors in the market in Ethiopia?
- What is the effect of ALLE on Food and FMCG (product) availability in market in Ethiopia?
- Does ALLE customers have been satisfied in working with ALLE BEJIMLA?
- Does ALLE BEJIMLA benefited consumers/end users/ in the country?
- What is the market share of ALLE BEJIMLA from Food and FMCG markets in Ethiopia?
- Does ALLE BEJIMLA supplier(s) have been satisfied with ALLE's Service?

Therefore, these and other related issues makes the researcher motive to do a research on a given research topic. So, the study would answer the above basic research questions and generally assessed the impact of ALLE BEJIMLA on food & FMCG Market in Ethiopia.

## **1.5 Objectives of the Study**

The general objective of the study was to assess the effect of ALLE on the food and FMCG Market in Ethiopia. In addition to this, it also has the following specific objectives:

- To evaluate the effect of ALLE on price of food and FMCG on markets in Ethiopia
- To assess the impact of ALLE on its local competitors in the market in Ethiopia
- To analyze the effect of ALLE on food and FMCG (product) availability in the market
- To assess effect of ALLE's customers and suppliers satisfaction in the market
- To evaluate effect of ALLE on end users/consumers/ benefit/satisfaction/ in Ethiopia
- To assess the result of ALLE on food and FMCG market share in the market in Ethiopia
- To assess the nature of food and FMCG market before and after the creation of ALLE

## **1.6 Significance of the Study**

The results of this study have varies significant in numerous aspects. First, on the bases of finding of the study, the study identified the contribution of ALLE on foods and FMCG price, ALLE's suppliers, ALLE competitors, product availability (supply), market share, customers satisfaction, end users benefit and generally on FMCG market in Ethiopia and draw reasonable conclusions on its results. Second, the result of the study has a benefit in provide necessary information to management units of the ALLE and aware the effects of ALLE on food and FMCG market in Ethiopia for their further analysis and decisions. Finally, the finding of the

study may also have significant values for others (Researchers) who want to conduct further study on similar topic as a point of reference.

### **1.7 Scope and Limitation of the study**

The Scope of the study enclosed to assess the impact of ALLE on food and FMCG market in Ethiopia. Data was collected from random sample selected ALLE employees (from all its stores with emphasizing on senior level), random sample selected ALLE customers from all stores, ALLE competitors, end users/consumers including local ALLE suppliers. Accordingly, respondents from Megenagna store, Kality store Merkato store, regional stores (Bahirdar, Shashemene and Hawassa stores) including ALLE employees were participated as a respondent including from head staffs. Some suppliers and competitors are also participated from Addis Ababa (A.A) since their head office is located here in A.A. Moreover, secondary data was collected from ALLE and other organizations like from MoT, CSA, ECC, MoFED, ERCA, Ethiopian chamber of commerce and others as per of its requirements. On other hand, the study didn't include daily employees (laborers, cleaners, guards and Messengers /runners) of the company because of these employees are hired for a short period of time and might not have a deep understanding or any concepts about aim of ALLE and its effects on market. Besides, the study doesn't include foreign suppliers of ALLE as respondents due to lack of finance and access including time. In addition to its scope, the researcher faced some limitations which were uncontrollable that deter the smooth ongoing of the research. For instance, lack of good cooperation of the respondents, lack of commitment in returning questionnaires by some of respondents; as a result 26 respondents (questionnaires) were not returned, some of end users/consumers didn't know the existence of ALLE BEJIMLA with its aim. As a result, 11 end users didn't fill the second part of my questionnaires. So, after the researcher faced such kinds of ups and down, he has finalized in a good manner as much as possible systematically.

### **1.8 Definitions of Key Terms**

- I. ALLE BEJIMLA/ALLE/:** means a business name for Ethiopian Trading Enterprise which was established based on council of Ministers regulation No 285/2013.
- II. Business Model:** a description of means and methods in which a firm employs to earn the revenue projected in its plans and view the business as a system and answers the questions “how are we going to make money to survive and grow?”

- III. Business Ethics and SCR:** is types of ethics and social responsibility of business organizations in providing quality product/service with right price. Besides, CSR means caring to environments while doing business from pollution, deforestation, and the like including providing social service to society in which it operates bus.
- IV. Cash and Carry:** is a form of trade in which goods are sold from a wholesale warehouse operated either on a self-service basis, or on the basis of samples (with the customer selecting from specimen articles using a manual or computerized ordering system but not serving himself) or a combination of the three
- V. Customer(s):** is (are) a person(s) or organization(s) that buys goods or services from ALLE store or business. Or it is a person, company, or other entity which buys goods and services produced by another person, company, or other entity. It is sometimes known as a client, buyer, or purchaser who/which/ recipient of a good or a service, or a product, or an idea, obtained from a seller, vendor, or supplier via a financial transaction or exchange for money or some other valuable consideration.
- VI. Customer satisfaction** is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation or the degree of pleasure provided by the goods or services of a company as measured by the number of repeat customers
- VII. Consumers or End user(s):** is (are) the individual or a group who uses the product after it has been fully developed and marketed. Or a person or organization that actually uses a product, as opposed to the person or organization that authorizes, orders, procures, or pays for...or the person for whom something was ultimately created or intended.
- VIII. Ethiopian Trading Enterprise:** a state-owned profit making enterprise with the aims of supplying food and other consumer goods at a competitive price from nationwide cash and carry stores by having the trade name of ALLE BEJIMLA.
- IX. FMCG:** are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, over-the-counter drugs, processed foods and many other consumables
- X. Market Share:** is the portion of a market controlled by a particular company or product or the percentage of an industry or market's total sales that is earned by a particular company

over a specified time period and is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period

- XI. Maximum Retail Price (MRP):** is the maximum price allowed for retailers to sell the products to end users/consumers after they bought from ALLE
- XII. Price:** is the amount of money expected, or given in payment for something could be sold or a value that will purchase a finite quantity, weight, or other measure of a good or service
- XIII. Retailers:** is the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit. Demand is created through diverse target markets and promotional tactics, satisfying consumers' wants and needs through a lean supply chain.
- XIV. Supply(s):** is something needed or wanted or product available to someone and adequate to satisfy a requirement or demand. Or the total amount of a product (good or service) available in the market for purchase at any specified price.
- XV. Suppliers/Competitors:** are people or businesses that are engaged in a similar commercial or economic competition with others and provide goods and services to vendors.
- XVI. Wal-Mart:** a type of cash and carry business models with its head office in America and functioned throughout the world with currently having around 190,000 stores/shops
- XVII. Wholesale:** is the sale of goods or merchandise to retailers; to industrial, commercial, institutional/other professional business users/other wholesalers

## **1.9 Organization of the Paper**

The final research has five chapters. The first chapter deals with introductory parts which consists of introduction, background of the study, background of the company, statement of the problem, objectives of the study, significance of the study, definition and concepts of terms, Scope and limitations of the study and organization of the paper. The second chapter deals with review of related literature (theoretical and practical literatures) while the third chapter contained research methodology. The fourth chapter contained the findings of the study on the effect of Ethiopian Modern Cash and Carry Wholesale Business Model (ALLE BEJIMLA) on Foods and Fast Moving Consumer Goods (FMGC) market in Ethiopia while the final chapter (Fifth chapter) contained Summary of finding, conclusions and recommendations parts that was done based on the findings.

## **CHAPTER TWO: REVIEW OF LITERATURE**

### **2.1 Introduction**

This chapter contains review of literature parts. Accordingly the researcher reviewed different theoretical and practical literatures that are related to the topic and shows some evidences on which the research findings revitalized in addition to researchers own work.

### **2.2 Theoretical Literature Review**

Theoretical literature is a pillar to this paper in which any of viewer conceptually understand the research results without any borings and easily accept the finds since such kind of facts early convince readers logically.

#### **2.2.1 Concepts of Cash and Carry Business Model**

Cash and Carry business model is a format where the goods and services are sold for cash and the customer carries it away which means there is no delivery service. In other words it refers to business format in which organizations, provides wholesale depot operation from which retail customers purchase goods and provide their own transport. Cash and Carry operators buy goods in large quantities from the manufacturer or buying group and then sell these goods to their retail customers. There are number of organizations which are looking at expanding to cash-and-carry format, interestingly not all of these organizations were having experience. Retailers are basically eyeing cash-and-carry format to tap the huge unorganized retail sector. Cash & Carry retail outlets cater to the needs of B2B bulk customers, who have registrations like VAT, with relevant authorities (Dr. Vikas Nath, 2015)

#### **2.2.2 Role of Government Intervention in Markets**

According to Denny (2010), based on their role there were 3 kinds of states in economic development. These are minimalist state, regulatory state and the developmental state or predatory state. As of minimalist approach the role of government is restricted only to prevent monopoly and externalities, providing public goods, and enforcing law. As of them government's help to business should be indirect and non-selective. The regulatory state goes one step further than the minimalist and discuss that the government also responsible for the welfare of society as a whole, help business people by ensuring a better environment as well as should be more active in giving help and sometimes be selective. According to developmental

state, government role should include manipulation industrial policies (protections, subsidies, and lower tax), offering of cheap loans and giving administrative guidance. 'Predatory state is the developmental state without bureaucratic competency'. As developmental state, the predatory state also directs the trend of business and picks 'the minors'. However, the criteria for this intervention are not technical competence based on assessment of expertise. According to Livio (2013), a newer approach to the public sector is the modernist position (sometimes referred to as neoclassical). It is essentially a pragmatic view, associated with public finance economist Richard A. Musgrave, which accepts that government exists and therefore there must be a role for it, and then proceeds to categorize and analyses the functions as an empirical exercise, using the economist's theoretical tool kit to study government economic activity. The three major tasks of government are allocation, distribution, and stabilization. According to this writer, the allocation function concerns the resource allocation activities of government in the economy, with market failure, the failure of a functioning price mechanism, as the main reason for government intervention. Government intervention in resource allocation includes monopoly and merit goods. The existence of monopoly means that there are barriers to entry into a market resulting in a single provider and, consequently, price is often not equal to marginal cost as in a competitive environment. Government intervenes in an attempt to produce more output at lower cost. The distributive function involves government transferring economic resources between individuals, as well as levels of government. As a result, a tax system with increasing tax rates or exemptions and welfare programs can all be seen as income redistribution programs. The government's role in income and wealth distribution brings to the fore the relationship between equity and efficiency. Equity concerns perceptions of fair treatment while efficiency is a matter of obtaining maximum output at minimum cost. Finally, the stabilization function of government concerns actions taken to affect employment and prices (Livio, 2013)

### **2.2.3 Objectives of Government Interventions in Markets**

There are many different objectives that governments might pursue by way of intervention in private markets. All governments of every political persuasion intervene in the economy to influence the allocation of scarce resources among competing uses. A government may choose to intervene in a market for economic, social and political reasons. The main reasons for state intervention are to correct market failure and to achieve a more equitable distribution of income



and wealth. The most common set of objectives for government regulatory policy is maximization of social welfare through the remediation of various types of market failure, which can be monopolies and externalities. Other objectives of government intervention are macro and socio economic which include the efforts to control inflation, income distribution, and basic standards of services and so on. Moreover, governments may intervene for reasons broadly related to national interests such as national defense (Posner and Richard, 2010)

#### **2.2.4 Instrument of Government Intervention in the Market**

Governments have different instruments of intervention at their disposal in order to pursue different economic, social and political objectives. The major instruments are legislation and regulations, government ownership, fiscal policy and intervention to close the information gap. The governments may enforce regulation in order to set standards of firm behavior such as fines and soon .They could also simply choose to directly provide goods or service through a public agency or state-owned enterprise (sometimes referred to as a crown corporation) to set more efficient prices particularly in case of market failure (Marek and Jarocinski, 2010). Fiscal policy is another way of government intervention to alter the level of demand for different products and also the pattern of demand within the economy. These mainly include indirect tax, subsidy to consumers, tax relief, higher taxation and welfare payments. Moreover states have a role in improving information to help consumer and producers value the “true” cost and benefit of a good or services as often market failure results from consumers suffering from lack of information about the costs and benefits of the products (Geoff, 2012)

#### **2.2.5 Different Opinions on the Interventions of Government in Markets**

In the liberal political economy since Adam Smith’s Wealth of Nations (Smith, 1776), the government monitors and enforces the regulatory environment in which firms compete for survival and profits, but should not directly be involved in a firm’s decisions and transactions. Multiple explanations have been advanced to account for why state control over economic activity will lead to economic failure. Baumol believed that economic models relied upon the concept of the invisible hand first discussed by Adam Smith. In these models, the perfectly competitive economy was able to allocate resources efficiently, without the need for market intervention by outside agents, including governments. However, there were significant weaknesses in these models particularly in the area of ensuring equity of access, social objectives

and in the provision of public goods. Ensuring equity of access, meeting social objectives and providing public goods were considered the main reasons why the public sector provided goods. Why governments intervened in the market was due mainly to characteristics of the market place. If the market place was to function efficiently, several conditions needed to exist including freedom of choice, certainty of demand, minimal externalities and excludability. In addition to these prerequisites, the perfect market required perfect consumer and supplier information, no rent seeking behavior and no moral hazard existed. If these conditions were not met, market mechanisms would fail to produce the efficient allocation of resources (Nee, etal 2007) another reason why governments intervened in the market place was to ensure the provision of public goods. Public goods are generally commodities that are socially desirable but cannot be financed through the private sector. The reason for this is that a public good is a commodity or service whose benefits are not depleted by an additional user and for which it is generally difficult or impossible to exclude people from its benefits, even if they are unwilling to pay for them. He argues that one of the primary reasons for government intervention was the absence of the perfect market for many socially important groups (Baumol, 1988) If there is a potential for the market to fail governments will attempt to intervene. The type and the extent of intervention will depend upon a number of factors. The reason for this in Groenewegen's view was that while the provision of goods with a high degree of public good characteristics was a government function, the function of government was not confined solely to the provision of these goods, other factors including, institutional, political, and economic choices were also important (Nee, etal, 2007).

### **2.2.6 Potential Failure and Adverse Consequences of Government Intervention**

The following are the potential failure and adverse consequences of government intervention (Alain, 2006):

- Inadequate information: government like an economic agent, rarely possess complete information for decision. In some case, the information available is positively misleading.
- Conflicting objectives: government often faces conflicting objectives. Every decision made by the government has an opportunity cost. Sometimes, a decision is made where the welfare gain from the alternative foregone would have been higher.
- Administrative cost: sometimes the administrative cost of correcting market failure is so large that it outweighs the welfare benefit from the correction of market failure.

- Market distortion: in some cases government intervention to correct one market failure leads to the creation of far more serious market failure.

Eventually all agree that there is no real model of a society run in the absence of government intervention. Even the most extreme libertarian economists would accept there needs to be some state protection of property rights and spending on national defense. The debate comes on the extent of government intervention. This needs to take place on each aspect of government Intervention. The arguments for and against government intervention in macroeconomic Stabilization are very different to the arguments for and against providing universal health care (Kenneth, 1988).

### **2.2.7 The Role of Competition in the Market**

Competition is the rivalry between companies selling similar products and services with the goal of achieving revenue, profit, and market-share growth. Competition is sometimes assumed to focus only on price, but suppliers can also compete in other ways, for example by developing the quality of existing products, by using their entrepreneurial skills, or investing in research to develop new goods and services. For the most part, open competitive markets are the best way of maximizing consumer welfare and raising economic growth (Joseph, 2011)

- Drives firms to improve their internal efficiency and reduce costs. Cost minimization allows firms to deliver the same goods and services to consumers, but at lower prices. This will attract a greater number of consumers and the firm will gain a larger market share.
- Provides incentives to firms to adopt new technology. Early adoption of technology and/or new techniques and processes helps firms minimize their costs.
- Provides incentives to firms to invest in innovation. Investment in innovation allows firms to improve the quality of their existing products and/or develop new products and services to better suit the changing needs and preferences of consumers.
- Reduces managerial inefficiency. Competitive pressures from other firms and new entrants lead firms to look for better, more efficient ways to organize their business. Lack of effective competition could lead firms and managers to operate with inefficient business models and technology as firms are unlikely to lose profits. The absence of competition in the market causes price inflation which has double impact on the consumer. Because of price inflation consumers are affected in two ways, by increase in the price of the

goods and by the decrease in the quantity they buy. Both these changes make them worse off, as they are now receiving less of good and paying more for it (Alfred, 2013)

- Governments have also declared various laws to create conducive environments for competition in addition to market lead results. For instance Ethiopia has developed and implemented a law called trade and consumers' protection proclamation no. 685/2010 which is desirable to protect the business community from anti-competitive and unfair market practices, and also consumers from misleading market conducts, and to establish a system that is conducive for the promotion of competitive market (EFDR Consumer protection proclamation No. 685/2010)

### **2.2.8 Retail Markets and Wholesale Distribution**

Urban food retail markets in developing countries are receiving increasing attention in the international literature, policy makers and public administrators. This interest seems to be driven by a number of factors (Thomas, Girum, Indra & Bart, 2013)

- First urban food retail is quickly growing in importance in these countries. This is caused by rapid urbanization all over the world. It is estimated that more than half of the world population was living in cities in 2010, up from 30 percent in the 1950's and an increasing number of people are relying on these retail markets to obtain their food. The efficient organization of these markets plays therefore a crucial role in assuring food security to a growing number of poor people living in urban areas. The growth of these markets is also an increasing source of urban employment in a large number of countries.
- Second, given that food price changes are often a source of unrest and instability, especially in cities as recently seen during the global food price crisis, governments are concerned by the functioning of these urban food markets and often try to intervene in them. As policies might be put in place to assure low food prices to urban constituencies, governments are keen to know how these urban markets function and how interventions should best be implemented, so as to keep food affordable for urban consumers. Moreover, policy interventions in these markets are also driven by a lack of trust by governments in food traders who are often seen as hoarders who cause price volatility and deliver few services to the food system.

- Third, modern retail, be it private (supermarkets) or public (fair price shops, cooperatives), is rapidly emerging in developing countries. The emergence of modern retail has often important impacts on prices and quality offered in urban retail markets.

According to Philip Kotler the following are the most acceptable components any wholesale distributor to reflect in the distribution strategy (Kotler, 2006):

- Low cost of value received: is reducing of price or cost of products through different mechanisms such as direct purchase from the manufacturer and other channel format targeted at cost reduction.
- Improve channel investment: it is attained through reducing channel investment during the process of delivery of goods to the end user.
- Improved quality: is the reduction of cost of error such as implementation of total quality management program.
- Channel simplification: it is the process of reduction of redundant channel functions.
- Improved information: increased channel connectivity and collaboration through implementing technology enabled system connectivity, integration of internal business function, co-op advertising and marketing program.

### **2.2.9 Food Commodity Price Inflation in Ethiopia**

Since 2005, there are two major spikes observable in 2008 and 2011, respectively. In 2008, headline inflation peaked at 61.6 percent in August, driven by 79.2 percent in food price inflation; likewise, inflation in 2011 peaked at 40.7 and 40.2 percent in August and September, respectively, at a time when food inflation reached almost 50 percent. Food inflation kept rising to more than 50 percent in November 2011; but then headline inflation started to ease slowly already, driven by a tightening stance of monetary conditions. Overall, the impact of rising consumer prices on expenditures in both rural and urban areas is non-negligible and leads to an estimated increase in the number of poor people of around 1.8 million.<sup>15</sup> much more, it is to be expected that the consumer price inflation between July 2010 and October 2011 led to a greater increase in both the depth (the average difference between the income of the poor and the Poverty line) and the severity of poverty (i.e. the extent to which some of the poor are very far from the poverty line) in urban than in rural areas (Michael and Chorching, 2012)

## **2.3 Empirical Literature Reviews**

In addition to theoretical literature, the researcher review different practical literatures that are related to the topic and shows some evidences with research findings as follows:.

### **2.3.1 Ethiopian Modern Cash and Carry Business Model**

The first Ethiopian modern cash and carry wholesale business model was inaugurated in 2013, due to the wholesale market in Ethiopia has been dominated by few powerful suppliers and consumers were left without options and were forced to accept price inflation due to the unfair business ties between these few suppliers. It has been operating by incorporating international best business practices and its products have been sourcing from international and local suppliers. Currently it was opened 3 stores /branches/ in Addis Ababa and 3 stores in Hawassa, Shashemene and Bahirdar, totally 6 stores/branches in the country & on the way to open 1 store at Dessie with 250 million overall initial capitals. At the of March, 2016, ALLE has 13,004 customers from kiosks, supermarkets, minimarket, HoReCa (hotels, restaurants and cafes), Institutions, and Associations with more than 350 SKU. In the future it will expands its stores to 36 in different 27 cities in Ethiopia within 3 years ([www.alle.et](http://www.alle.et) )

### **2.3.2 Wal-Mart Cash and Carry Business Model**

Wal-Mart is one of the leading cash and carry business models in the world with currently having 190,000 U.S. store/club associates promoted in fiscal 2014 and more than 6,100 retail units operated in 26 countries. Besides, as reported by Wal-Mart 2.2 million dedicated associates globally with it and 250 million customers were served weekly in its stores in 27 countries. In fiscal 2014, Wal-Mart U.S. attracted nearly 140 million weekly shoppers to its stores and delivered net sales of more than \$279 billion, an increase of \$5 billion, or 1.8 percent, from last year. In same year, Wal-Mart International's net sales, excluding the impact of currency exchange rate fluctuations and acquisitions, increased 4.6 percent to \$140.9 billion. It added 12.5 million square feet and 324 stores, bringing its total portfolio to more than 6,100 stores. It also grew or maintained market share in most countries, despite a challenging macroeconomic environment where household incomes were stretched and competition remained high. In the U.S., walmart.com customers enjoy an expanded online assortment of more than 5 million SKUs and convenient delivery options to their home or through Site to Store. As of Wal-Mart 2014 annual report there was \$68 Billion net sales growth over the past five years with \$68 Billion

returned to shareholders through dividends and share repurchases, 12% total shareholder returns with 30% earnings per share growth (Wal-Mart Annual Report, 2014)

In fiscal 2015, Wal-Mart U.S. delivered a 3.1 percent increase in net sales to \$288 billion. Comp sales growth of 0.6 percent included more than 6 percent growth in our Neighborhood Market format. Operating income declined 2.1 percent to \$21.3 billion, due primarily to increased health-care costs. It improved sales and operating income trends each consecutive quarter in fiscal 2015. Its new leadership team, led by Greg Foran, is focused on improving its customer experience through assortment, price and access. In same year, Wal-Mart International's net sales increased 3.6 percent on a constant currency basis, to \$141.4 billion. It grew operating income faster than sales, demonstrating balanced growth and improved profitability. It also added 9.4 million square feet of retail space and 183 stores, bringing its total portfolio to more than 6,200 stores and 10 e-commerce websites in 26 countries. By remaining focused on being in good businesses and being the best-in-class retailer, Wal-Mart ensuring a balanced portfolio for customers with the right formats and merchandise, to drive sales growth (Wal-Mart Annual Report, 2015)

### **2.3.3 Metro Cash & Carry**

In 2011, Food and Grocery accounted for nearly 59.5 per cent of total revenues in the retail sector in India while clothing and fashion followed with a share of 9.9 percent. In 2011, 48 per cent of total household income in India was spent on food and groceries. By having in mind these and others related analysis Metro Cash & Carry business model entered the Indian wholesale market by opening two stores in Bangalore (Year 2003) and Opened a new store in Hyderabad in 2006 (no stores added between 2003-06). Then after, up to 2012 GC metro opened 22 stores in Russia and 25 stores in china (8 stores in first five years, then 17 in the next few years) subsequently. Metro cash & carry business distributes food and non-food products. The food business expected a boost from the €5.8 billion Golden Quadrilateral Highway, which would connect Delhi, Mumbai, Kolkata, and Chennai by the end of 2006 with 5,846 kilometers of four- to six-lane expressways. Tens of thousands of restaurants were expected to dot these roads, all of which were potential Metro customers. Currently, apart from Metro Cash & Carry, South Africa's 'Shoprite' have set up shop in this format ([www.Metro.com](http://www.Metro.com))

### **2.3.4 Bharti Wal-Mart Private Limited**

Bharti Wal-Mart Private Limited had started their operations in Amritsar in May, 2009. It is a joint venture between Bharti Enterprises and Wal-Mart Stores Inc. for wholesale, Business to Business, cash-and-carry and back-end supply chain management operations in India. This is the first cash-and-carry store opened by the JV in India. Bharti Wal-Mart Private Limited is expecting to open 10 to 15 wholesale cash-and carry facilities and employ approximately 5,000 people over the next three years. Their wholesale modern store will offer an assortment of around 6,000 items, including food and non-food items, which are available at competitive wholesale prices, allowing retailers and business owners to lower their cost of operations. Their target market includes restaurant owners, hoteliers, caterers, fruit and vegetable resellers, kiranas, other retail store owners, offices and institutions (Dr. Vikas Nath, Nimit Gupta, 2011)

### **2.3.5 Tesco Wholesale Cash and Carry Business**

UK retail giant Tesco is starting its wholesale cash-and-carry business in India in the year 2010, with an initial investment of up to £60m in the first two years. Tesco already has presence in India through a joint venture with Tatas. Tesco is planning to have their stores in Mumbai, Bengaluru, Ahmedabad and Chennai. They are planning to have the unorganized small kiranas stores as their target group of customers. Apart from grocery, Tesco is also planning to have its arms into books and other such stationery (Dr. Vikas Nath, Nimit Gupta, 2011)

### **2.3.6 Carrefour Wholesale Cash-and Carry**

French retailer Carrefour is planning to enter into cash and carry format in India in 2010. The company will open its first wholesale store in Seelampur in Delhi. Carrefour will fully own its cash-and-carry venture. Carrefour is planning to have will have over 30,000 SKUs or products varieties. In 2015, Carrefour opened 439 stores and its network added 238 stores in the same year which brings its total network to 12,296 stores throughout the world ([www.carrefour.com](http://www.carrefour.com))

### **2.3.7 Reliance Industries Limited Cash and Carry Retailing**

Reliance Industries Limited (RIL's) retail arm, Reliance Retail, plans to enter into the cash-and-carry business in 2010. Reliance would not enter into any foreign joint venture but go solo in the



business of cash and carry retailing. Under this formats sell goods such as soaps, biscuits and vegetables and contribute 70% to the total sales of Reliance Retail. Reliance Retail is initially planning to open its stores at 15 locations, mostly tier -II centres such as Jalandhar, Ludhiana, Rajkot and Salem. In Cash-and-carry format Reliance would sell goods to those with a sale tax certificate such as modern retailers, fruits and vegetables re -sellers, restaurants and hotels and small mom and pop and kirana stores (Dr. Vikas Nath, Nimit Gupta, 2011)

### **2.3.8 Research Gaps**

As I mentioned in the above chapter one, under company background, this research has been done on the topic of assessment of ALLE BEJIMLA on food and fast moving consumer goods market in Ethiopia which was a newly established company and started its operations in May, 2014. The study identified ALLE's contributions on food and FMCG price, product availability, customers and suppliers satisfaction end users benefit and so on in the market. The uniqueness of this paper are one, as said above there were no more research done on this company with this specific title since it was a newly established company. The paper has done using quantitative and qualitative data. Hence, it is used as a reference for any of researchers who need to do a research on the same topic (Researcher own opinion, 2016)

## **CHAPTER THREE: METHODOLOGY OF THE STUDY**

### **3.1 Introduction**

This part of the chapter contains the methodology of the study which includes research design and approaches/types, population, sampling frame, sampling techniques and size, data source, data collection instruments, data collection procedures, methods of data analysis, ethics, validity and reliability of the study. These all has been discussed as follows separately.

### **3.2 Research Design and Approaches**

The researcher used descriptive research method due to it helps researcher to describe the existing circumstances of the effect of the newly established ALLE on foods and FMCG markets in Ethiopia as it is. To achieve the study objectives, the researcher also used both quantitative and qualitative research approaches because of quantitative research method helps the researcher to show the relationship between independent variable (ALLE) and dependent variables (price, competitors situation, customer's satisfaction, end users benefit/satisfaction, suppliers satisfaction, market share and product availability/supplies) with the aid of closed ended questionnaires. In addition to this, the qualitative research method also used since it helps researcher to explore attitudes, behaviors, observations and experiences from the environment through making different kinds of interviews and open ended questionnaires for data collection to get an in-depth opinion(s) from participants of the research.

### **3.3 Population and Sampling Frame**

As we have seen in the following table 3.3, ALLE has 352 employees (including 29 non-ALLE customers) and 13,004 different types of customers like consumer associations, HoReCa, independent, exclusive retailer, minimarket, supermarket, shops, institutions including 323 ALLE employees (who are ALLE customers). Moreover, there were 10 big competitors and 106 of ALLE's Suppliers (30 foreign and 76 local). Out of 352 ALLE employees there were 1 General Manager, 1 chief of Finance, 2 directors, 5 department Heads, 27 assistant store managers, store Managers and unit managers, while the rest of employees were Supervisors, Specialists, cashiers, guards, daily workers, cleaners, trolley operators, price/barcode taggers, messengers, drivers etc. Besides, out of 13,004 ALLE Customers; 349 are Consumer Associations, 3,637 are HoReCa, 6,037 are Independent Retailers, 2,004 are Exclusive Retailer,

162 are Minimarket, 86 are Supermarket, 46 are Shops (Cosmetics and Stationary Shops), 360 are Institutions and the rest are Its Employees. Besides, except ALLE’s customers (meaning that ALLE employees who are considered as ALLE customers) researcher included 100 end users as a in this study. So, the relevant populations were 352 ALLE employees, 12,681 ALLE customers (excluding 323 ALLE employees who are considered as ALLE customers), 76 ALLE’s local suppliers, 10 ALLE competitors, 100 consumers/end users (excluding ALLE employees); Totally 13,219 were considered as a population.

**Table: 3.3 Summaries of Total ALLE Customers with their Categories**

Stores	ALLE BEJIMLA's Customers type											Total
	Consumer Association	Exclusive Retailer	Independent Retailer	Minimarket	Supermarket	Hotel	Café & Restaurant	Cosmetics Shops	Stationary Shops	Institutions	ALLE Employee	
Megenagna	51	257	1176	71	31	177	743	11	4	87	53	2661
Kality	63	117	984	15	11	56	227	10	1	120	61	1665
Merkato	102	242	946	29	9	132	523	1	0	31	54	2069
Shashemene	39	8	1109	4	7	64	112	1	3	31	48	1426
Hawassa	73	10	1259	23	14	96	626	3	6	55	45	2210
Bahir Dar	21	1370	563	20	14	101	780	3	3	36	62	2973
<b>Total</b>	<b>349</b>	<b>2004</b>	<b>6037</b>	<b>162</b>	<b>86</b>	<b>626</b>	<b>3011</b>	<b>29</b>	<b>17</b>	<b>360</b>	<b>323</b>	<b>13004</b>

**Sources:** Researcher survey from ALLE BEJIMLA profile, 2016

### 3.4 Sampling Design, Techniques and size

To select sample size, the researcher used non-probability sampling techniques (judgmental or purposive sampling method). Thus, the researcher categorized respondents as ALLE BEJIMLA employees, ALLE BEJIMLA Competitors and ALLE BEJIMLA Customers, ALLE BEJIMLA Suppliers and end users/consumers to collect data. Since the numbers of research participants from each category are not proportional, the researcher used disproportionate sampling methods to select sampling size from each layer of research participant category based on his judgmental or purposive sampling method. Accordingly, researcher placed the respondents as it was shown in the following table

**Table 3.4 Sampling Design, Techniques and Size of Respondents from Each ALLE Store**

Locations	Types of ALLE Customers with Their Selected Sample Size											Another Respondents with Selected Sample Size				
	Association	HoReCa	Independent	Exclusive Retailer	Minimarkets	Supermarkets	Shops	Institutions	Total used from Customers	Returned from Customers	ALLE Employee	Returned from Employee	ALLE Suppliers	ALLE Competitors	End Users	Returned from end users
Head Office	-	-	-	-	-	-	-	-	-	-	7	6	-	-	-	-
Megenagna Store	4	13	13	6	4	2	0	6	48	45	5	3	-	-	15	13
Kality Store	4	13	13	6	3	2	1	6	48	46	5	5	-	-	15	14
Merkato Store	4	13	13	6	3	2	1	6	48	44	5	5	-	-	27	24
Shashemene Store	2	6	7	4	2	2	1	6	30	28	4	4	-	-	11	11
Hawassa Store	3	5	7	4	2	1	1	6	29	28	4	4	-	-	11	10
Bahir Dar Store	3	5	7	4	2	1	1	6	29	28	5	4	-	-	11	11
Un Specified	-	-	-	-	-	--	-	-	-	-	-	-	15	5	10	10
<b>Total Planed to use</b>	20	55	60	30	16	10	5	36	232	219	35	31	15	5	100	93
<b>Total Used</b>	19	52	56	28	15	10	5	34	219	219	31	31	13	5	93	93

**Sources:** Researcher survey from ALLE BEJIMLA Profile, 2016

Accordingly, out of the relevant populations, the researcher used 10 % (35) from ALLE employees emphasizing on managers, supervisors and specialists and excluded irrelevant population (Daily workers, guards, cleaners etc.), 1.83% of customers (out of 12681 excluding ALLE employee, 232) respondents from all ALLE's customers, [6% (20) from consumer associations, 1.5% (55) from HoReCa, 1% (60) from independent, 1.5% (30) from exclusive retailer, 10% (16) from minimarket, 12% (10) from supermarket, 11% (5) from shops, 10% (36) from institutions, 50% (5) from competitors] and 20% (15) from local suppliers as a respondents. Besides, except ALLE's employees, researcher included 100 end users as a respondent in the study. Totally, the researcher distributed questionnaires to 387 respondents (taken as a sample size for the study). Accordingly Data was collected from 31 ALLE employees, 219 ALLE customers, 13 suppliers, 5 competitors and 93 end users through open ended, close ended questionnaires, and interview instruments. Totally 361 (93%) respondents were returned questionnaires. This sample size was selected based on random sample selecting methods from all stratum including General Manager, heads, Category Managers, Category specialists,

Customer service manager, marketing manager, store operations manager and marketing manager. Therefore, researcher believes that the selected sample size was enough for the study and would meet the minimum requirements and representative for the study.

### **3.5 Data Sources and Collection Instruments**

Researcher used both primary and secondary data sources in his construction. Primary data was collected mainly through closed ended, open ended questionnaires and interviews. The questionnaires were developed based on Likert hexagon scale for close ended questionnaires. Another design of questionnaires like yes or no with their justifications and choice was also used. Then, all the questionnaires was distributed to all selected respondents randomly while secondary sources of data was collected from company documents and other relevant documents.

### **3.6 Ethics, Validity and Reliability**

To achieve content validity, questionnaires included variety of questions based on the knowledge of respondents on the topic and majority of questionnaires are completed in the presence of the researcher. This was done to prevent the subjects from giving questionnaires to other people to complete on their behalf. Reliability can be ensured by minimizing sources of measurement errors like data collector bias. Based on this data collector bias was minimized by the researcher's being the only one to administer the questionnaires and standardizing conditions like friendliness and support. So, Data quality assurance was measured based on its internal validity principle through which instrument validity was used to correct research instrument application that accurately measure the variables during the data collection procedures. Again, while exploring the study (collecting and analyzing the data), researcher truthfully followed all ethical standards expected from him a researcher.

### **3.7 Data Analysis and Interpretation**

The data gathered through questionnaires was analyzed with the aid of SPSS (Statistical Package for Social Science) version 20. For its analysis, the researcher used descriptive research analysis. While analysis, researcher observations and company documents (annual report, sales report, quantity supply report, price data and other related documents) were taken as a value assets. Finally, the analyzed data was shown in either in table, chart, graphs or other figures to show the relationships between variables.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter covers the analysis, results and discussions of data collected from research participants. Thus, the data gathered from ALLE employees, ALLE Competitors, ALLE Customers, ALLE Suppliers and End users/Consumers is analyzed using descriptive research analysis in detail with the help of Statistical Package for the Social Science (SPSS 20 version), and appropriate interpretations were made in accordance with the results of the findings. Besides, the total of 387 questionnaires were distributed to selected 35 of ALLE employees, 232 of ALLE customers, 15 of ALLE suppliers, 5 of ALLE competitors and 100 of end users/consumers. Out of which 361 (93%) respondents were returned questionnaires. In other words, data was collected from 31 ALLE employees, 219 ALLE customers, 13 suppliers, 5 competitors and 93 end users. Accordingly, the data collected are presented by using tables, graphs/figures/charts where ever necessary. The necessity of analyzing each and every respondent based on their category separately is to compare and contrast research participants since the result of each has either positive or negative effects on the each other's. Meaning that, there are different interests between these respondents. For example: Between ALLE and its competitors, end users (who need low price) and competitors (who want high profit through inflating price of products) in the market due to lack of competition. So, in this study, each and every research participant's category has been analyzed independently.

### **4.2 General information's of Research Respondents**

#### **4.2.1 Sex Categories of Research Participants**

As it is shown in the following table 4.2.1, 85% of Suppliers, 80% of competitors, 86% of customers, 87% of Employees and 72% of consumers and totally 82% of the respondents were male, while 15% of Suppliers, 20% of competitors, 14% of customers, 13% of employees and 28% of end users and totally 18% of research participants were females. From this it is possible to conclude that the highest gender compositions of the respondents were male and only few female participants were participated in this research.

**Table 4.2.1 Gender Distributions of Respondents**

Research Participant Category	Sex Category of Research Participants			
	Male		Female	
ALLE BEJIMLA's Suppliers	11	85%	2	15%
ALLE BEJIMLA's Competitors	4	80%	1	20%
ALLE BEJIMLA's Customers	188	86%	31	14%
ALLE BEJIMLA's Employees	27	87%	4	13%
End Users/Consumers/	67	72%	26	28%
<b>Total</b>	<b>297</b>	<b>82%</b>	<b>64</b>	<b>18%</b>

**Source:** Researcher Survey, 2016

### 4.2.2 Age Categories of Research Participants

When we consider the age groups of the respondents, the higher number of respondents from suppliers was in the range of 36-40 years, which represent 46%, followed by age groups of 41-45 years, 31-35 and 26-30 years, which represent 31%, 15% and 8% respectively. From competitors the largest age group was in the range of 36-40 which represent 60%, followed by age groups of 31-35 and 41-45 years, which represent 20 each equally. When we see from customers, the higher number of respondents was in the range of 31-35 years, which represent 34%, followed by age groups of 36-40, 46-50, 26-30, 21-25 and above 50 years, which represent 24%, 17%, 10%, 3% and 3% respectively. From ALLE employee the higher number of respondents was in the range of 31-35 years, which represent 52%, followed by age groups of 26-30 and 36-40 years, which represent 26%, and 22% respectively. From end consumers' side, the higher number of respondents was in the range of 31-35 years, which represent 41%, followed by age groups of 26-30, 41-45, 36-40, 21-25 and 46-50 years, which represent 21%, 17%, 12%, 6% and 3% respectively. But, in general the higher number of respondents was in the range of 31-35 years, which represent 37%, followed by age groups of 36-40, 26-30, 41-45, 46-50, 21-25 and above 50 years, which represent 22%, 14%, 11%, 11%, 3% and 2% respectively. This implies that almost majority of respondents were adult comparatively. We can see the following table 4.2.2.

**Table 4.2.2 Age Distributions of Respondents**

Research Participant Category	Age Category of Research Participants						
	21-25	26-30	31-35	36-40	41-45	46-50	Above 50
ALLE BEJIMLA's Suppliers	0%	8%	15%	46%	31%	0%	0%
ALLE BEJIMLA's Competitors	0%	0%	20%	60%	20%	0%	0%
ALLE BEJIMLA's Customers	3%	10%	34%	24%	9%	17%	3%
ALLE BEJIMLA's Employees	0%	26%	52%	22%	0%	0%	0%
End Users/Consumers/	6%	21%	41%	12%	17%	3%	0%
<b>Total</b>	<b>3%</b>	<b>14%</b>	<b>37%</b>	<b>22%</b>	<b>11%</b>	<b>11%</b>	<b>2%</b>

Source: Researcher Survey, 2016

### 4.2.3 Marriage Status of Research Participants

According to the following table 4.2.3, most of the respondents were single, representing 61% of the total respondents in general. While 37% of the whole respondents were get marriage and 2% of them were divorced. Specifically, 69% of suppliers, 40% of competitors, 56% of customers, 71% of employees and 69 of end users were not married.

**Table 4.2.3 Marital Status of Respondents**

Research Participant Category	Marriage Status of Respondents		
	Single	Married	Divorce
ALLE BEJIMLA's Suppliers	69%	23%	8%
ALLE BEJIMLA's Competitors	40%	60%	0%
ALLE BEJIMLA's Customers	56%	42%	2%
ALLE BEJIMLA's Employees	71%	29%	0%
End Users/Consumers/	69%	29%	2%
<b>Total</b>	<b>61%</b>	<b>37%</b>	<b>2%</b>

Source: Researcher Survey, 2016

On the other hand, out of total respondents, 8% of suppliers, 2% of customers and 2% of end users were divorced their marriage while, 23% of suppliers, 60% of competitors, 42% of customers, and 29% of employees were married.



#### 4.2.4 Educational Background of Research Participants

As we have seen from the following table 4.2.4, out of the total participants, 37% of respondents were high school graduates followed by elementary school graduates, Bachelor Degree, Diploma, Reading & writing and Masters which represents 34%, 15%, 5%, 5% and 4% respectively. There were no any PhD holders from all research participants.

**Table 4.2.4 Educational Background of Respondents**

Research Participant Category	Level of Respondents Educational Category					
	Reading and Writing	Elementary and Secondary	High School	Diploma	Bachelor Degree	Masters
ALLE's Suppliers	0%	0%	0%	8%	69%	23%
ALLE's Competitors	0%	0%	0%	0%	80%	20%
ALLE's Customers	2%	38%	49%	6%	4%	1%
ALLE's Employees	0%	0%	0%	0%	84%	16%
End Users/Consumers/	15%	42%	29%	4%	7%	3%
<b>Total</b>	<b>5%</b>	<b>34%</b>	<b>37%</b>	<b>5%</b>	<b>15%</b>	<b>4%</b>

Source: Researcher Survey, 2016

But, when we consider specifically from each research participants, the higher number of respondents from suppliers was Bachelor Degree holders and followed by Masters and Diploma which represent 69%, 23% and 8% respectively. From competitor's side, the higher number of respondents was also Bachelor Degree holders and followed by Masters which represent 80% and 20% respectively. But, when we considers respondents from customers side, the higher number was high school graduate and followed by elementary/secondary school, Diploma, Degree, reading/writing and Masters which represents 49%, 38%, 6%, 4% 2% and 1% respectively. From ALLE employee the higher number was Bachelor Degree holders and followed by Masters which represent 84%, and 16% respectively. From end users, the higher number of respondents was elementary/secondary school, followed by high school graduate, followed by reading/writing, Bachelor, Diploma and Masters which represents 42%, 29%, 15%, 7%, 4% and 3% respectively. Therefore, this implies that almost all respondents have a better educational status which is a valuable asset for filling the questionnaires. But, what I have observed in this study is that there was no any PhD holder from all research participants.

## 4.2.5 Work Experiences of Research Participants

As we can observe from the following 4.2.5, from the whole respondents 31% of them were have 7-9 years of work experience whereas 27% of the respondents were have 4-6 years of working experience. The third largest group respondents work experiences were 10-12 years which represents 18% and followed by equal/greater than 13 years, and 1-3 years of work experiences which represents 11% and 4% respectively.

**Table 4.2.5 Work Experiences of Respondents**

Research Participant Category	Years of Work Experience Category					
	1 - 3	4 - 6	7 - 9	10 - 12	≥13	No Work Experiences
ALLE BEJIMLA's Suppliers	0%	8%	54%	23%	15%	0%
ALLE BEJIMLA's Competitors	0%	20%	60%	20%	0%	0%
ALLE BEJIMLA's Customers	3%	22%	37%	24%	14%	0%
ALLE BEJIMLA's Employees	0%	61%	23%	10%	6%	0%
End Users/Consumers/	11%	30%	13%	8%	4%	34%
<b>Total</b>	<b>4%</b>	<b>27%</b>	<b>31%</b>	<b>18%</b>	<b>11%</b>	<b>9%</b>

**Source:** Researcher Survey, 2016

But, when we see specifically, from suppliers, the higher number of respondents was in the range of 7-9 years' work experiences, which represent 54%, followed by 10-12, ≥13, and 4-6, years, which represent 23%, 15%, and 8% respectively. From competitors, the higher number of respondents was in the range of 7-9 years, which represent 60% followed by 10-12 and 4-6 years, which represent 20%, and 20% respectively. From customers, the higher number of respondents was in the range of 7-9 years, which represent 37%, followed by 10-12, 4-6, ≥13, and 1-3 years, which represent 24%, 22%, 14%, and 3% respectively. From ALLE employee the higher number of respondents was in the range of 4-6 years, which represent 61%, followed by 7-9, 10-12 and ≥13 years, which represent 23%, 10% and 6% respectively. From end users the higher number of respondents was in the range of 4-6 years, which represent 30%, followed 7-9, 1-3, 10-12 and ≥13 years, which represent 13%, 11%, 8% and 4% respectively. Moreover, 9% of the respondents (34% of end users) were didn't have any work experiences and they are dependents. From this the researcher concludes that the work experiences that the research participants would have be enough to complete the questionnaires for the study.

### 4.2.6 Work Positions of Research Participants

From the following table 4.2.6, it can be deduced that, from the whole respondents the largest numbers were business owners with leaders of their businesses and managers/heads which represents, 64% followed by non-management position [experts/specialists, households (who didn't have any jobs), business owners but not leaders of their businesses and daily workers] which represents 18%, 9%, 5% and 4% respectively.

**Table 4.2.6 Work Positions of Respondents**

Research Participant Category	Specialists /Experts	Heads /Managers	Business Owners	Owners &Leaders	No Positions	Daily Workers
ALLE BEJIMLA's Suppliers	31%	61%	0%	8%	0%	0%
ALLE BEJIMLA's Competitors	40%	60%	0%	0%	0%	0%
ALLE BEJIMLA's Customers	8%	16%	5%	71%	0%	0%
ALLE BEJIMLA's Employees	55%	45%	0%	0%	0%	0%
End Users/Consumers/	27%	9%	6%	10%	34%	14%
<b>Total</b>	<b>18%</b>	<b>18%</b>	<b>5%</b>	<b>46%</b>	<b>9%</b>	<b>4%</b>

Source: Researcher Survey, 2016

But, when we see specifically, 87% of business owners, 69% of suppliers, 60% of competitors, 45% of ALLE employees, and 19% of end users were business leaders/Managers while 81% of end users, 55% of ALLE employees, 40% of competitors, 31% of suppliers and 13% of customers were worked as an expert (non-management position). From this the researcher concludes that the majority of the randomly selected research participants were working as managers/heads or leaders and have enough capacity to fill the questionnaires for the study.

### 4.3 Uniqueness of ALLE BEJIMLA Wholesale Business Model

As per my Interview with 4 different Managers of ALLE BEJIMLA, this company is a unique from other similar companies in different things like: There are no companies which has more stocks (750 retail items) in one shop by its nature in Ethiopia as of ALLE BEJIMLA, there are no companies on this sector which have low cost leadership strategies (at least 5-10% of lowering product price than competitors) in the market with similar standards in Ethiopia as of ALLE BEJIMLA, There are no companies on this sector which applied Enterprise Resource Planning (ERP) which facilitates company's operations in terms of time saving, stock controlling,

Inventory reconciliation, purchase order (PO) and Transfer Order (TO) creation and control as of ALLE BEJIMLA in the market in Ethiopia. Besides, there are no any company in Ethiopia with having a vision of future in which local consumers get better value for their money and have a broader choice of quality consumer goods and a mission of supplying quality food and other FMCG at competitive prices, stabilize food and FMCG wholesale markets in Ethiopia, facilitate modern trade and become a role model for professional business practices in the country rather than business and profit oriented company. Besides, it has values of customer focused, driven and socially responsible than its competitors.

#### 4.4 Effects of ALLE BEJIMLA on Food and FMCG Market in Ethiopia

##### 4.4.1 Necessity of Cash and Carry Wholesale Business Model in Ethiopia

As shown from the following table 4.4.1, 87% of the respondents were agreed with “the establishment of ALLE BEJIMLA by Ethiopian government is a good opportunity for all Ethiopians” while only 10% of respondents were disagreed with this statement and 3% become neutral on this issue even though majority of competitors were completely disagreed.

**Table 4.4.1 Essentiality of ALLE BEJIMLA in Ethiopia**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	31%	54%	0%	15%	0%
ALLE BEJIMLA's Competitors	0%	20%	0%	60%	20%
ALLE BEJIMLA's Customers	34%	61%	1%	3%	1%
ALLE BEJIMLA's Employees	23%	42%	6%	19%	10%
End Users/Consumers/	61%	18%	5%	6%	10%
<b>Total</b>	<b>39%</b>	<b>48%</b>	<b>3%</b>	<b>6%</b>	<b>4%</b>

Source: Researcher Survey, 2016

But, when we see from each research participant categories specifically, the largest number of respondents from ALLE competitors was disagree with this statement, which represent 80% of them while the largest number of respondents from ALLE customers was agreed with this statement, which represents 94%, followed by ALLE suppliers, end users, ALLE employees and competitors, which represents 85%, 79%, 65% and 20% respectively. Besides, next to ALLE competitors the largest number of respondents who disagreed from each category was ALLE

employees, which represent 29%, followed by end users, suppliers and customers, which represents 16%, 15% and 4% respectively. But, there are few in number compared to those who agreed with the statement. Moreover, out of total research participants 3% of them were neutral with this statement. Specifically, 6% from ALLE employees, 5% from end users and 1% from customers were become neutral with this statement. So, this implies that majority of respondents except competitors of ALLE BEJIMLA supported the establishment of this company by Ethiopian government in Ethiopia.

#### 4.4.2 Expansion of Cash & Carry Wholesale Business in the Future in Ethiopia

Even though there were 350 respondents excluding 11 end users /who don't informed/ about ALLE BEJIMLA's establishment/ who couldn't fill this part of questionnaires, few of them were chosen more than one. As a result, the researcher has counted 414 choices as shown in the following table 4.4.2. Accordingly, the researcher has divided each of totals for 414 to get percentages.

**Table 4.4.2 Responsible Organs for Expanding of Cash and Carry Business in Ethiopia**

Research Participant Category	By Ethiopian Government	By Ethiopian Private Sectors	By Foreign Government	By Foreign Private Sectors	Neutral	Total
ALLE BEJIMLA suppliers	5	10	2	3	0	20
ALLE BEJIMLA Competitors	1	3	0	1	0	5
ALLE BEJIMLA Customers	124	73	10	19	4	230
ALLE BEJIMLA Employees	18	11	0	12	0	41
End Users	46	28	14	21	9	118
<b>Total</b>	<b>194</b>	<b>125</b>	<b>26</b>	<b>56</b>	<b>13</b>	<b>414</b>
<b>Percentages</b>	<b>47%</b>	<b>30%</b>	<b>6%</b>	<b>14%</b>	<b>3%</b>	<b>100%</b>

**Source:** Researcher Survey, 2016

Hence, out of the total research participants, 47% of them needed such kind business model by Ethiopian government while 30% of total respondents needed it by Ethiopian private sectors. Besides, only 14% and 6% of research participants were needed such kind of business models by foreign private and government sectors respectively. On the other hand, few of respondents, which represent 3% keeps silent on choosing each sector. But, totally 77% of respondents were need more of such kind of business models by Ethiopian rather than foreign sectors while only 20% of respondents were need foreign sectors. But, when we consider specifically from each research participants, the largest number of respondents from suppliers needed private sectors,

while majority of customers, ALLE employees and end consumers were needed government on establishing more cash and carry business model in Ethiopia. While I have made some interview with some of respondents, the reason why the majority of them needed the establishment of this cash and carry business models by government in Ethiopia is that there is no fair competitions in the market rather than earning high profits without considering income of households, lack of business ethics and CSR in Ethiopia by private sectors. Moreover, they said that there is lack of controlling markets by government, practically. So, if there is fair competition, business ethics and CSR with fair market environment some of respondents believe that private sector would play a great role in fulfilling the government gaps on the shortages of products. On the other hand, those respondents who didn't support such kind of business models by Ethiopian government said that if such kinds of business models were developed by government, it would weaken any private competitors in many directions. Because as of they said they couldn't compete with government in terms having foreign currency, strategic shop/store location, and other facilities like Customs clearing time. Meaning that since ALLE BEJIMLA is governmental owned company; its imported stocks are easily managed by Customs Authority while private sectors were affected by some of government bureaucracy. So, this may lead to product shortages in the market. As of researcher observation from these respondents, one: there were some conflict of interest between the establishment of ALLE BEJIMLA with its competitors since it might affect their sales, annual profits/returns, market shares and their customers in attracting and taking them since ALLE BEJIMLA market strategy is cost leadership, if it works well, it provides the same products with the same qualities in the market. Second: there is no fair competition with having in mind the income of household and CSR by Ethiopian private sectors rather than inflating price of products and earning high profits. Three: Even though Ethiopia followed free market economy, some of government interventions are required as per of research participants.

#### **4.4.3 Disadvantages of ALLE BEJIMLA for Private Competitors**

As shown on the below table 4.4.3, out of total respondents, 50% of the them were disagreed with the establishment of “ALLE BEJIMLA by Ethiopian government has disadvantages on local private food and fast moving consumer goods wholesale Companies in the country” while 39% of them were agreed with this statement and 11% of research participants become neutral on this issue. Meaning that they didn't know its impact on private competitors or they didn't need to agree or disagree with the statement due to their own reasons.

**Table 4.4.3 Disadvantages of ALLE BEJIMLA for Private Competitors**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	15%	39%	15%	23%	8%
ALLE BEJIMLA's Competitors	80%	20%	0%	0%	0%
ALLE BEJIMLA's Customers	11%	29%	5%	42%	13%
ALLE BEJIMLA's Employees	16%	42%	0%	36%	6%
End Users/Consumers/	7%	16%	29%	43%	5%
<b>Total</b>	<b>12%</b>	<b>27%</b>	<b>11%</b>	<b>40%</b>	<b>10%</b>

**Source:** Researcher Survey, 2016

But, when we see from each research participant categories specifically, the largest number of respondents from ALLE competitors was agreed with this statement, which represents 100%, while the largest number of respondents which represents 55% from ALLE customer's category was disagreed with this statement, when the 40% of them were agreed with the statement. Besides, majority of ALLE suppliers which presents 54% were agreed with this statement while 31% of them were disagreed. From end users side, majority of them which presents 48% were disagreed with the statement while 23% of them were agreed with the statement. From ALLE employee side, majority of them which presents 58% of them were agreed with this statement while 42% of them were disagreed. 15% from suppliers, 5% from customers, 29% from end users were keeps silence in choosing any alternative of agree or disagree. From this the researcher infers that since there is a competition between ALLE and its competitors, there is some negative impacts as it has been exist in any business circumstances. But, what I need to underline here is that the degree of respondents. Accordingly, even though majority of respondents were disagreed with this statement, competitors said that they are 100% negatively pretentious by this company since it is governmental owned competitor Business Company. Besides, while the researcher made an interview with some of them (3 of them), they said that frequencies of receiving their products by their customers has been decreasing, averagely 50-100 customers were inactive from each competitors within 1 and half years and they believe that it may be due to the establishment of ALLE. But, there were new customers who need to be customer of these competitors. Concerning their sale, they said that it is increasing by decreasing rate within these two years (2014-2016). Look the following table 4.4.3.1 customer's registration trends of ALLE BEJIMLA

which has been increasing while its competitors have been decreasing and become 50-100 of their customers were inactive from 2014-2016 G.C

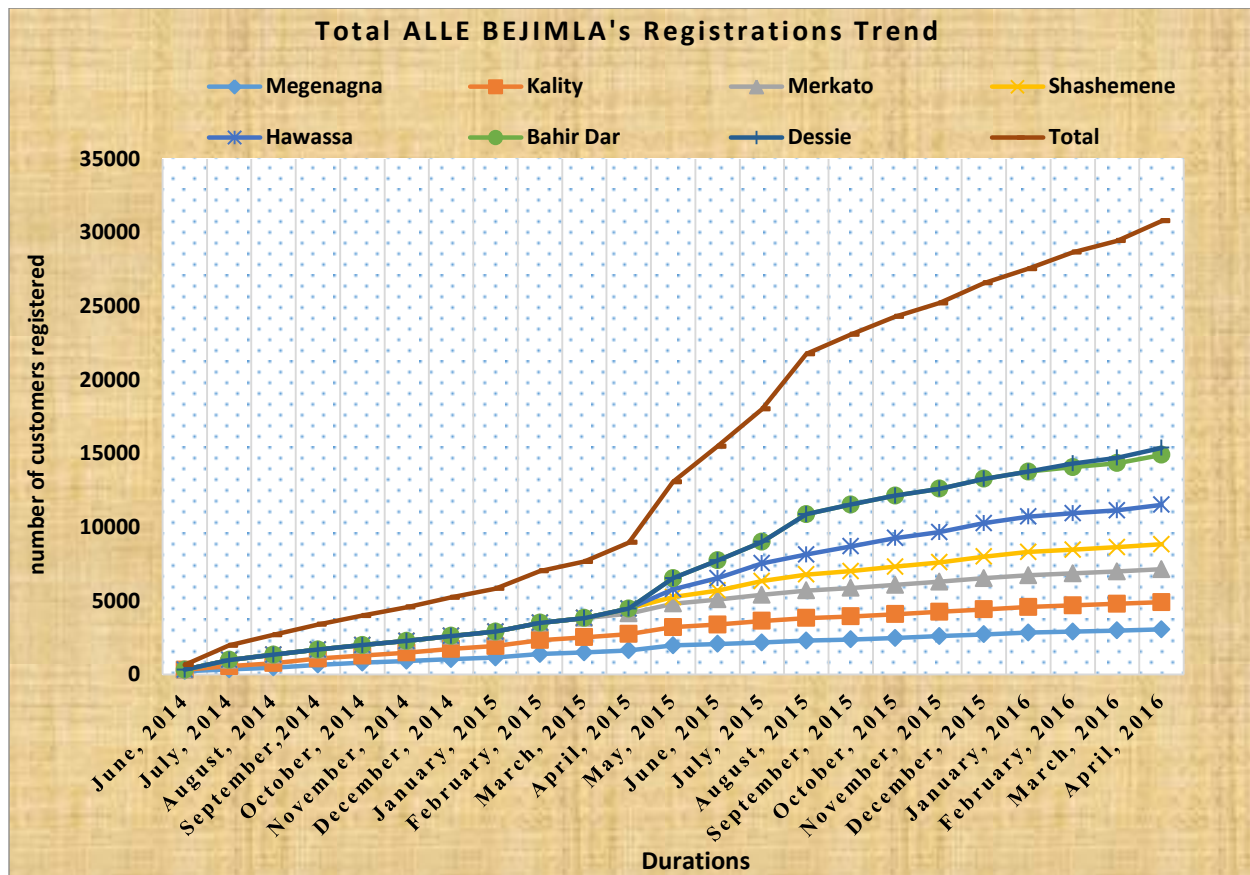
**Table 4.4.3.1 Total ALLE BEJIMLA Customers Registered Trends Still April 2016**

Date	Megenagna	Kality	Merkato	Shashemene	Hawassa	Bahir Dar	Dessie	Total
June, 2014	238	93	0	0	0	0	0	331
July, 2014	352	214	425	0	0	0	0	991
August, 2014	468	309	570	0	0	0	0	1347
September, 2014	671	424	607	0	0	0	0	1702
October, 2014	810	478	712	0	0	0	0	2000
November, 2014	930	557	803	0	0	0	0	2290
December, 2014	1048	691	881	0	0	0	0	2620
January, 2015	1154	780	983	0	0	0	0	2917
February, 2015	1395	947	1173	0	0	0	0	3515
March, 2015	1499	1036	1299	0	0	0	0	3834
April, 2015	1647	1109	1384	340	0	0	0	4480
May, 2015	1977	1239	1601	443	536	743	0	6539
June, 2015	2079	1318	1704	603	838	1202	0	7744
July, 2015	2180	1464	1773	928	1210	1456	0	9011
August, 2015	2310	1530	1869	1087	1349	2738	0	10883
September, 2015	2380	1568	1928	1148	1682	2834	0	11540
October, 2015	2483	1620	1985	1236	1942	2880	0	12146
November, 2015	2608	1658	2040	1311	2046	2943	0	12606
December, 2015	2732	1694	2111	1473	2264	3010	0	13284
January, 2016	2850	1732	2156	1584	2394	3056	0	13772
February, 2016	2917	1773	2181	1608	2466	3131	255	14331
March, 2016	2987	1812	2203	1642	2506	3193	378	14721
April, 2016	3064	1848	2240	1689	2683	3383	487	15394

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016



**Figure 4.4.3 Total ALLE BEJIMLA's Customers Registrations Trend**

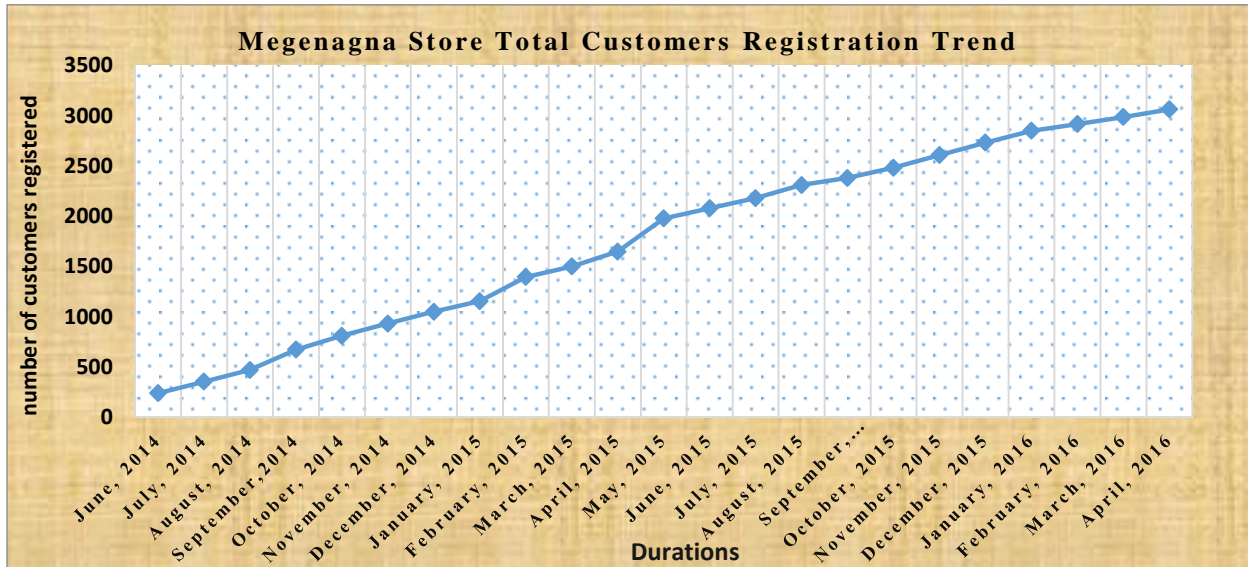


**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

This is the total trend of customer's registration for ALLE BEJIMLA. As we have seen from the above figure, ALLE's customers have been increasing from time to time which have its own impact on its competitors. Out of 219 customers, 206 (94% of them) were started their businesses before the establishment of ALLE. Meaning that, they are customers of other suppliers/wholesalers. As I mentioned above, the reason why they come to ALLE is that ALLE price is at 5-10% down than its competitors even though such kind of reasons are not always. So, this trend directly shows that, ALLE has been attracting customers of other wholesalers, competitors. 40% of competitors have said that, after the establishment of ALLE even though they are few in number, they have lost few customers 50-100 within 1 and half years, while 40% of them were said no change on their customers. Even, according to these respondents, even though ALLE has a cost leadership strategy, it lacks service quality with product assortment and it is on infant stage. So, we have a good opportunity than ALLE since we are focusing on very

interested and highly demanded products with high service quality. Besides, 20% of competitors were become neutral either in supporting or rejecting this ALLE’s impact on their customers.

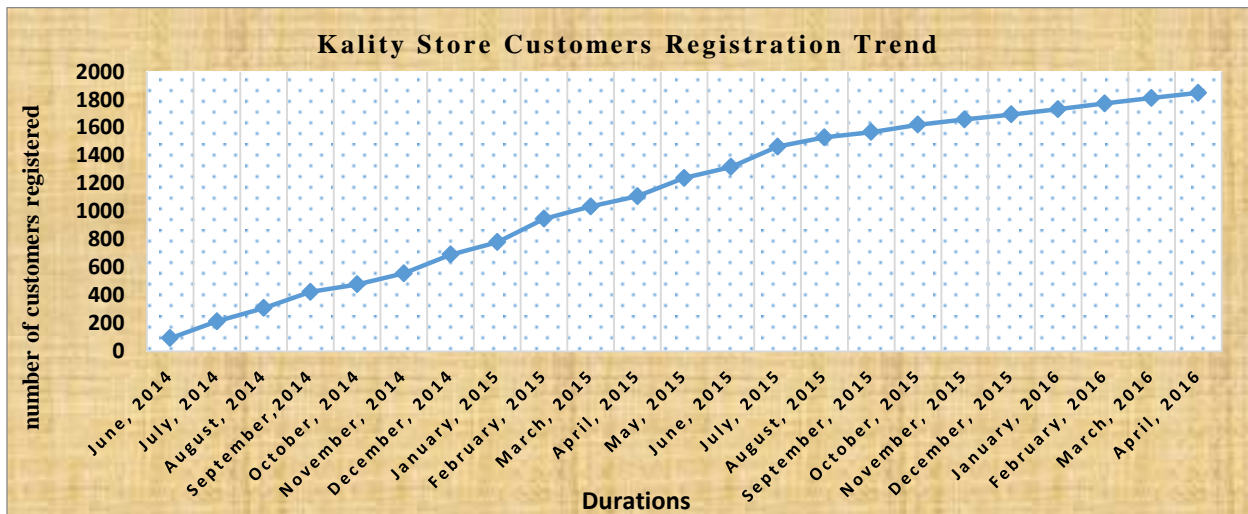
**Figure 4.4.3.1 Total Customers Registration Trend of Megenagna Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, Maganagna store started its operation with 238 customers in June, 2014 reached to 3064 in April 2016. So, Megenagna Store customer’s registration was highly increasing in increasing rate. And if it continues as such, it would control customers of its competitors as soon as possible which have direct impact on them.

**Figure 4.4.3.2 Total Customers Registration Trend of Kality Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, Kality store started its operation with 93 customers in June, 2014 reached to 1848 in April 2016. So, Kality Store customer's registration was also highly increasing in increasing rate. And if it continues as such, it would control customers of its competitors as soon as possible which have direct impact on ALLE competitors as of Megenagna

**Figure 4.4.3.3 Total Customers Registration Trend of Merkato Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, Merkato store started its operation with 425 customers in July, 2014 reached to 2240 in April 2016. So, Merkato Store customer's registration was highly increasing in increasing rate. And if it continues as such, it would control customers of ALLE competitors as soon as possible which have direct impact on them.

**Figure 4.4.3.4 Total Customers Registration Trend of Shashemene Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, Shashemene store started its operation with 340 customers in April, 2015 reached to 1689 in April 2016. So, Shashemene Store customer's registration was also highly increasing in increasing rate. And if it continues as such, it would control customers of ALLE competitors as soon as possible which have direct impact on them.

**Figure 4.4.3.5 Total Customers Registration Trend of Hawassa Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, Hawassa store started its operation with 536 customers in May, 2015 reached to 2683 in April 2016. So, Hawassa Store customer's registration was highly increasing in increasing rate also which have direct impact on ALLE competitors.

**Figure 4.4.3.6 Total Customers Registration Trend of Bahir Dar Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, Bahidar store started its operation with 743 customers in May, 2015 reached to 3383 in April 2016. So, Bahirdar Store customer's registration was also highly increasing by increasing rate which also has direct impact on ALLE competitors.

**Figure 4.4.3.7 Total Customers Registration Trend of Dessie Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

Still January 2016, Dessie Store was not opened and started its operation in February, 2016 with 255 customers and reached to 487 in April, 2016. So, customer's registration at this store is also highly increasing by increasing rate. So, it has the same impact as of other ALLE stores.

#### **4.4.4 Advantages of ALLE BEJIMLA for Private Competitors**

While I have made an interview with two competitors, and two of ALLE employees, they agreed as ALLE has an advantageous for its competitors. Accordingly, they said that ALLE sometimes bought some stocks from its competitors in bulk and distribute to its customers in the country like palm oil, wheat powder, and other stocks as per of requirements which was considered as positive impact in front of them. Moreover, some times ALLE orders its customers to take some stocks from its competitors which are not found in its stores. From this, the researcher infers that there are little bit positive effects of ALLE to its competitors though majority of competitors didn't believe its positive impact in the market on them.



**Table 4.4.4 Advantages of ALLE BEJIMLA for Private Competitors**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	8%	31%	23%	38%	0%
ALLE BEJIMLA's Competitors	0%	20%	0%	60%	20%
ALLE BEJIMLA's Customers	9%	30%	13%	36%	12%
ALLE BEJIMLA's Employees	13%	29%	13%	26%	19%
End Users/Consumers/	13%	33%	37%	10%	7%
<b>Total</b>	<b>10%</b>	<b>31%</b>	<b>19%</b>	<b>29%</b>	<b>11%</b>

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As shown in the above table 4.4.4, out of total respondents, 41% of the them were agreed with the “establishment of ALLE BEJIMLA by Ethiopian government has positive impact on local private food and fast moving consumer goods wholesale companies in the country” while 40% of them were disagreed with this statement. From this we can infer that almost responses of respondents are equivalent towards agree and disagree. And 19% of them become neutral.

But, when we see from each research participant category specifically, the largest number of respondents from ALLE competitors which represent 80% of them was disagreed with this statement, while the rest 20% of them were agreed. From supplier’s side, 39% of them were agreed with the statement while 38% of them were disagreed. When we see ALLE’s customers 48% of them were disagreed with the statement while 39% of them were agreed with the statement. Concerning ALLE employees 45% of them were disagreed with the statement while 42% of them were agreed with the statement. When we come to end users analysis, 46% of them were agreed with the statement while 17% of them were disagreed with the statement. On the other hand, 23% of suppliers, 13% of customers, 13% of employees and 37% of end users were become neutral with this statement or kept silence in choosing any alternative of agree or disagree.

#### **4.4.5 ALLE BEJIMLA and Retail Business Models in Ethiopia**

As shown on the following table 4.4.5, out of total respondents, 65% of the them were disagreed with the statement “If ALLE BEJIMLA starts retail business models by opening shops in addition

to its wholesaling, it is better than what it has been doing now” while 21% of them were disagreed with this statement and 4% of research participants become neutral on this issue.

**Table 4.4.5 ALLE BEJIMLA and Retail Business Models in Ethiopia**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	23%	8%	8%	46%	15%
ALLE BEJIMLA's Competitors	0%	20%	0%	60%	20%
ALLE BEJIMLA's Customers	2%	8%	3%	46%	41%
ALLE BEJIMLA's Employees	10%	20%	3%	35%	32%
End Users/Consumers/	54%	35%	4%	7%	0%
<b>Total</b>	<b>16%</b>	<b>15%</b>	<b>4%</b>	<b>36%</b>	<b>29%</b>

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

But, when we see from each research participant categories specifically, the largest number of respondents from ALLE customers was disagree with this statement, which represent 87% of them and followed by ALLE competitors, ALLE employees, ALLE suppliers and end users which represents 80%, 67%, 61% and 7% respectively. But, as we can observe from table 4.4.5, majority of end users which represents 89%, were agreed with the statement followed by suppliers, employees, competitors and customers which represents 31%, 30%, 20% and 10% respectively. On the other hands, 8% of suppliers 3% of customers, 3% of employees and 4% of end users were kept silent in choosing either agree or disagree rather than become neutral. While the researcher have made an interview with ALLE General manager on this issue /why ALLE didn't do retail business, the reason was there were more than 800,000 retailers in Ethiopia and if ALLE starts retail business models, all these retailers would be diminished and might be out of the market which might bring them in life and economic crisis and such kind of activities not advisable by Ethiopian government politically since it also affects the whole environment. So, since there are few suppliers in the country which couldn't serve the whole 90,000,000 Ethiopian population, government has focused to participate on wholesaling activities. In the future the government would encourage private sectors to do on such kind of business models in good competitive environment (G/Manager of ALLE, Nuredin said). Therefore, if ALLE starts retail markets, it affects many retailers/its customers which are not recommendable as of this G/manager.

#### 4.4.6 Effect of ALLE BEJIMLA on Price of Food and FMCG in the Market

As shown on the following table 4.4.6, out of the whole respondents, 57% of the them were disagreed with the establishment of “ALLE BEJIMLA has significant contribution in reducing price of food and fast moving consumer goods in the market in Ethiopia” while 39% of them were agreed with this statement and 4% of total research participants become neutral on this.

**Table: 4.4.6 Effect of ALLE BEJIMLA on Price of Food and FMCG in Ethiopia**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	23%	46%	15%	8%	8%
ALLE BEJIMLA's Competitors	0%	20%	0%	40%	40%
ALLE BEJIMLA's Customers	13%	29%	3%	44%	11%
ALLE BEJIMLA's Employees	19%	39%	6%	23%	13%
End Users/Consumers/	9%	16%	5%	33%	38%
<b>Total</b>	<b>12%</b>	<b>27%</b>	<b>4%</b>	<b>39%</b>	<b>18%</b>

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

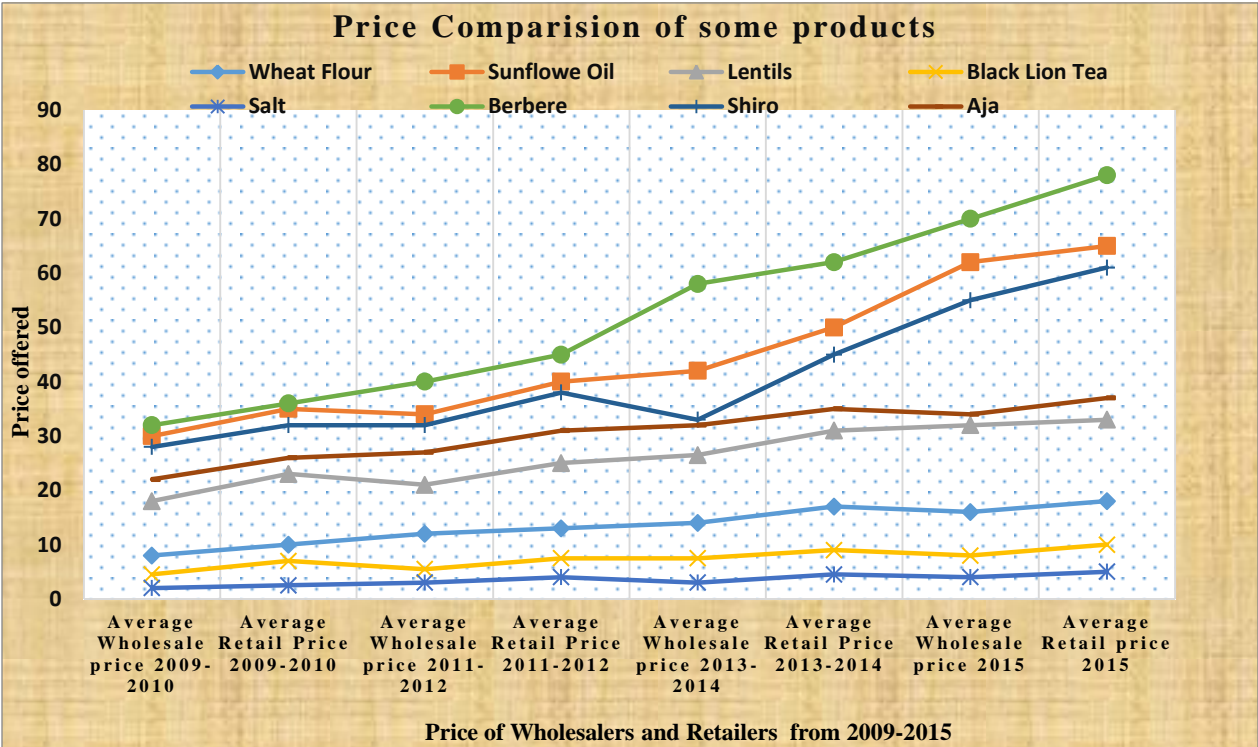
But, when we see separately from each research participant categories, the largest number of respondents from ALLE competitors was disagree with this statement, which represent 80%, followed by end users, ALLE customers, ALLE employees and ALLE suppliers which represents 71%, 55%, 36%, and 16% respectively, while the largest number of respondents from ALLE suppliers was agreed with this statement, which represents 69%, followed by ALLE employees, customers and end users, which represents 58%, 42%, and 25% respectively. Besides, 15% of suppliers, 3% of customers, 6% of employees and 5% of end user were kept silence rather than choosing either agree or disagree. Meaning that, they were become neutral either from supporting or not supporting this. In addition to this, researcher tried to show practically some of product prices before and after ALLE’s establishment as follows for observations:

As we have seen from the attached appendix (A) table 4.4.6.1, almost majority of product price was increased from time to time starting from 2009-2015, even though the increasing rate was different during different time. Accordingly, in 2009-2010, all products prices were increased in decreasing rate while 2011-2012 compared with 2009-2010 was increased by increasing rate. So, even though ALLE’s sales has been increasing from time to time starting from its beginning up to



date with having market share of 3-4%, it is difficult to infer as it has significant contributions rather than it has little bet effects on the price of food and FMCG in the market rather it has slight contributions for the increasing of price by decreasing rate with the help of others since it creates psychological impact in the market on some of competitors since they are little bit forced to down price of similar products due to some of customers were diverted to ALLE because of ALLE follows cost leadership strategy. Meaning that, ALLE has 5-10% reduced price of products than its competitors in the market which attracts their customers. Let us see some of price of products from the following figures after and before ALLE established.

**Figure: 4.4.6.1 Flour, Oil, Lentils, Shiro, Berbere, Salt, Aja and Tea Price (2009-2015)**

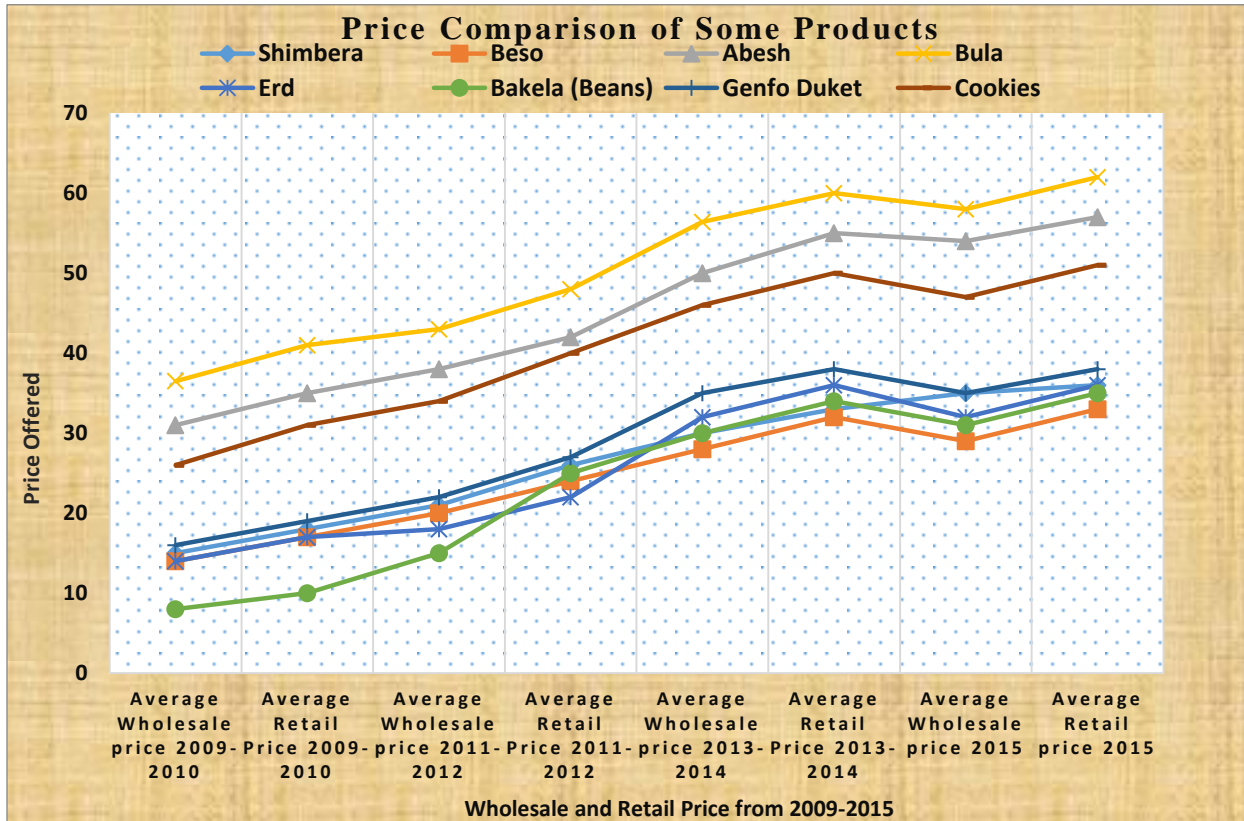


**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, all the price of products was increased during 2009-2015 even though the increasing rates were different. Accordingly, from 2009 to 2010 price of the above products were increased by decreasing rate while it was increased by increasing rate during 2011-2014. But, from 2014-2015 it was also increased with decreasing rate compared to 2011-2014. From this we can infer that, ALLE has its own slight contributions with others towards this price change (increasing of price by decreasing rate) since it was publicized and

created psychological effects in the societies. But, it is difficult to conclude as it has significant contributions towards this.

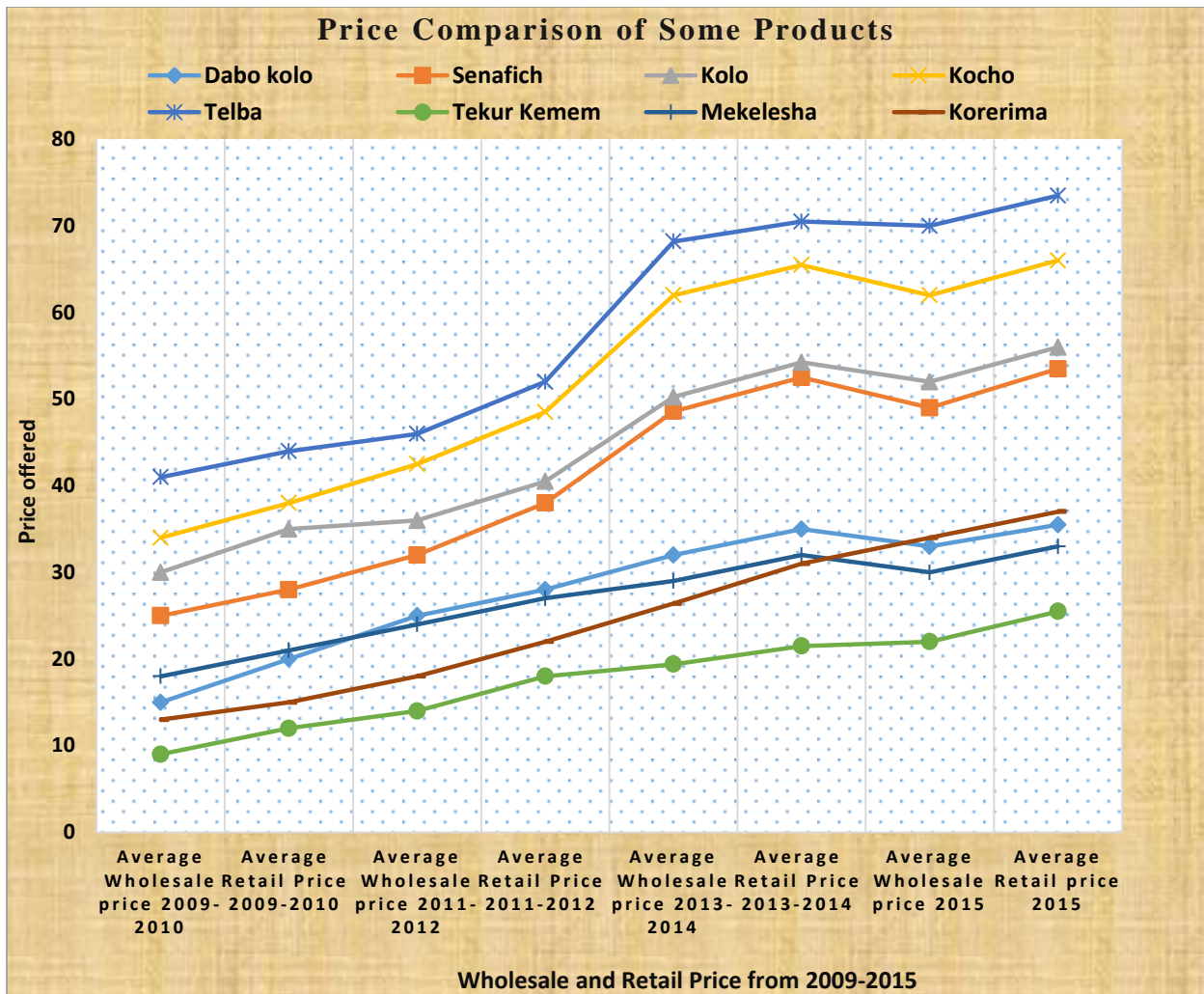
**Figure: 4.4.6.2 Shimbera, Erd, Beso, Bula, Genfo Duket, Cookies & others Price (2009-2015)**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, all the price of products was increased during 2009-2015 even though the increasing rates were different also. Accordingly, from 2009 to 2010 price of the above products were increased by decreasing rate while it was increased by increasing rate during 2011-2014. But, from 2014-2015 it was also increased with decreasing rate compared to 2011-2014. From this we can infer that, ALLE has its own little bit contributions towards price of these products since ALLE has created psychological impact that might immerse its competitors in to tension which lead them to reduce price of products since they may lost their customers since ALLE has low cost strategy. But, it is difficult to say ALLE has a significant effect on this price, rather than slight contributions since its transaction was low with having not more than 3-4 market shares and less than 900,000,000 net sales starting from its beginning up to date (for almost 2 years or May,2014 – April, 2016).

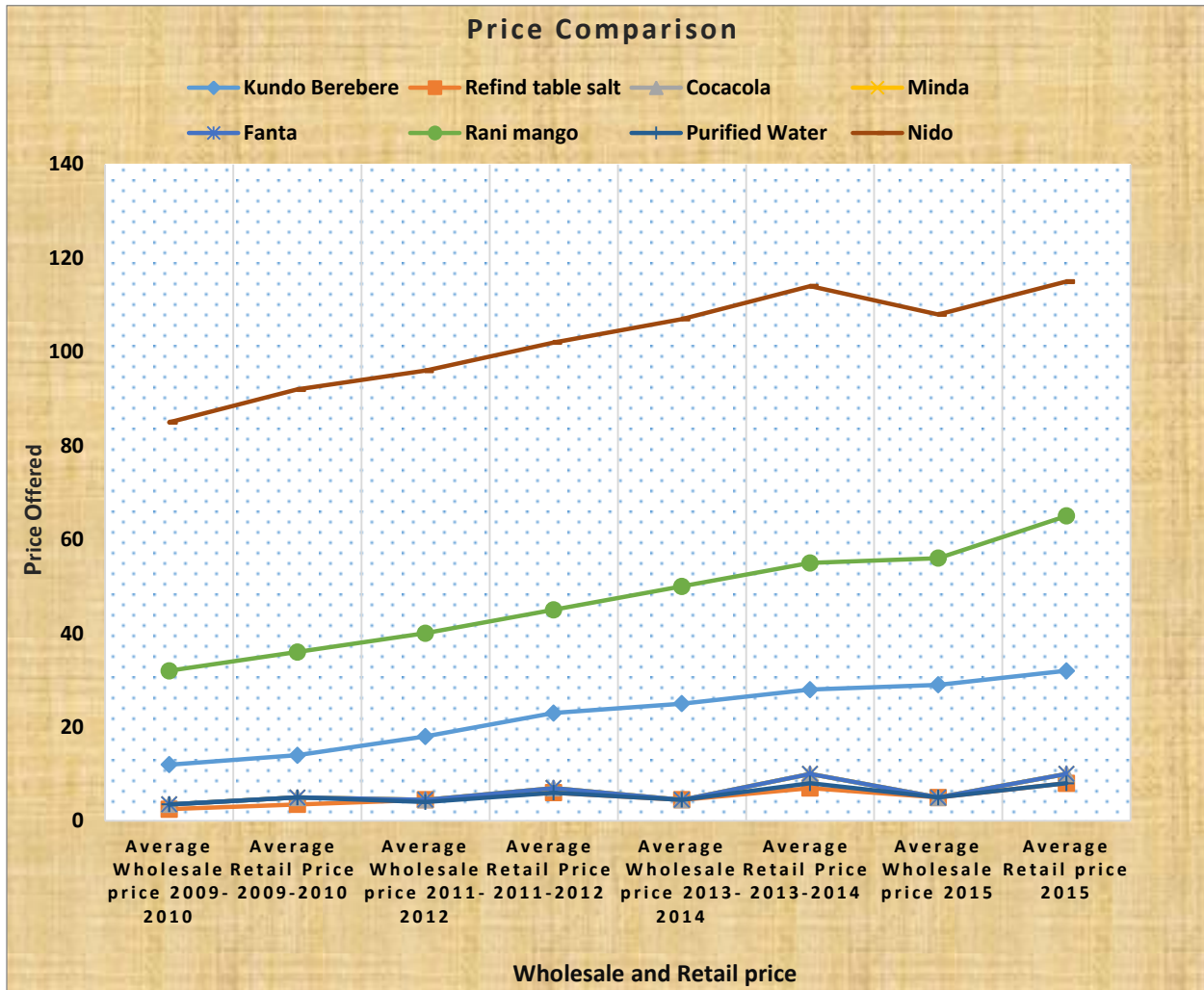
**Figure 4.4.6.3 Dabo Kolo, Senafich, Kolo, Kocho, Telba, and others Price (2009-2015)**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, this is also the same, all the price of products was increased during 2009-2015 even though the increasing rates were different. Accordingly, from 2009 to 2010 price of the above products were increased by decreasing rate while it was increased by increasing rate during 2011-2014. This is also the same too as of others. Meaning that with the help of others, ALLE has its own minor contributions on the price of products. But, while the researcher made an interview with some of competitors (3 of them) they said that currently the price of some of products were reached its climax and impossible to go more than this since Ethiopians couldn't afford. So, according to these competitors, it is not only from ALLE but also from the economic standards or income of Ethiopian households.

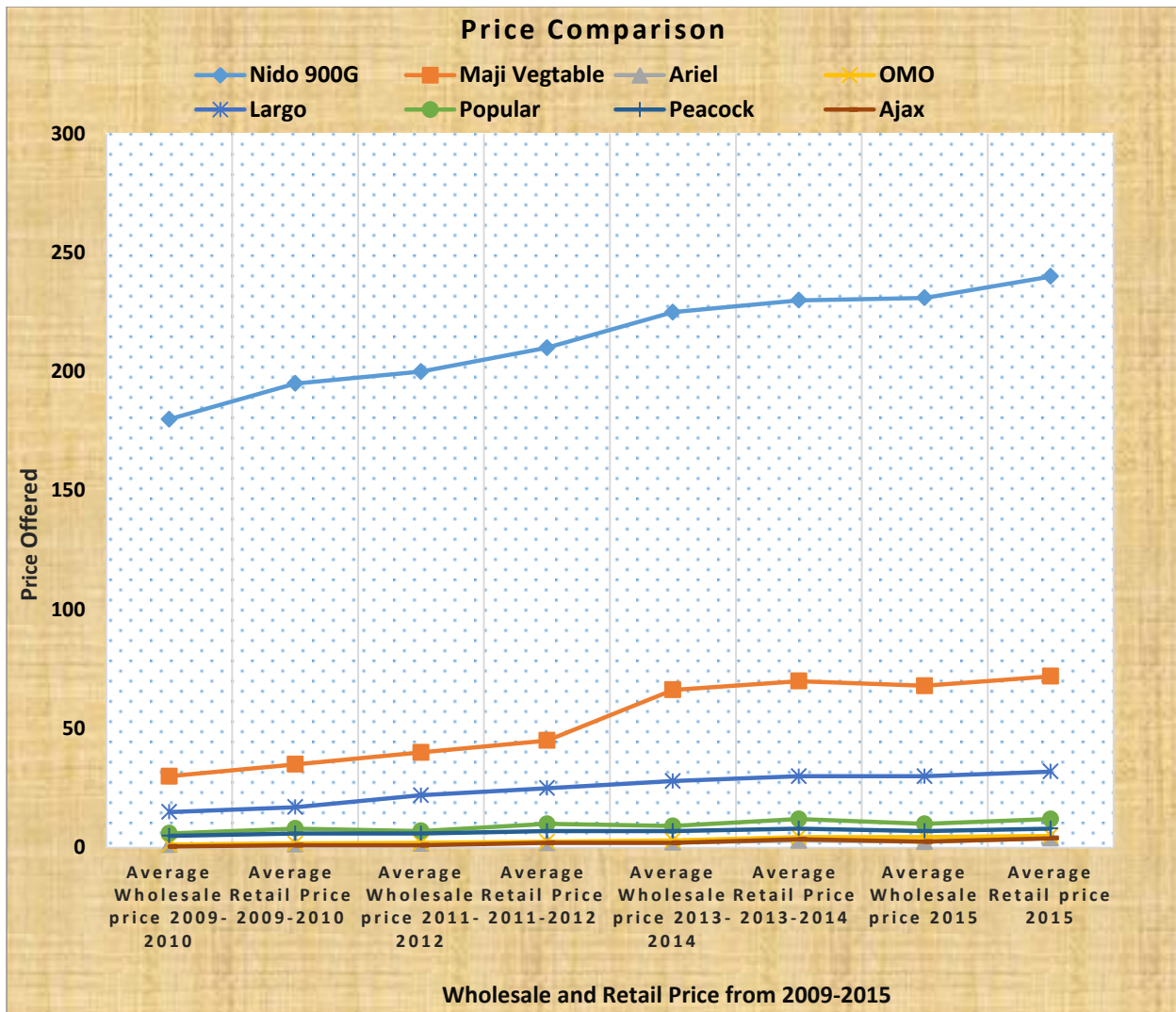
**Figure 4.4.6.4 Rani Mango, Water, Soft drink, kundo berbere and Others Price (2009-2015)**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

Here, even though the above figure shows that as the price of products increased by constant rate, there was high price charge during 2011-2014. Meaning that, as we have seen from the above figure, the price of products was increased during 2009-2015 even though the increasing rates were not as much difficult compared to other products that we have seen before. Accordingly, we can conclude that from 2009 to 2010 price of the above products were increased by decreasing rate and also increased by small increasing rate during 2011-2014. But, from 2014-2015 it was also show some incremental compared to 2011-2014. But, it is difficult to infer as ALLE has significant contributions as of expected rather than a little bit contributions towards this increasing of price by decreasing rate.

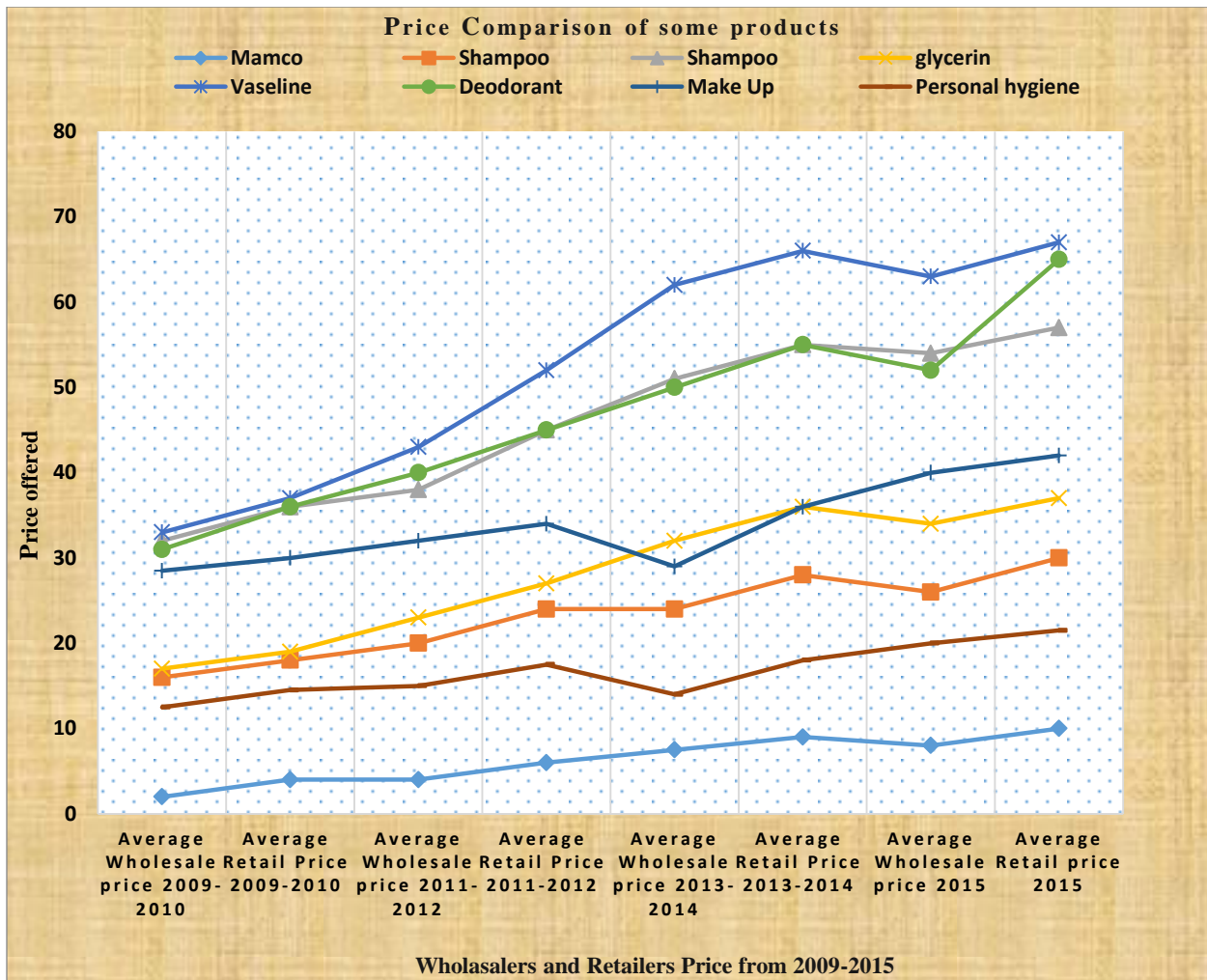
**Figure 4.4.6.5 Nido, Largo, Omo, Ajax, Peacock, Ariel and Others Price (2009-2015)**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

This is also the same to the other products. Meaning that, as we have seen from the above figure, all the price of products was increased during 2009-2015 even though the increasing rates were different also. Accordingly, from the above figure, we can conclude that from 2009 to 2010 price of the above products were increased by decreasing rate while it was increased by increasing rate during 2011-2014. But, from 2014-2015 it was also increased with decreasing rate compared to 2011-2014. From this we can infer that, ALLE has its own minor contributions towards increasing of price by decreasing rate. Specially, at the end of 2014 and beginning of 2015 price of these products were almost stable as of the beginning of 2014. Here, the researcher doesn't compare of each other rather he developed together to save place/paper.

**Figure 4.4.6.6 Mamco, Shampo, deodorant, Make up and Others Price (2009-2015)**

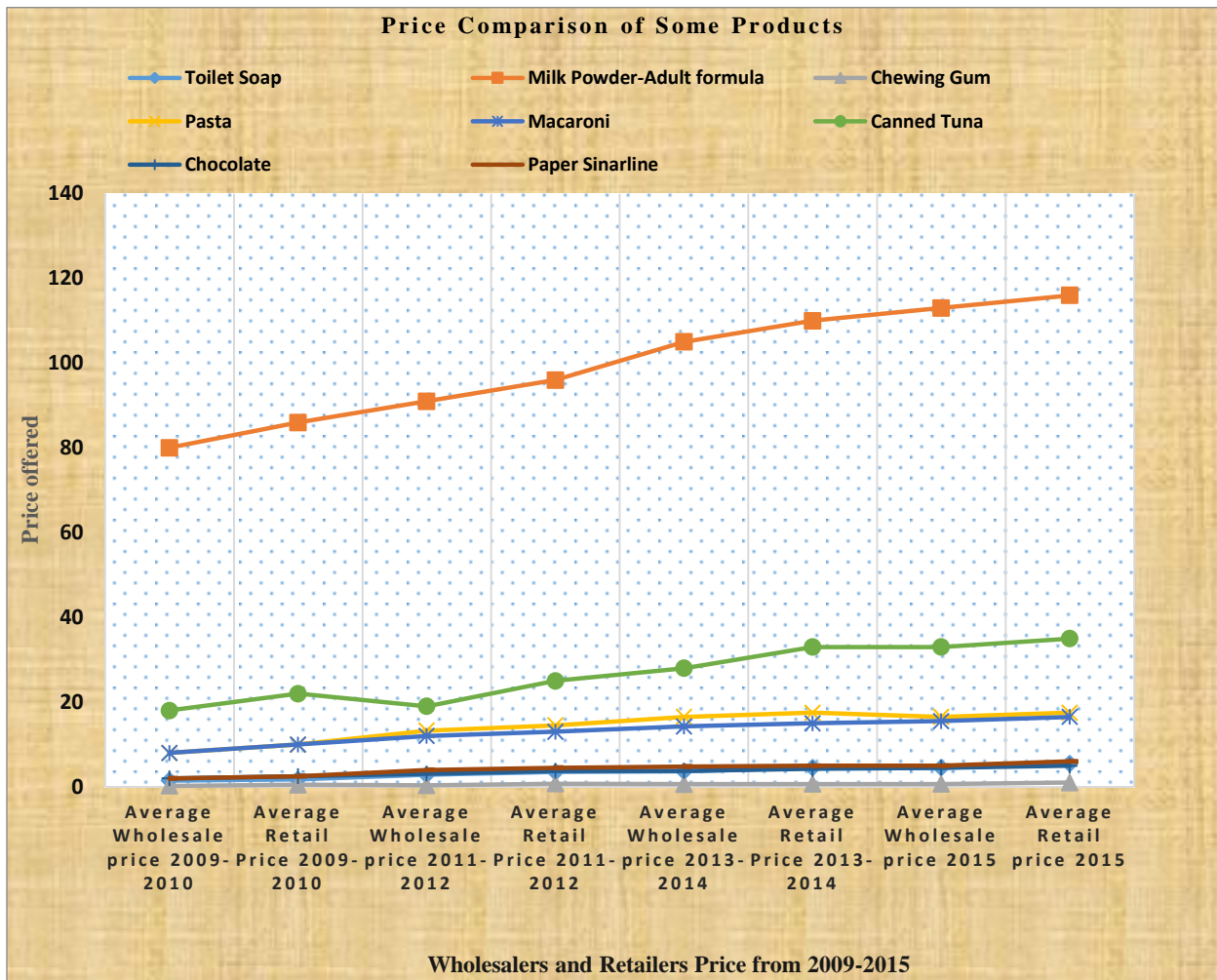


**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, this is also the same, all the price of products was increased during 2009-2015 even though the increasing rates were different. Accordingly, from 2009 to 2010 price of the above products were increased by decreasing rate while it was increased by increasing rate during 2011-2014. This is also the same too as of others. Meaning that with the help of others, ALLE has its own minor contributions on the price of products. But, it is difficult to infer as ALLE has significant contributions as of expected rather than a little bit contributions towards this increasing of price by decreasing rate. Because, as the researcher said before, ALLE’s sales transactions, capital investment (not more than 250,000,000) with product supply are very low compared to those private competitors.



**Figure 4.4.6.7 Toilet Soap, Milk Powder, Tuna, Pasta, Macaroni and Others Price (2009-2015)**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

This is also the same to the other products prices. Meaning that, as we have seen from the above figure 4.4.6.7, all the price of products was increased during 2009-2015 even though the increasing rates were different also. Accordingly, from the above figure, we can conclude that from 2009 to 2010 price of the above products were increased by decreasing rate while it was increased by increasing rate during 2011-2014. But, from 2014-2015 it was also increased with decreasing rate compared to 2011-2014. From this we can infer that, ALLE has its own minor contributions towards increasing of price by decreasing rate. Specially, at the end of 2014 and beginning of 2015 price of these products were almost stable as of the beginning of 2014. Here, the researcher doesn't comparing of each other rather to he developed together to save place/paper.

#### 4.4.7 Effect of ALLE on Sinking Inflation Rate in Ethiopia

From the following table 4.4.7, it can be deduced that 71% of the respondents were disagreed with the establishment of “ALLE BEJIMLA has significant contribution in reducing inflation rate in Ethiopia” while 23% of them agreed with this statement and 6% of them become neutral.

**Table 4.4.7 Effect of ALLE on Sinking Inflation in Ethiopia**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	8%	8%	8%	53%	23%
ALLE BEJIMLA's Competitors	0%	20%	20%	40%	20%
ALLE BEJIMLA's Customers	8%	18%	4%	51%	19%
ALLE BEJIMLA's Employees	6%	23%	10%	32%	29%
End Users/Consumers/	5%	11%	6%	55%	23%
<b>Total</b>	<b>7%</b>	<b>16%</b>	<b>6%</b>	<b>50%</b>	<b>21%</b>

Source: Researcher Survey, 2016

But, when we consider separately from each research participant category, the largest number of respondents from end users was disagree with this statement, which represent 78% followed by suppliers, customers, employees, and competitors which represents 76%, 70%, 61% and 60% while 29% of employees, 26% of customers, 20% of competitors, 16% of suppliers and 16% of end users were agreed with this statement. On the other hands, out of total research participants 6% of them were become neutral with this statement. Specifically, 20% from competitors, 10% from ALLE employees, 8% from suppliers, 6% from end users, and 4% from customers were become neutral with this statement. Honestly, it is also difficult to say ALLE has a significant effect on reducing inflations rate in Ethiopia since there was small stocks in the ALLE stores rather than little contributions. But, practically there were some reduced inflations rates during the life of ALLE BEJIMLA. From this, the researcher thought that, it is clearly known as there was imbalance of demand and supply in the country. Demand is high than product supplied to the market in Ethiopia. As a result, such kind of inflations was happen. That is why the whole majority of respondents including ALLE employees were didn't agree with “ALLE BEJIMLA has significant contribution in reducing inflation rate in Ethiopia”. On this, researcher tried to show data in table and graph that was obtained from CSA of Ethiopia as follows:



**Table 4.4.7.1 History of Annual Inflation Trends in Ethiopia (From 2000-2015)**

year	Jan	Feb	Mar	Apr	May	Ju	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average Rate
2015	7.70%	8.20%	8.50%	9.30%	9.40%	10.40%	11.90%	11.60%	11.90%	11.80%	10.00%	10.00%	10.06%
2014	7.80%	7.90%	8.80%	9.10%	8.70%	8.50%	8.00%	7.20%	5.60%	5.40%	5.90%	7.10%	7.50%
2013	12.50%	10.90%	7.60%	6.10%	6.30%	7.40%	8.00%	7.00%	6.90%	8.50%	7.90%	7.70%	8.07%
2012	32.00%	36.30%	32.50%	29.80%	25.50%	20.50%	20.00%	20.20%	18.90%	15.80%	15.60%	12.90%	23.33%
2011	17.70%	16.50%	25.00%	29.50%	34.70%	32.10%	39.20%	40.60%	40.10%	39.80%	39.20%	35.90%	32.53%
2010	7.60%	7.00%	7.40%	6.80%	7.40%	7.30%	5.70%	5.30%	7.50%	10.60%	10.20%	14.50%	8.11%
2009	37.80%	32.90%	23.70%	23.40%	14.10%	2.70%	-3.70%	-3.90%	-4.10%	-3.70%	0.60%	7.10%	10.58%
2008	19.70%	22.90%	29.60%	29.70%	39.10%	55.20%	64.10%	61.70%	59.60%	55.40%	49.40%	39.30%	43.81%
2007	16.60%	17.50%	18.60%	20.00%	16.00%	15.10%	14.30%	16.00%	17.70%	18.70%	18.10%	18.40%	17.25%
2006	9.60%	10.30%	9.70%	3.80%	12.20%	10.80%	12.60%	13.50%	12.80%	14.50%	15.30%	17.20%	11.86%
2005	9.00%	8.72%	8.91%	7.86%	7.98%	10.70%	11.60%	11.50%	12.10%	10.20%	10.60%	10.20%	9.95%
2004	3.10%	2.92%	2.99%	4.12%	3.99%	2.38%	1.53%	1.16%	2.21%	3.69%	5.33%	6.65%	3.34%
2003	12.30%	14.40%	15.19%	17.37%	17.45%	17.77%	17.19%	17.49%	13.04%	11.78%	8.58%	5.59%	14.01%
2002	-6.90%	-7.30%	-4.70%	-4.10%	-3.40%	-1.20%	2.28%	5.77%	5.63%	6.79%	6.81%	9.73%	0.78%
2001	-2.80%	-3.80%	-8.10%	-11.40%	-10.60%	-10.70%	-31.60%	-31.10%	-7.50%	-5.70%	-3.40%	-3.40%	-10.84%

Source: IMF and CSA Reports, 2015

As we have observed from the following figure 4.4.7.1, inflation trends in Ethiopia hasn't been constant rather than oscillation, between 2008 in the month of August it reached 61.55% and become down to 5.3% in 2010 in the months of August also.

**Figure 4.4.7.1 Inflation Trends in Ethiopia**



Source: Researcher Survey from IMF report, 2016

But, after one year it increased in increasing rate and reached to 40.60% in 2011 in the months of August also. But during 2013 the max 12.50% in the months of January still 2015 the max 11.80% during in the months of October and currently it is expected to continue as such. So, since ALLE has been started working at the end of 2013/at the begging of 2014 and still functioning, it has some contributions in reducing inflation rates in Ethiopia, specifically, on food and FMCG market in the country.

#### 4.4.8 Effect of ALLE on Product Availability in the Market in Ethiopia

From the following table, it can be inferred that 51% of the respondents were agreed with the establishment of “ALLE BEJIMLA has significant contribution in increasing availability of food and fast moving consumer goods in the market in Ethiopia” while 47% of them were disagreed with this statement and 2% of research participants were become neutral on this issue.

**Table 4.4.8 Effect of ALLE BEJIMLA on Product Availability in the Market in Ethiopia**

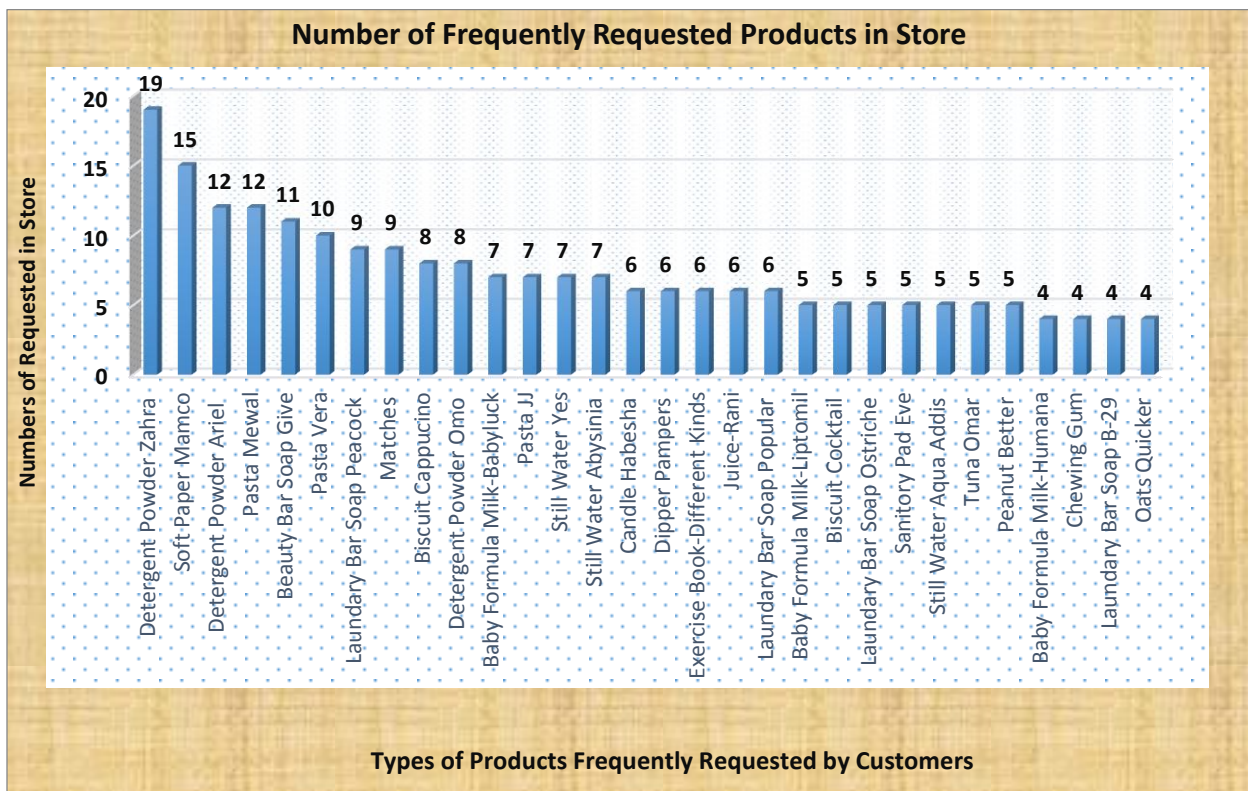
Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	23%	38%	8%	23%	8%
ALLE BEJIMLA's Competitors	0%	20%	0%	60%	20%
ALLE BEJIMLA's Customers	14%	45%	0%	30%	11%
ALLE BEJIMLA's Employees	26%	42%	0%	19%	13%
End Users/Consumers/	6%	17%	7%	38%	32%
<b>Total</b>	<b>13%</b>	<b>38%</b>	<b>2%</b>	<b>31%</b>	<b>16%</b>

Source: Researcher Survey, 2016

But, when we consider separately from each research participant category, the largest number of respondents from competitors was disagree with this statement, which represent 80% followed by end users, customers, employees, and suppliers which represents 70%, 41%, 32% and 31% respectively while 61% of suppliers, 59% of customers, 68% of employees, and 23% of end users were agreed with this statement. On the other hands, out of total research participants 2% of them were become neutral with this statement. Meaning that, 8% from suppliers, and 7% from end users were become neutral with this statement. This implies that majority of respondents except ALLE competitors and end users were agreed with the establishment of ALLE BEJIMLA has significant contribution in increasing availability of food and fast moving consumer goods in

the market in Ethiopia. While I have made some interview with respondents in addition to open and close ended questions they informed to me as practically there were some product shortages in the market which hinders visibility of ALLE in the market. For example sugar, palm oil, and so on. Regarding role of ALLE in increasing product availability in the market, the researcher found out the whole purchased products by ALLE from local and foreign sources as follows. Practically there were 387 store keeping units (SKU) in ALLE BEJIMLA's cash and carry store/shops/ even though ALLE announced as it has more than 750 retail items. The number of each product category of SKU's are shown graphical as follows: meaning that there are 147 SKU's under personal care while 52 SKU's under home care product category. So, majority of ALLE SKU's are personal care which represent 38% of share and followed by Ambi food and home care which represents 3% and 13% respectively. See appendix B table 4.4.8.1 attached.

**Figure 4.4.8.1 Types of Products Frequently Requested by Customers**



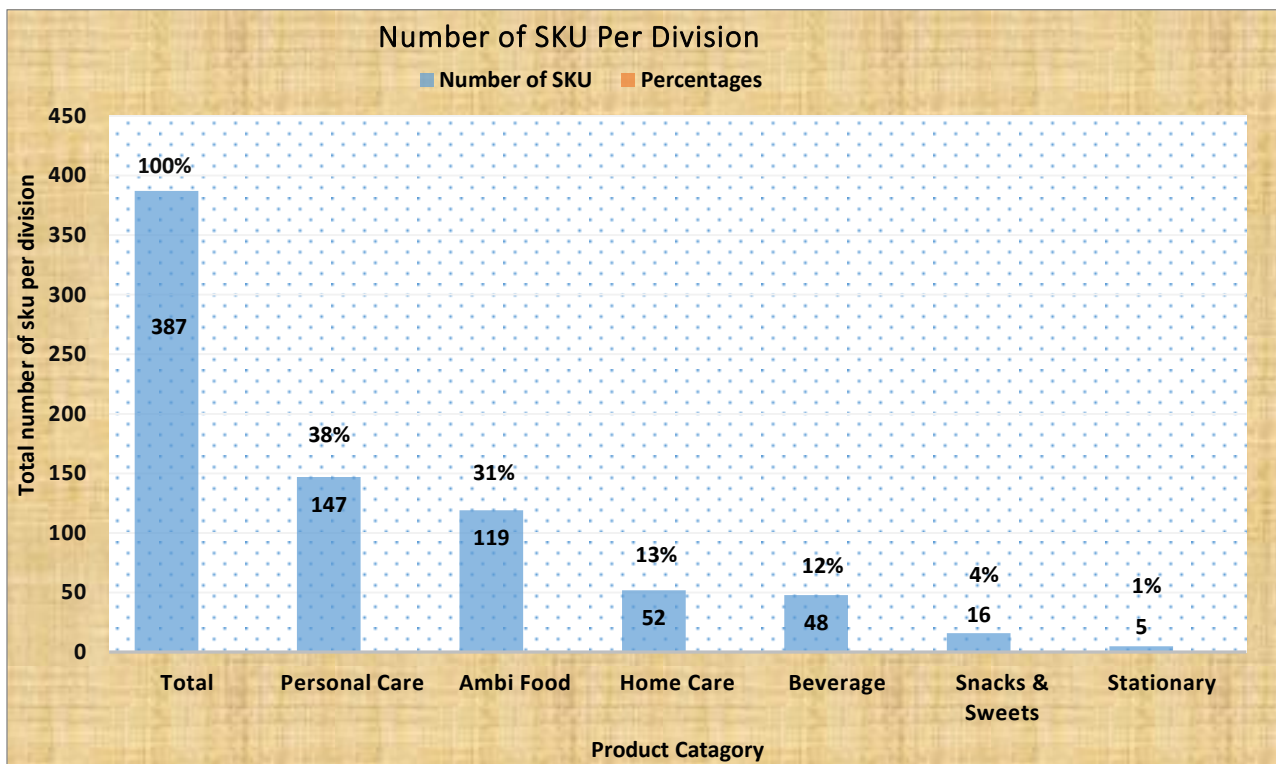
**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we can observe from the above figure 4.4.8.1, detergent powder Zahra has requested 19 times by ALLE customers to have in its stores followed by soft paper mamco, detergent powder ariel, pasta mewal and beauty soap give which represents 15, 12, 12 and 11 times while pasta JJ

requested 7 times. The list requested product was oats quicker which represents 4 times. So, ALLE customers were right while their majorities were disagreed with the above statement.

Concerning product availability, some of ALLE customers said that even though ALLE has assorted some top brand, it doesn't have enough supply in its stores while ALLE on its side said that since it was governmental owned business it has its own limited budgets that might be considered as obstacles to have enough products in the market. So, ALLE itself accepted as it couldn't provide enough products as per of customers request. For example we can see Appendix (B) table 4.4.8.1 attached at the end of this research paper that shows as customers requested some products many times and didn't get at a time by ALLE BEJIMLA in its stores. But, we can see the following figure as ALLE has some of SKU's in its stores.

**Figure 4.4.8.2 Number of Store Keeping Units per Product Category**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure 4.4.8.2, the majority of SKU's are personal care followed by Ambi food and the list assorted product was stationary in ALLE stores. But, as we can observe from the following figure, ALLE has tried to have many products as much as possible even though there was lack of product assortments expected from it. The following image shows ALLE's cash and carry stocks which are prepared in cash and carry stores for sale.

#### 4.4.9 Effect of ALLE BEJIMLA in Benefiting Consumers/End Users/

From the following table, it can be inferred that 57% of the respondents were agreed with End users/consumers/ who purchase products from ALLE BEJIMLA retailers for their consumption purpose are currently benefited from ALLE BEJIMLA while 36% of them were disagreed with this statement and 7% of research participants were didn't say something/become neutral/on this

**Table 4.4.9 Effect of ALLE BEJIMLA in Benefiting Consumers**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	15%	31%	15%	31%	8%
ALLE BEJIMLA's Competitors	0%	20%	0%	60%	20%
ALLE BEJIMLA's Customers	26%	52%	4%	12%	6%
ALLE BEJIMLA's Employees	16%	35%	10%	29%	10%
End Users/Consumers/	4%	6%	13%	51%	26%
<b>Total</b>	<b>19%</b>	<b>38%</b>	<b>7%</b>	<b>25%</b>	<b>11%</b>

Source: Researcher Survey, 2016

But, when we consider separately from each research participant category, the largest number of respondents from competitors was disagree with this statement, which represent 80% followed by end users, employees, suppliers and customers which represents 77%, 39%, 39% and 18% respectively while 78% of customers, 51% of ALLE employees, 46% of suppliers, 20% of competitor and 10% of end users were agreed with this statement. On the other hands, out of total research participants 7% of them were become neutral with this statement. Meaning that, 20% of ALLE competitors, 15% ALLE suppliers, 13% of end users, 10% of ALLE employees and 4% ALLE customers were become neutral with this statement. This implies that majority of respondents from end users were disagreed with “End users/consumers who purchase products from ALLE BEJIMLA retailers for their consumption/ are currently benefited from ALLE BEJIMLA” while majority of ALLE customers were agreed with this specific statement. While I have made some interview with respondents (ALLE employee and End Users) some of ALLE customers have been selling some products like palm oil and other highly demanded products above MRP given to them by ALLE BEJIMLA which hinders consumers benefit from ALLE.

Regarding this even though ALLE has marketing intelligence experts, it couldn't control such kind of market abuse since there were product shortages in the market.

#### 4.4.10 Effect of ALLE BEJIMLA in Stabilizing Food and FMCG Market in Ethiopia

From the following table 4.4.10, it can be concluded that 70% of the respondents were disagreed with The establishment of ALLE BEJIMLA by Ethiopian government stabilizes market of food and fast moving consumer goods in the country while 27% of them were agreed with this statement and 3% of total research participants were become neutral on this specific issue.

**Table 4.4.10 Effect of ALLE BEJIMLA in Stabilizing Food and FMCG Market in Ethiopia**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	15%	23%	8%	39%	15%
ALLE BEJIMLA's Competitors	0%	20%	0%	20%	60%
ALLE BEJIMLA's Customers	11%	17%	4%	41%	27%
ALLE BEJIMLA's Employees	13%	39%	6%	23%	19%
End Users/Consumers/	2%	9%	0%	65%	24%
<b>Total</b>	<b>9%</b>	<b>18%</b>	<b>3%</b>	<b>44%</b>	<b>26%</b>

**Source:** Researcher Survey, 2016

But, when we contemplated separately from each research participant category, the largest number of respondents from end users was disagree with this statement, which represent 89% followed by competitors, customers, suppliers and employees which represents 80%, 68%, 54% and 42% respectively while 52% of ALLE employees, 38% of suppliers, 28% of customers, 20% of suppliers and 11% of end users were agreed with this statement. On the other hands, out of total research participants 3% of them were become neutral with this statement. Meaning that, 8% ALLE suppliers, 6% of ALLE employees and 4% ALLE customers were become neutral with this statement. This implies that majority of respondents from except ALLE employees didn't believe as the establishment of ALLE BEJIMLA by Ethiopian government stabilizes market of food and fast moving consumer goods in the country. While I have made an interview with some of ALLE BEJIMLA's employee the reasons why they believe with this statement is that in the future ALLE has been planned to open more than 29 stores in 27 cities in Ethiopia which may stabilize the market on this sector throughout the country. But, currently, it is also



difficult to say ALLE has significant contributions towards of stabilizing market on this sector with this little transaction. But, in the future it would be expected as such.

#### 4.4.11 Effect of ALLE in Creating Competitive Environment in the Market in Ethiopia

As we have seen from the following table 4.4.11, it can be concluded that 59% of the respondents didn't believe as "the establishment of ALLE BEJIMLA by Ethiopian government creates competitive and market oriented business environment in the country" while 25% of them were agreed with this statement and 6% of research participants (very few of them) were become neutral on this issue.

**Table 4.4.11 Effect of ALLE in Creating Competitive Environment in the Market in Ethiopia**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	8%	23%	15%	39%	15%
ALLE BEJIMLA's Competitors	0%	20%	0%	20%	60%
ALLE BEJIMLA's Customers	13%	25%	5%	41%	16%
ALLE BEJIMLA's Employees	19%	35%	7%	26%	13%
End Users/Consumers/	5%	17%	7%	48%	23%
<b>Total</b>	<b>11%</b>	<b>24%</b>	<b>6%</b>	<b>41%</b>	<b>18%</b>

Source: Researcher Survey, 2016

But, when we contemplated separately from each research participant category, the largest number of respondents from competitors was completely disagree with this statement, which represent 80% followed by end users, customers, suppliers and employees which represents 71%, 57%, 54% and 39% respectively while 54% of ALLE employees, 31% of suppliers, 38% of customers, 20% competitors and 22% of end users were completely agreed with this statement. On the other hands, out of total research participants 6% of them were become neutral with this statement. Meaning that, 15% ALLE suppliers, 7% of ALLE employees, 7% of end users and 5% customers were become neutral with this statement. This implies that majority of respondents except ALLE employees didn't believe the establishment of ALLE BEJIMLA by Ethiopian government creates competitive and market oriented bus environment in the country.

#### 4.4.12 ALLE BEJIMLA's Product Assortment Status

From the following table 4.4.12, it can be inferred that 78% of the respondents were disagreed with the statement of ALLE BEJIMLA has a broad assortment of products in its stores while only 9% of them were agreed with this statement and 13% of them become neutral. From this we can infer that majority of respondents were believe that as ALLE doesn't have broad products.

**Table 4.4.12 ALLE BEJIMLA's Product Assortment Status**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	15%	39%	23%	15%	8%
ALLE BEJIMLA's Competitors	0%	20%	0%	20%	60%
ALLE BEJIMLA's Customers	2%	3%	0%	63%	32%
ALLE BEJIMLA's Employees	6%	13%	0%	45%	36%
End Users/Consumers/	4%	6%	54%	28%	8%
<b>Total</b>	<b>3%</b>	<b>6%</b>	<b>13%</b>	<b>51%</b>	<b>27%</b>

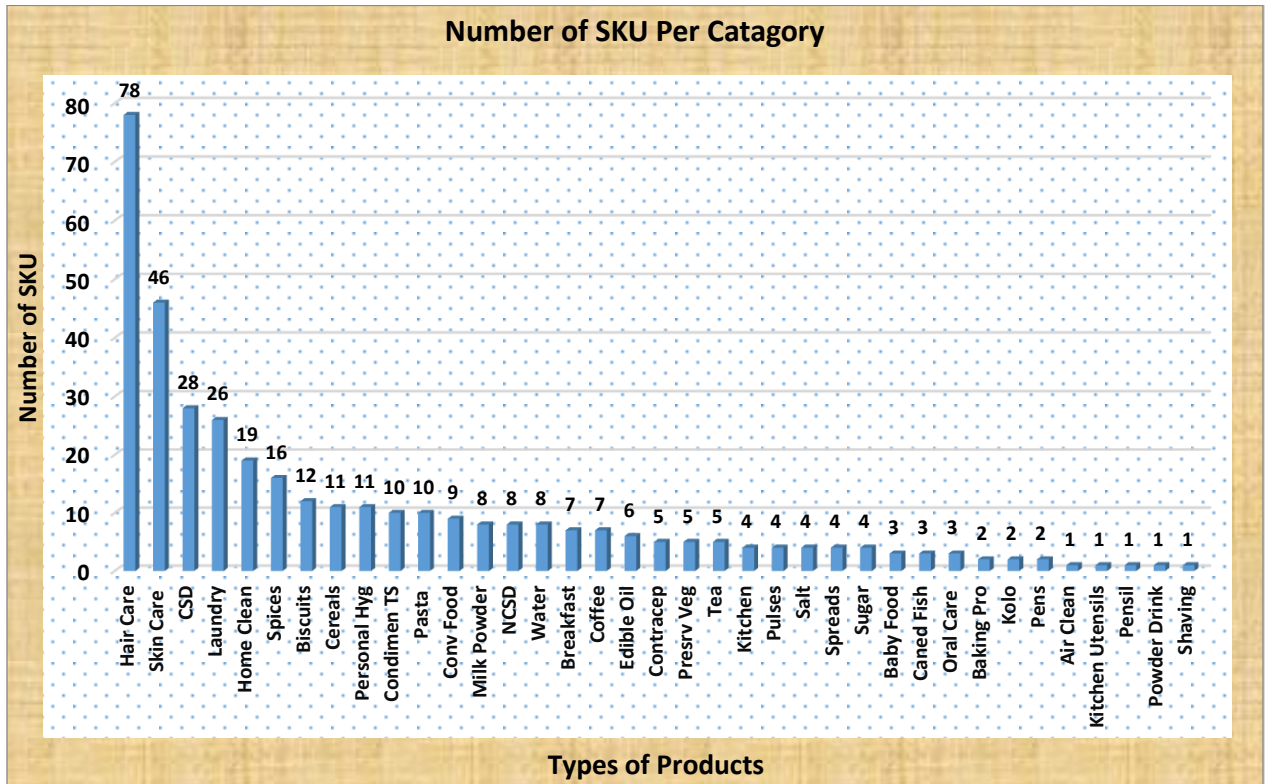
Source: Researcher Survey, 2016

But, when we considered separately from each research participant category, the largest number of respondents from customers was completely disagree with this statement, which represent 95%, followed by ALLE employees, competitors, end users and suppliers which represents 81%, 80%, 36% and 23% respectively while 54% of ALLE suppliers, 20% of ALLE competitors, 19% of ALLE employees, 10% of end users and 5% of customers were agreed with this statement. On the other hands, out of total research participants 13% of them were become neutral with this statement. Meaning that, 54% end users and 23% suppliers were become neutral with this statement. This implies that majority of respondents except ALLE suppliers didn't believe as ALLE has a broad assortment of products. While I have made interview with ALLE staffs, even though they have announced as they have more than 750 retail items in their shops, they have only less than 300 retail items while I have gathered data from their store. Even initially, ALLE doesn't have more than 50 SKU (Store keeping unit). But, still there were no diverse products found in its stores even though ALLE announced as it has more than 750 retail items in its stores. So, again it is difficult to say ALLE has an enough product assortment.



This means that their assortment performances were less than 50% even when we compared to what they have announce. Some customers said that they didn't get what they need from ALLE when they requested since the company lacks product assortment in its stores. Even, still they didn't get what they required from ALLE. We can see from following figure the current ALLE's product assortment also.

**Figure 4.4.12.2 Number of SKU per Product Category in ALLE Store**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have seen from the above figure, ALLE has the above product assortment in its stores. But, while my interview, this is also not constant as ALLE management team said also due to lack of some capital /capital injection from the government since almost the company has been doing in loss for the favor of societies.

#### **4.4.13 ALLE BEJIMLA's Stock(s) and Highly Demanded Products in the Market**

From the following table, it can be concluded that 72% of the respondents were disagreed with the statement of ALLE BEJIMLA provides products which are highly demanded by customers in the market while 12% of them were agreed with this statement and 16% of them become neutral

But, when we contemplated separately from each research participant category, the largest number of respondents from customers was disagree with this statement, which represent 91%, followed by competitors, customers, ALLE employees, End Users and suppliers which represents 80%, 77%, 27% and 15% respectively while 62% of ALLE suppliers, 23% of employees, 9% of customers, 23% of suppliers and 8% of end users were agreed with this statement. We can see the response of respondents from the following table as follows:

**Table 4.4.13 ALLE BEJIMLA's Stock(s) and Highly Demanded Products in the market**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	23%	39%	23%	15%	0%
ALLE BEJIMLA's Competitors	0%	20%	0%	60%	20%
ALLE BEJIMLA's Customers	3%	6%	0%	61%	30%
ALLE BEJIMLA's Employees	10%	13%	0%	48%	29%
End Users/Consumers/	2%	6%	65%	23%	4%
<b>Total</b>	<b>4%</b>	<b>8%</b>	<b>16%</b>	<b>49%</b>	<b>23%</b>

Source: Researcher Survey, 2016

On the other hands, out of total research participants 16% of them were become neutral with this statement. Meaning that, majority of end users (65%) and 23% of ALLE suppliers become neutral with this statement. This implies that majority of respondents from except end users were disagreed with the establishment of ALLE BEJIMLA provides products which are highly demanded by customers in the market.

#### **4.4.14 Effect of ALLE BEJIMLA in Influencing Suppliers/Its Competitors**

From the following table 4.4.14, it can be concluded that 67% of the respondents were disagreed with the establishment of “ALLE BEJIMLA brings consumers with options in the market and influence suppliers (ALLE BEJIMLA's Competitors or) in doing as of ALLE BEJIMLA” while 26% of them were agreed with this statement and 7% of them were become neutral. But, when we considered separately from each research participant category, the total number of respondents from competitors was disagree with this statement, which represent 100% followed by customers, end users, ALLE employees, and suppliers, which represents 72%, 63%, 42% and 38% respectively while 54% of ALLE suppliers, 52% of ALLE employees, 23% of customers,

and 26% of end users were agreed with this statement. On the other hands, out of total research participants 7% of them were become neutral with this statement. Meaning that, 8% ALLE suppliers, 6% of ALLE employees, 5% of customers and 11% end users were become neutral with this statement. What I have to share from these respondents were, it is known that as ALLE didn't influence competitors as of expected practically rather than creating tension and psychological impact in the market. This is not enough solution of Ethiopian market.

**Table 4.4.14 Effect of ALLE BEJIMLA in Influencing Suppliers/Its Competitors**

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	15%	39%	8%	23%	15%
ALLE BEJIMLA's Competitors	0%	0%	0%	60%	40%
ALLE BEJIMLA's Customers	7%	16%	5%	46%	26%
ALLE BEJIMLA's Employees	13%	39%	6%	26%	16%
End Users/Consumers/	9%	17%	11%	42%	21%
<b>Total</b>	<b>8%</b>	<b>18%</b>	<b>7%</b>	<b>43%</b>	<b>24%</b>

Source: Researcher Survey, 2016

So, from this analysis we can infer that majority of respondents from all except ALLE employees and suppliers, majority of end users and customers were didn't believe with The establishment of ALLE BEJIMLA brings consumers with options in the market and influence suppliers (Competitors or food and FMCG wholesalers) in doing as of ALLE BEJIMLA.

#### **4.4.15 Expected Maximum Retails Margin in the Market in Ethiopia**

According to ALLE's marketing department survey (2014), out of 22 retailers, 20 (91%) of them were posted price list of products on their shop door that was given to them from ALLE as per the above margin. According to this survey, even though most of the stores placed the MRP pricing list in front of their shop, it is not visible enough due to, too many pages because it's not customized according to what the customer has bought and in one shop we found a price list stamped by the sub city and it was only for products that they bought from ALLE.

**Table 4.4.15 Expected Maximum Retail Margin in the Market in Ethiopia**

Expected Retail Margins			
Sales Value Per Item (in Birr)	Food	Non-Food	Beverages
0-5	30%	40%	10%
>5-10	15%	30%	10%
>10-25	12%	25%	10%
>25-50	10%	18%	10%
>50	8%	12%	10%

**Source:** Researcher Survey from ALLE BEJIMLA's Profile, 2016

But, as of researcher survey during data collection, out of 22 retailers (12 in Addis Ababa, 4 in Hawassa, 3 in Shashemene 3 in Bahir dar), only 8 (6 from Addis Ababa and 1 from Hawassa and 1 from Bahir Dar); totally (36%) of retailers were posted price of some products on their doors. So, since there were shortages of some products in the country like palm oil, sugar and other commodities, lack of strong control from concerned organs, majority of retailers has been selling above the expected maximum retailers margin in the market in Ethiopia.

#### 4.4.16 Contribution of ALLE's on Market Shares on the Sector in Ethiopia

**Table 4.4.16 Total Sales of ALLE BEJIMLA from ALL Stores**

Date of Sales	Megenagna Store	Kality Store	Merkato Store	Shashemene Store	Hawassa Store	Bahir Dar Store	Dessie Store	Grand Total
May, 2014	1,769,496.92	-	-	-	-	-	-	1,769,496.92
June, 2014	3,964,739.89	1,539,962.64	-	-	-	-	-	5,504,702.53
July, 2014	3,534,365.28	3,071,082.57	3,563,061.61	-	-	-	-	10,168,509.46
Aug, 2014	3,293,431.02	2,163,309.25	3,247,414.38	-	-	-	-	8,704,154.65
Sept, 2014	4,538,331.72	3,764,352.69	3,286,228.46	-	-	-	-	11,588,912.87
Oct, 2014	4,963,780.63	4,148,328.17	4,656,452.26	-	-	-	-	13,768,561.06
Nov, 2014	4,800,589.49	3,659,119.30	3,750,953.61	-	-	-	-	12,210,662.40
Dec, 2014	7,421,204.17	7,474,999.80	7,777,144.96	-	-	-	-	22,673,348.93
Jan, 2015	7,716,320.67	5,830,617.81	6,564,738.04	-	-	-	-	20,111,676.52
Feb, 2015	11,723,026.64	10,188,396.71	13,182,154.94	-	-	-	-	35,093,578.29
Mar, 2015	8,044,616.32	7,552,995.65	6,406,912.17	129,850.62	-	-	-	22,134,374.76
Apr, 2015	6,455,650.75	6,237,534.73	5,519,018.05	1,749,786.69	576,205.23	-	-	20,538,195.45
May, 2015	9,144,173.46	5,769,622.38	6,193,345.69	1,341,941.00	2,106,244.27	1,764,187.70	-	26,319,514.50

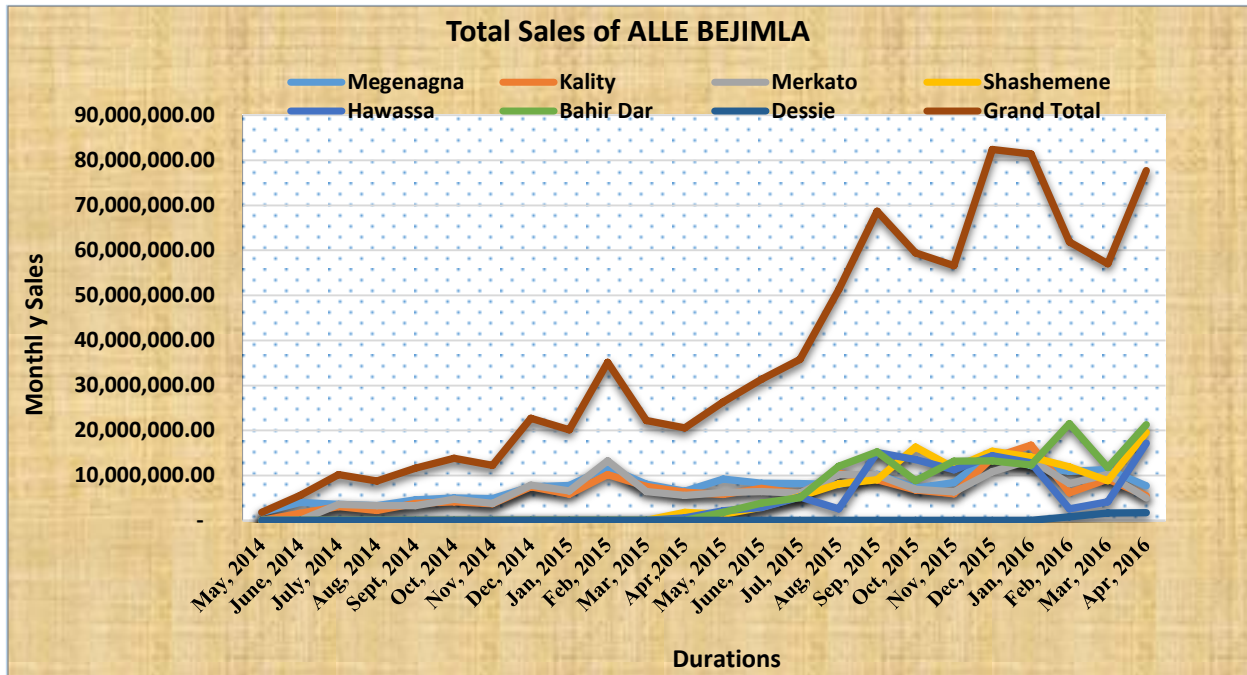
June, 2015	8,244,103.39	7,121,582.50	6,376,309.05	2,913,108.36	2,812,208.79	3,868,032.24	-	31,335,344.33
Jul, 2015	8,146,124.25	5,956,680.28	6,056,072.80	5,323,928.44	5,194,167.64	5,043,366.57	-	35,720,339.98
Aug, 2015	7,938,838.81	10,440,892.78	10,149,343.13	8,124,004.60	2,545,874.43	12,022,293.15	-	51,221,246.90
Sep, 2015	10,220,499.66	9,019,568.33	10,064,432.87	9,048,085.78	15,028,206.33	15,222,509.31	-	68,603,302.28
Oct, 2015	7,199,745.81	6,775,375.80	6,860,576.16	16,280,383.41	13,463,124.58	8,834,418.43	-	59,413,624.19
Nov, 2015	8,389,969.10	5,887,046.12	6,343,811.83	11,636,993.18	11,202,548.91	13,117,332.05	-	56,577,701.19
Dec, 2015	14,875,312.25	13,815,619.52	10,793,958.38	15,336,953.37	14,320,724.62	13,175,831.56	-	82,318,399.70
Jan, 2016	12,126,365.00	16,662,152.35	13,410,354.18	14,059,354.70	12,816,842.75	12,263,196.46	-	81,338,265.44
Feb, 2016	10,850,335.96	6,086,629.51	8,170,409.52	11,874,629.40	2,574,282.29	21,468,254.05	766,208.55	61,790,749.28
Mar, 2016	11,326,576.61	9,158,642.06	10,203,156.72	8,823,836.09	4,087,857.72	11,753,429.30	1,644,181.25	56,997,679.75
April, 2016	7,658,386.76	5,431,666.40	5,000,105.23	19,523,156.41	17,102,967.21	21,224,615.09	1,695,776.16	77,636,673.26
Total	184,345,984.56	157,756,177.35	157,575,954.04	126,166,012.05	103,831,254.77	139,757,465.82	4,106,165.96	873,539,014.64

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we have observed from the following table, even though ALLE's annual sales were decreased during 2016, it was increased by increasing rate in the previous two years ago starting from its beginning May, 2014 still December 2015. But, during this period there were some fluctuations of sales either decrease or increase in different months. The reasons why such kinds of fluctuations happen is that there were some constructions of stores, lack of capital injections from the government. As a result, there was no strong purchase. Besides, there was also amalgamation with other organizations like with Eat Fruit and Vegetables S.C, Grain Trade Enterprise and Procurement Service Enterprise during this. But, we can see the following table that shows the total sales of ALLE BEJIMLA in the market.

Therefore, starting from its beginning still march 2016, ALLE has sold in birr 873,539,014.64 which lead the company to have not more than 3%-4% market shares in the market in Ethiopia as I have made an interview with ALLE G/manager. The rest more than 96% of market shares in this sector was rest to different others like Alsam, Petram, Ayfa, Belayne Kinde, Ambasel, Guna, Haset, Mullege, Getas, Teji, East African Business Group, etc. But, while ALLE would build the whole planned 36 stores in 27 cities in Ethiopia, it would take 20%-30% market shares in the future on this sector in Ethiopia even though it doesn't worked as of its plan due to different problems like lack of enough capitals from the government, lack fast cooperation from concerned body(s) and another related issues ato Nuredin, general manager of ALLE said.

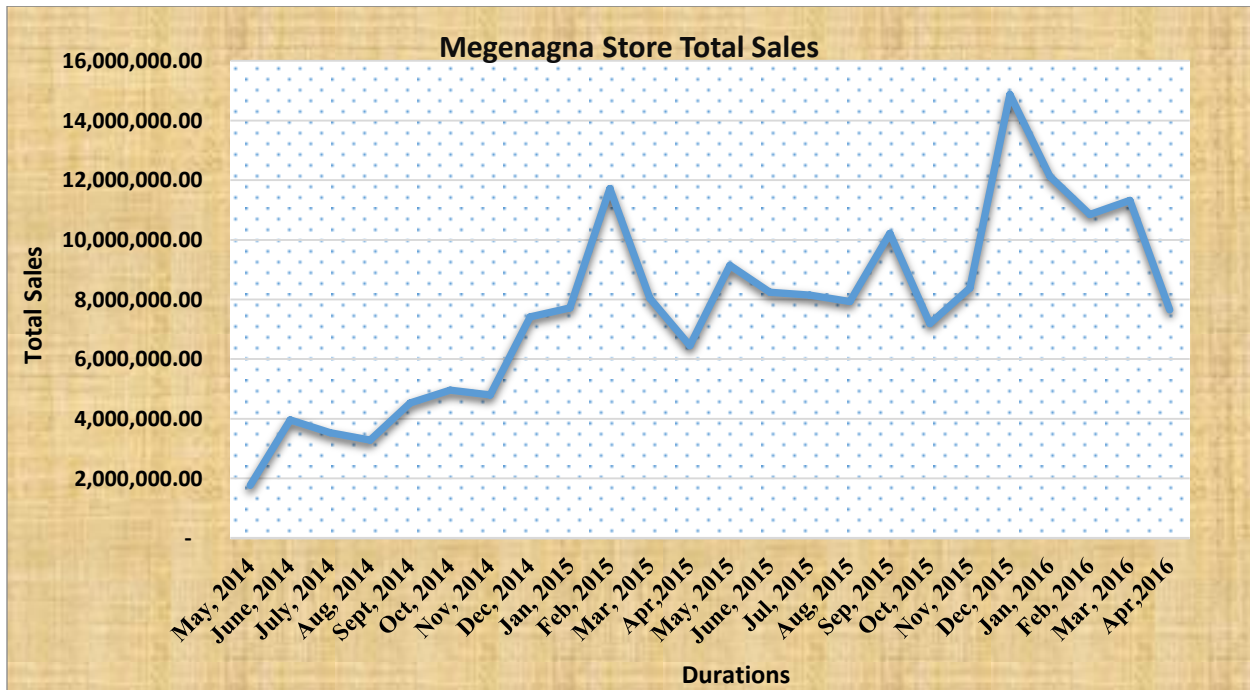
**Figure 4.4.16 Total Sales Trend of ALLE BEJIMLA from all Stores**



Source: Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we can observe from the above figure even though the sales trend of this store shows ups and down, it is possible to infer that, its sales has been increasing from time to time.

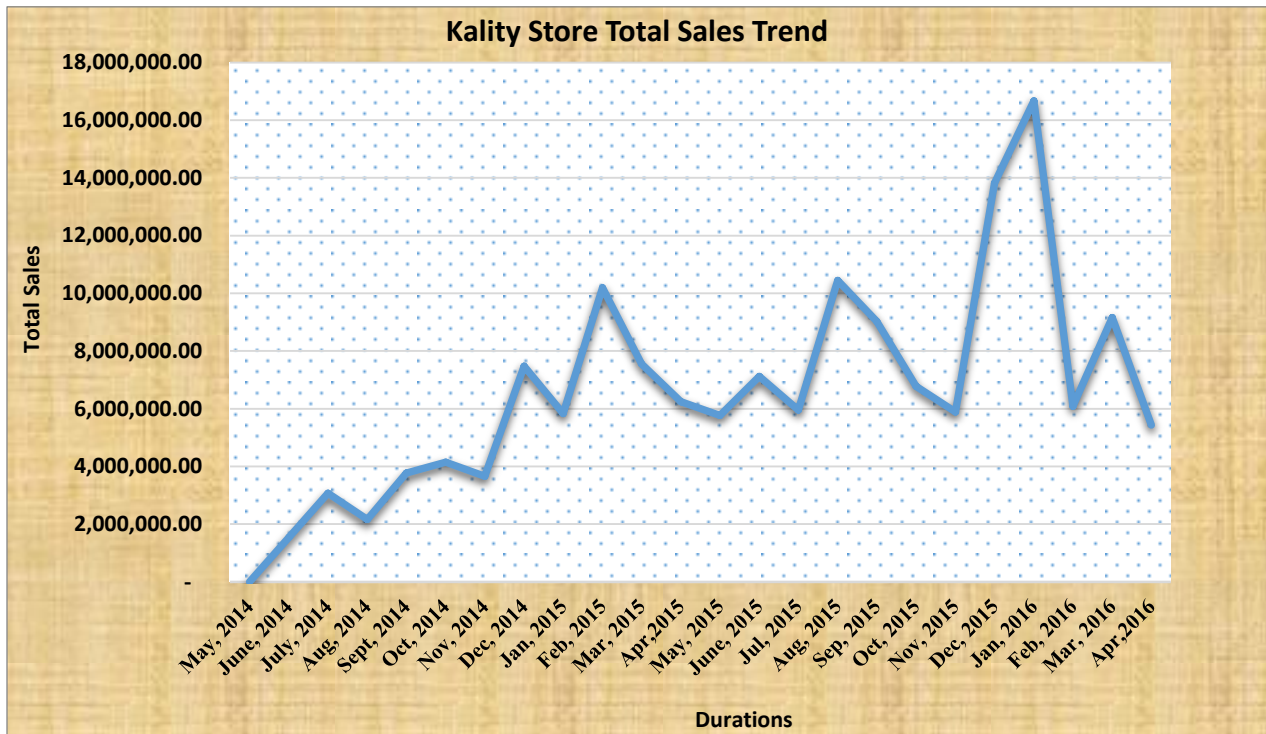
**Figure 4.4.16.1 Total Sales Trend of Megenagna Store/Branch/Shop/**



Source: Researcher Survey from ALLE BEJIMLA Profiles, 2016

.ALLE Megenagna store started selling of its stocks at May, 2014 by ETB 1,769,496.92, and increased to 11,723,026.64 in February, 2015 and reached to 14,875,312.25 in December 2015. From this we can conclude that even though its sales have been fluctuating from time to time and declined at the end of April, 2016, there has been evidence that shows, this store annual sales is increasing from time to time which have its own contributions on ALLE’s market share on this sector and share a little bit market from its competitors. But, it is slight /minor contribution to the market compared to ALLE competitors.

**Figure 4.4.16.2 Total Sales Trend of Kality Store/Branch/Shop/**



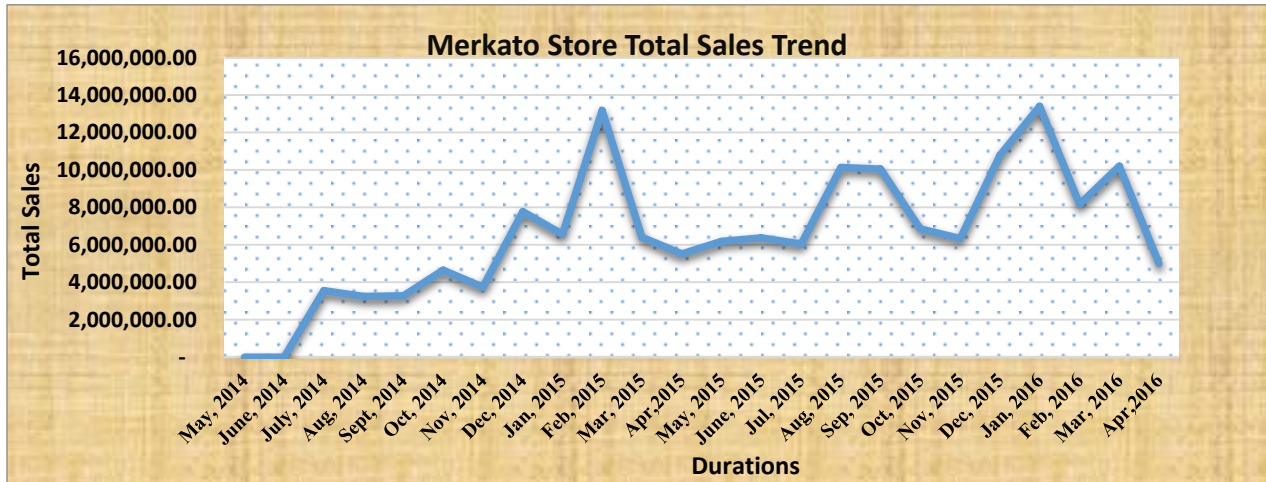
**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

After ALLE started selling of stocks at the beginning in Addis Ababa in May 2014 at Megenagna store, it also expanded its braches to different locations in Addis Ababa at Kality, Merkato and up countries at Shshemene, Hawassa and Bahirdar and Dessie in Ethiopia. So, as we can see from the above figure, kality Store total sales trend starting from its beginning up to April, 2016. Meaning that as we can observe from the above figure, even though the sales trend of this store shows ups and down, it is possible to infer that, its sales has been increasing from time to time. Hence, from this we can conclude that even though its sales have been fluctuating from time to time and declined at the end of April, 2016, there has been evidence that, this store



annual selling is increasing from time to time which have its own contributions on ALLE’s market share on this sector.

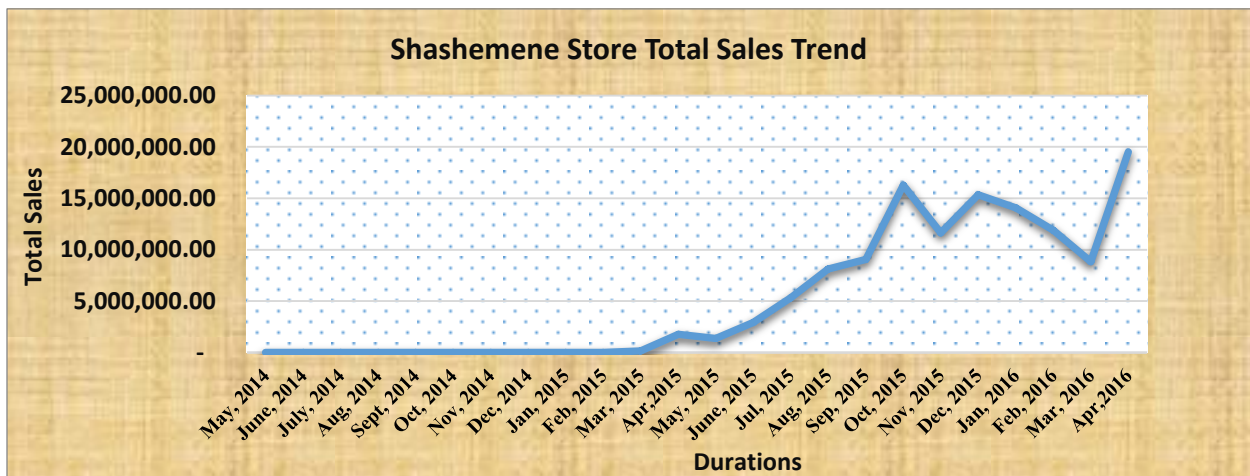
**Figure 4.4.16.3 Total Sales Trend of Merkato Store/Branch/Shop/**



Source: Researcher Survey from ALLE BEJIMLA Profiles, 2016

Merkato cash and carry store is one of ALLE branch which is found in Addis Ababa. As of other stores, it has its contributions on market shares in the market. So, as we can see from the above figure, merkato Store total sales trend starting from its beginning up to April, 2016 increasing from time to time even though it was declined in April, 2016. From this as we can observe, even though the sales trend of this store shows ups and down, there has been an evidence that shows this store annual sales is increasing from time to time which have its own contributions on ALLE’s market share on this sector.

**Figure 4.4.16.4 Total Sales Trend of Shashemene Store/Branch/Shop/**

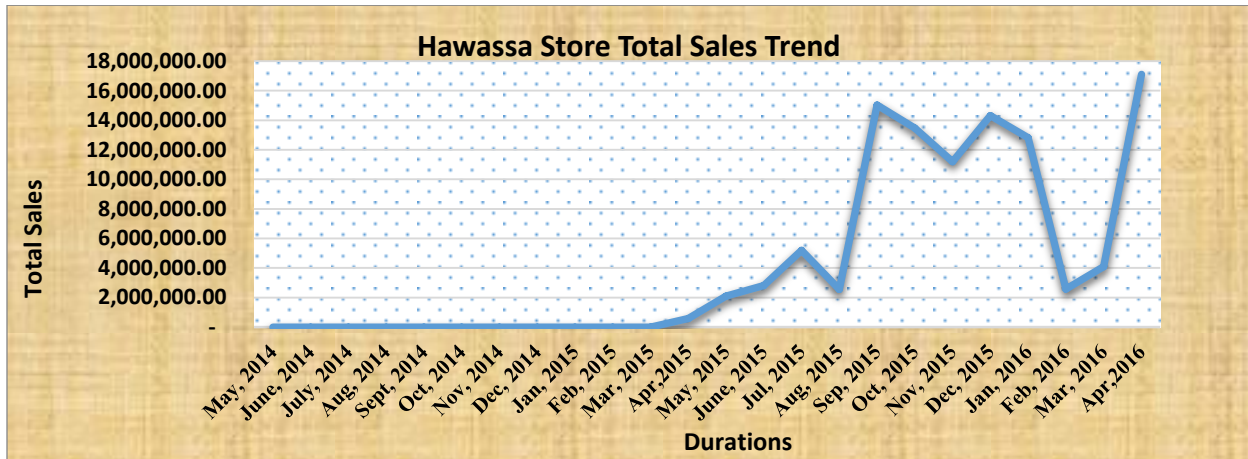


Source: Researcher Survey from ALLE BEJIMLA Profiles, 2016



As we have seen from the above figure, shashemene cash and carry store which was started its operations in March, 2015 and its sales has been increasing from time to time by increasing rate and if it continues as such, it would have a good contributions towards ALLE total sales in the market. So, from this, it is possible to infer that shashemene is in a good position on sales.

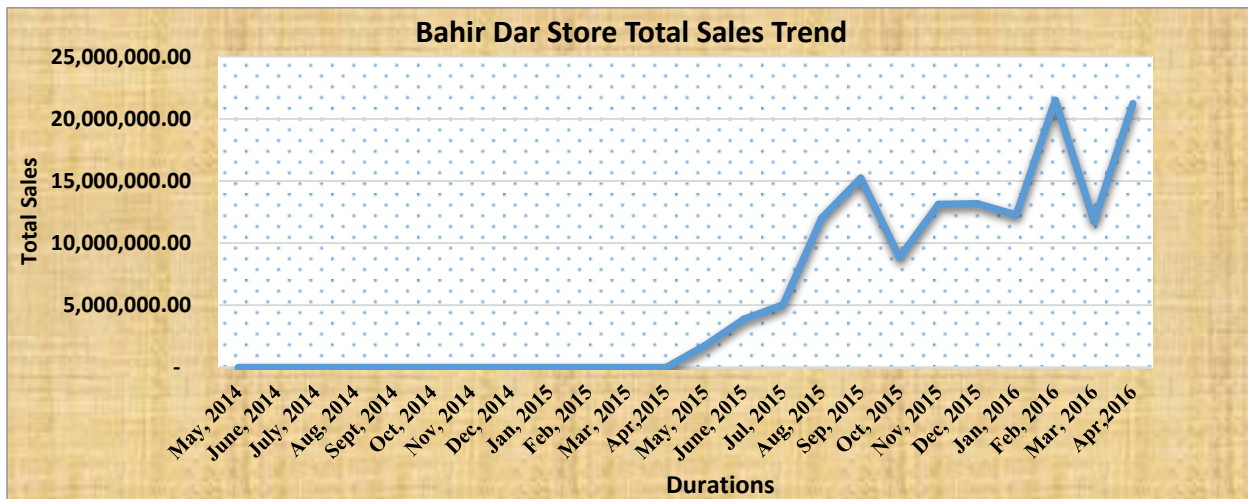
**Figure 4.4.16.5 Total Sales Trend of Hawassa Store/Branch/Shop/**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

This is Hawassa cash and carry store which was started its operations in March, 2015 and its sales has been increasing from time to time by increasing rate as we have seen from the above figure and if it continues as such, it would have a good contributions towards ALLE total sales in the market. From this, it is possible to infer that Hawassa store is in a good position on sales as of Shashemene also and recommendable to continue as such that has contribution to market share.

**Figure 4.4.16.6 Total Sales Trend of Bahir Dar Store/Branch/Shop/**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we can observe from the above figure, Bahir dar cash and carry store which was started its operations in March, 2015; sales has been increasing from time to time by increasing rate and if it continues as such, it would have a good contributions towards ALLE total sales in the market. So, from this, it is possible to infer that Bahir dar store is in a good position on sales as of Shashemene and Hawassa also has its own contributions to ALLE’s market share.

**Figure 4.4.16.7 Total Sales Trend of Dessie Store/Branch/Shop/**



**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

As we can observe from the above figure, Dessie cash and carry store which was started its operations in January, 2016; sales has been increasing from time to time by increasing rate and if it continues as such, it would have a good contributions towards ALLE total sales and market shares also. So, from this, it is possible to infer that Dessie store is in a good position on sales as of Shashemene, Hawassa and Bahir Dar also that may create an impact in the future.

#### 4.4.17 ALLE BEJIMLA’s Customers Satisfaction Level

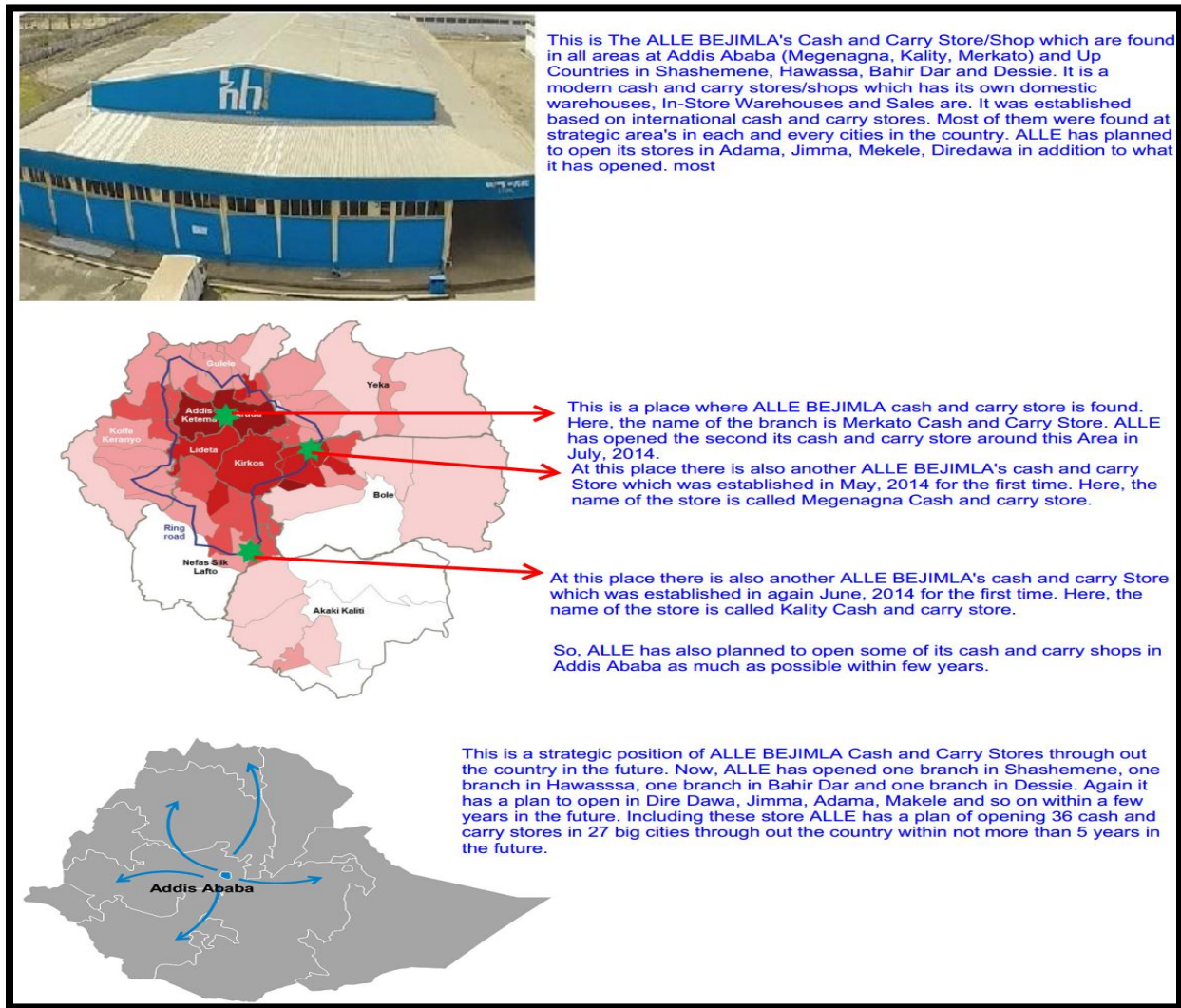
##### 4.4.17.1 ALLE BEJIMLA’s Customers Satisfaction Level

Research Participant Category	Degree of Respondents towards the Statement				
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ALLE BEJIMLA's Suppliers	15%	15%	23%	39%	8%
ALLE BEJIMLA's Customers	32%	3%	0%	63%	2%
Total	31%	4%	1%	62%	2%

**Source:** Researcher Survey, 2016

As we have observed from the above table, majority of customers (65%) and of suppliers (47%), totally 64% of respondents are not satisfied with ALLE by justifying their own reasons. Accordingly, customers (retailers) said that there were not positive response with immediate feedback, no product assortment and while they arrive at store there were no good cooperative and the like while ALLE suppliers blame them on payment settlement. But, 35% of customers and 30% of suppliers, totally 35% of them are satisfied with ALLE.

#### 4.4.18 Comfort-ability of ALLE BEJIMLA Stores in Ethiopia



**Source:** Researcher from ALLE BEJIMLA Profiles, 2016

As shown in the above figure, it is known that as ALLE BEJIMLA has a good position in having strategic locations compared to its competitors. Having such kinds of locations makes ALLE to have advantages of attracting customers than its competitors while compared with them.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents summary of findings, conclusions and recommendations based on the finding of the research.

### **5.2 Summary of the Study**

The study found that the effect of Ethiopian modern cash and carry business Model (ALLE BEJIMLA) on foods and FMCG market in Ethiopia. So, as of the finding all of ALLE competitors (100%), majority of ALLE suppliers (54%), majority of ALLE employees (58%) and totally 39% of respondents were agreed as ALLE has disadvantages for its competitors while majority of customers (55%) and majority of end users (48%), totally 50% of them were not accepted this. Besides, majority of ALLE competitors (80%), majority of ALLE customers (48%), majority of ALLE employees (45%) and lesser of ALLE suppliers (38%), totally 40% of respondents were disagreed as ALLE has advantages for its competitors while majority of majority of suppliers (39%), few of competitors (20%), lesser of customers (39%) and smaller of ALLE employees (42%), totally 41% of them were accepted this. Moreover, majority of ALLE suppliers (69%), majority of ALLE employees (48%), lesser of customers (42%), few of competitors (20%) and few of end users (25%), totally 39% of respondents were agreed as ALLE has significant contributions in reducing price of food and FMCG while majority of competitors (80%), majority of customers (55%), majority of consumers (71%), lesser of suppliers (16%) and smaller of employees (36%), totally largest number of respondents (57%) didn't agree with this statement. But, it created psychological impact on price reduction. Furthermore, as of the finding, majority of ALLE suppliers (61%), majority of ALLE employees (68%), majority of customers (59%), few of competitors (20%) and few of end users (23%), totally 51% of respondents were agreed as ALLE has significant contributions on product (food and FMCG) availability in the market while smaller of suppliers (31%), majority of competitors (80%), majority of consumers (70%), smaller of customers (41%) and lesser of employees (32%), totally 47% of respondents were didn't agree with this statement. Again, majority of ALLE suppliers (46%), majority of ALLE employees (51%), large number of customers (78%), few of competitors (20%) and few of end users (10%), totally, the greatest number (57% ) of respondents are agreed as ALLE has significant contributions in benefiting end users/consumers/

in the market in Ethiopia while smaller of suppliers (39%), majority of competitors (80%), majority of consumers (77%), smaller of customers (18%) and smaller of employees (39%), totally 36% of respondents are didn't agree with this statement. Additionally, as of the finding majority of ALLE customers or retailers (65%) and majority of suppliers (47%), totally 64% of respondents are not satisfied with working with ALLE while smaller of ALLE customers or retailers (35%) and smaller of ALLE suppliers (30%), totally 35% of respondents are satisfied with working with ALLE. Besides, since ALLE has a little bit market share (3-4%) compared to others (its competitors) which have been doing in this sector by private or government companies, it doesn't have significant impact on this sector as of expected since this number is insignificant compared to Alsam, Petram, Ayfa, Belayne Kinde, and others which are the leading wholesale company with having 96-97% market shares in the country in general.

### **5.3 Conclusions**

With regard to the assessment of effect of ALLE BEJIMLA on food and FMCG market in Ethiopia, the study reveals that there are some controversial ideas which can be need furthers research since ALLE has insignificant contributions towards this sector. Meaning that majority of respondents were didn't believe that as ALLE BEJIMLA has a great contributions on food and FMCG price stability, end users benefit, total inflations reduction, product assortment, customers satisfactions and product availability in the market. But, as we have seen from the findings, it has a little bit contributions on food and FMCG price stability, inflation reduction and product availability. Besides, it is known that as it has somewhat negative and positive impact on foods and FMCG wholesale suppliers /its competitors/ since they are similar industries and has a little bit effect on food and FMCG market share in Ethiopia since currently it has 3-4% market share in the market on the sector and will reach 25-30% after it establishes its additional 29 stores in 27 cities throughout the country within a short period of time as of its plan. But, currently it has 7 stores with 3-4% market share. The largest market shares were rested to Alsam, Petram, Belayneh Kind and Ayfa, Guna, Ambasel, Mullege, Ambasel, Get-As, East African business Groups etc. Moreover, ALLE has a little bit significant effect on Food and FMCG availability (supply) in markets in Ethiopia since it has more than 750 retail items even though currently it has not more than 350 active retail items in its shops and also there is no any competitors which has such kind of retail items at hand in its stores. In other words, ALLE's Total Sales within two years is that 873,539,014.64. Even, according to this finding, ALLE

didn't satisfy its customers since majority of them were dissatisfied on service provision, product assortment, customers handling and their demand since ALLE didn't have broad product assortment and highly demand products in its store. Some of suppliers are also Sims like its customers, they were dissatisfied especially with payment settlement since ALLE has been buying all products in credit and would not pay to suppliers immediately and sometimes it will take a month to settle payment. As of End users' response, they were also not satisfied with ALLE BEJIMLA since they didn't see any change in the market and they believe that they do not benefited from ALLE and didn't satisfied. Therefore, ALLE should have to do more than this as it expected from it.

## **5.4 Recommendations**

### **5.4.1 Concerning Support from Government**

Since the government has once established and announced Alle Bejimla as a unique cash and carry wholesale business model, it should have to critically support in terms of financially and guidance, unless and otherwise it should have to be privately owned since it doesn't bring a great contributions as much as possible as of expected from it. So, if it doesn't get any support from government in a good manner, it should have to be given to privately sectors and the government should have to either have half of share or control it

### **5.4.2 Concerning Product Assortment**

Alle Bejimla should have to have variety of product assortments or product varieties than what it has today. Because, even though Alle Bejimla has announced as it has more than 750 retail items in its store, the active retail items are not more than 300 items (meaning that more than 50% of its retail items are inactive). Even, if Alle continued with shortage of product assortment, it will lose many customers in the future and might be out of the market as of Merchandize wholesale import Trading (Jini'ad) while best private competitors would emerge on these sector in the future since world is a full of competition.

### **5.4.3 Concerning Credit Purchase**

Currently Alle Bejimla has been buying any products in a credit purchase manner which is not preferable for suppliers. Even, suppliers were give priority to those wholesale companies which buy in cash purchase. So, to have enough supplies with quality products, ALLE should have to start cash purchase. If it is impossible to do as such, it should have to speed up

payment settlement for suppliers without immersing them in to stress since they are the one who decide the existences of ALLE.

#### **5.4.4 Concerning Retail Shopping**

As of ato Nuredin, General Manager of ALLE, there were 800, 000 retailers in Ethiopia and 23,000 retailers in Addis Ababa. So, starting such kind of retailers may make disappearing of these retailers in the country. So, Alle Bejimla should not start also retail shopping even though more of end users were not benefited from it as much as possible. Because, if it starts retail shopping, it may create product shortages in the market since Ethiopia was not in a good position on manufacturing rather than importing majority of products. Therefore, it may dissolve many retailers in the market which may also lead the country in to unemployment.

#### **5.4.5 Concerning Necessity of Foreign Sectors**

Concerning its necessity by foreign sectors, I support as a government should have to invite in to Ethiopia some few internationally recognized cash and carry wholesale business models not retail business types under the tight government control as per of agreement since such kind of business sectors are very few in the country and most of local private sectors didn't participated on this and as a result few wholesale companies not more than 10 are leading the country. So, to bring consumers with options in the market and influence suppliers/its competitors/ in doing as of Alle Bejimla, government should have to invite some of wholesalers on such sector in Ethiopia by doing cost benefit analysis. So, these few suppliers couldn't fit the total populations of Ethiopia which are account to 94,000,000 throughout the country. Therefore, even though there is no support from research participants, I need to recommend that the government should have to invite some wholesalers to stabilize the market throughout the country.

#### **5.4.6 Concerning ALLE suppliers and its customers relation:**

Even though ALLE currently has more than 76 local and 35 foreign suppliers, they are not enough for ALLE to have variety of products and few of local suppliers also didn't have enough products that fit with ALLE's need including customers demand. Even few of suppliers were dropped their contracts with ALLE due to different reasons. So, ALLE should have search locally or internationally suppliers more than these and should have to have strong suppliers with strong relations. To such kind, it should have satisfied them as its

competitors. Even, currently ALLE do not have loyal suppliers rather than business suppliers (or money oriented suppliers) which is a great danger for ALLE's survival in the future.

#### **5.4.7 Concerning Competitors Attitude towards ALLE**

As I observe from competitors there were negative attitude towards the establishment of ALL by them. Even, it was negatively publicized in front any wholesale private companies in Ethiopia since it was established by government. So, the government should have to clear its idea, aim, mission or vision to them to do with them. It is normal, as any competitors blame each other in business, but for ALLE they were not happy even though currently ALLE has less than 5% market shares in the market on this sector. But in the future, it may with 20-25% market share. So, creating awareness on its aim is good opportunity for ALLE.

#### **5.4.8 Concerning Store Opening**

ALLE has been very late to open its 36 stores as of its plan. Even as of its plan in 2018, ALLE would be open 36 stores in 27 cities throughout the country. Still it opened only 7 stores which make it late to do its responsibility. The reasons why it was late to open these stores are lack capital, lack of strong support from government, lack of strong cooperation's from concerned organs and so on. So, it should have to speed up as much as possible.

#### **5.4.9 Concerning Fulfilling its Customers Demand**

ALLE should have to fulfill its customers as much as possible, unless and otherwise it may lose many customers in the future since it lacks product assortment, quality of service with immediate feedback and also its customers are a member of other suppliers. So, if they are dissatisfied with ALLE, they can shift from ALLE to its competitors. Again, ALLE has been doing surveillance/supervision/ on its MRP gave to its customers while competitors gave to them relaxation which may considered as good opportunity for them since there were product shortages in Ethiopia which may make them free to charge high price. So, ALLE should have to more this to satisfy its customers as much as possible.

### **5.5 Suggestions For Further Studies**

Since this study explored the effect of Ethiopian cash and carry wholesale enterprise of food and FMCG market in Ethiopia, the study recommends that a similar study should be done on this company whether ALLE has or hasn't significant contributions on price, supply, competitors, customer satisfactions, end users benefit, and so on for comparison purposes and to allow for generalization of findings.



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## Appendices

**Appendix A: Table 4.4.6.1 Price comparison of Some Basic Products Before and After ALLE Establishment**

Product Types	Origin of Country	Unit of Measurement	Average Wholesale price 2009-2010	Average Retail Price 2009-2010	Average Wholesale price 2011-2012	Average Retail Price 2011-2012	Average Wholesale price 2013-2014	Average Retail Price 2013-2014	Average Wholesale price 2015	Average Retail price 2015
Wheat Flour	Ethiopia	1kg	8	10	12	13	14	17	16	18
Sunflower Oil	Turkey	1L	30	35	34	40	42	50	62	65
Lentils	Ethiopia	1kg	18	23	21	25	26.5	31	32	33
Black Lion Tea	Ethiopia	80gm	4.5	7	5.5	7.5	7.5	9	8	10
Salt	Ethiopia	1kg	2	2.5	3	4	3.0	4.5	4	5
Berbere	Ethiopia	1kg	32	36	40	45	58	62	70	78
Shiro	Ethiopia	1kg	28	32	32	38	33	45	55	61
Aja	Ethiopia	1kg	22	26	27	31	32	35	34	37
Shimbera	Ethiopia	1kg	15	18	21	26	30	33	35	36
Beso	Ethiopia	1kg	14	17	20	24	28	32	29	33
Abesh	Ethiopia	1kg	31	35	38	42	50	55	54	57
Bula	Ethiopia	1kg	36.5	41	43	48	56.4	60	58	62
Erd	Ethiopia	1kg	14	17	18	22	32	36	32	36
Bakela (Beans)	Ethiopia	1kg	8	10	15	25	30	34	31	35
Genfo Duket	Ethiopia	1kg	16	19	22	27	35	38	35	38
Cookies	Ethiopia	1kg	26	31	34	40	46	50	47	51
Dabo kolo	Ethiopia	1kg	15	20	25	28	32	35	33	35.5
Senafich	Ethiopia	1kg	25	28	32	38	48.6	52.5	49	53.5
Kolo	Ethiopia	1kg	30	35	36	40.5	50.25	54.3	52	56
Kocho	Ethiopia	1kg	34	38	42.5	48.5	62	65.5	62	66
Telba	Ethiopia	1kg	41	44	46	52	68.2	70.5	70	73.5
Tekur Kemem	Ethiopia	50gm	9	12	14	18	19.4	21.5	22	25.5
Mekelesha	Ethiopia	50gm	18	21	24	27	29	32	30	33
Korerima	Ethiopia	50gm	13	15	18	22	26.4	31	34	37
Kundo Berebere	Ethiopia	50gm	12	14	18	23	25	28	29	32
Refind table salt	Ethiopia	300gm	2.5	3.5	4.5	6	4.50	7	5	8
Cocacola	Ethiopia	300gm	3.5	5	4.5	7	4.5	10	5	10

Minda	Ethiopia	300gm	3.5	5	4.5	7	4.5	10	5	10
Fanta	Ethiopia	300gm	3.5	5	4.5	7	4.5	10	5	10
Rani mango	Saudi Arabia	1500ml	32	36	40	45	50	55	56	65
Purified Water	Ethiopia	500ml	3.5	5	4	6	4.5	8	5	8
Nido	New Zerland	400g	85	92	96	102	107	114	108	115
Nido 900G	Ethiopia	900gm	180	195	200	210	225	230	231	240
Maji Vegetable	Ethiopia	20gm	30	35	40	45	66.3	70	68	72
Ariel	Egypt	30gm	1.25	1.5	1.75	2	2.20	3	2.5	4
OMO	Kenya	30gm	1.25	1.75	2	2.5	3.00	4.5	4.5	5
Largo	Ethiopia	1000ml	15	17	22	25	28.00	30	30	32
Popular	Indonesia	110gm	6	8	7	10	9.10	12	10	12
Peacock	Yemen	200gm	5	6	6	7	7.00	8	7	8
Ajax	Ethiopia	100gm	0.5	1	1	2	2.00	3.5	2.5	4
Mamco	Ethiopia	48pieces	2	4	4	6	7.50	9	8	10
Shampoo	China	400ml	16	18	20	24	24.00	28	26	30
Shampoo	UAE	1000ml	32	36	38	45	51.00	55	54	57
glycerin	Ethiopia	300ml	17	19	23	27	32.00	36	34	37
Vaseline	Ethiopia	400ml	33	37	43	52	62.00	66	63	67
Deodorant	UAE	150ml	31	36	40	45	50.00	55	52	65
Make Up	India	50gm	28.5	30	32	34	29.00	36	40	42
Personal hygiene	Germany	Plastic	12.5	14.5	15	17.5	14.00	18	20	21.5
Toilet Soap	Egypt	80gm	1.5	1.75	2.85	3.5	3.65	4.5	4.5	5.5
Milk Powder-Adult	New-Zerland	400gm	80	86	91	96	105	110	113	116
Chewing Gum	Korea	Banana	0.25	0.5	0.35	0.75	0.65	0.68	0.68	1
Pasta	Turkey	500gm	8	10	13.3	14.5	16.50	17.5	16.5	17.5
Macaroni	Ethiopia	500gm	8	10	12	13	14.25	15	15.5	16.5
Canned Tuna	Thailand	185gm	18	22	19	25	28.00	33	33	35
Chocolate	UAE	28gm	2	2.5	3.12	3.75	3.75	4.25	4.5	5
Paper Sinarline	Ethiopia	32 pages	2	2.5	4	4.5	4.80	5	5	6

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

**Appendix B: Table 4.4.8.1 Top Products Available and Unavailable in ALLE Stores Still March, 2016**

Product Categories	Top Brands ALLE Assorted	Required But Not Assorted By ALLE	ALLE Coverage
Carbonated Soft Drinks	Cocacola, Pepsi	Royal Tonik	75%
Cereals	KOJJ, Cerealia, Nyala Wheat Flour	Besmati Rice, Teff, Kebron Ahwan Wheat Flour	50%
Edible Oil	Soya Oil, Sunflower Oil	Palm Oil, Oliva Oil, Viking Mojo, Hatun, Usa Ahmed Wollo, Orkide, Hagere, Hamaressa, Indalk	50%
Laundry	Ajax, Largo, Solar, Diva, Crown, Shemu, Rol	Gol, Zahra, Ariel, Popular, Peacock, B-29, Ostriche, Suru, Omo	50%
Pasta	Prima, Cereallia, Melda	Vera, JJ, Mewal Bona, Bez	50%
Milk Powder	Nido, Abay, Melody	-	100%
Pulses	Lentils Whole and Split, both in 1st and 2nd grade	Split Pea	75%
Hair Care	Zenith, Olivera, Vatika, Samra, Miracle, Amla, Gaea, Hoppy	Haire Jel, Johnson Baby Shampoo, Dove, Head and Sholders	50%
Skin Care	Florida, Solo, Lanosine, Hobby, Glo, Royal,	Solia, Johnson, Give, Life Buoy, Duru, Diana Medcuim, Nivea, Dove, Victorea	50%
Convenience Food	Supermi, Indomie, Almina, Reeve,	-	75%
Water	Ambo, Origion, Cheers	Aqua Addis, Yes, Eden, Abysinia, Dessie, Blue ans others	40%
Preserved Food	Merti, Avena, Loyal Dost, Vega Tuna, Golden Goodness,	Omar Tuna,...	40%
Home Clean	Shemu, Rotana, Ajax, Royal, Silk, Fab	popular, Ostriche, Peacock, B-29, Suru	50%
Personal Hygiene	Euro (Toilet Paper), Twins, Hobby	Always, Give, Comfort, Anna, Lady's, Flexy, Vim Kenya, Compact, Eve, Mamco	40%
Biscuits	Abu Walad, Hip-Hop, Ora, Knick Knack, Glucose	Brothers, Burbon Cream, Machiato, Apple, Chocolate, Finger, Wafers, Tea Time, Cappucino, Testies, Dream, Dashen, Cocktail	40%
Tea	Black Line, Chewaka, Goodmorning	Wesh Wesh, Addis, Groom tea, star, golden	45%
Baking Product	Yeast	Baking Powder, bread Improver, Rocket Yeast,	25%
Non-Carbonated Soft drink	Vinto,	Rani Juice, others	25%
Baby Food	Cerifam	Cerelac, Mathers Choice, Riri, Kukus	35%
Breakfast Cereals	Enrich	Quaker Oats, Kelloggs,	25%
Baby Care	-	Pampers, Canbebe, VIP	0%
Antiseptic	-	Dettol	0%
Infant Formula	-	Baby Luck, Liptomil, Humana, S-26	0%
Chewing Gum	-	Banana, Trident, Supermit,	0%
Tooth Paste	-	Crest, Colgate,	0%
Matches	-	Cesars,	0%

**Source:** Researcher Survey from ALLE BEJIMLA Profiles, 2016

Appendix C: Speech of ALLE BEJIMLA's General Manager on Bulletin



አዲስ አበባ ከመገናኛ አደባባይ ዝቅ ብሎ ወጪ ወራጁ በሚበዛበት የቀለበት መንገድ ላይ ባለፈው ግንቦት 2006 ዓ/ም ስራውን የጀመረው የአለ በጅምላ መደብር ወደ ሁለተኛ አመቱ የተሸጋገረው በቅርቡ ነው። የግንድ ማዕከሉ ሀገሪቱ በቅርቡ አህዱ ላላቸው የእጅ በእጅ ሽያጭ (cash & carry) ስርዓት ለመጀመሪያ ጊዜ የተገበረበት ነው። በህብረተሰቡ ዘንድ እጅግ ተፈላጊ በሆኑ አንድ መቶ አርባ ሰባት ምርቶች ስራውን ቢጀምርም ዛሬ የሚያቀርባቸው ሸቀጦች ከአምስት መቶ አስራ አምስት በላይ ደርሰዋል። አንደጅምላ ነጋዴ የምንፈልገው ከአምራቹ ብቻ እቃዎችን በመግዛት

የጅምላ ስንሰለቱ ሳይራዘም ለቸርቻሪው እና ለሸማቹ ለሚቀርበው አካል ቀጥታ ለማድረስ ደፍ ቀና እያለ ነው። አምራቾች በረጅም ጊዜ ስምምነት አስተማማኝ ጥራት ይዘው በቸርቻሪው በኩል በቀጥታ ወደ ሸማቹ በሚደርሰበት ሁኔታ ላይ እንሰራለን ይላሉ የኢትዮጵያ ግንድ ድርጅት ስራ አስኪያጅ አቶ ኑረዲን መሀመድ። በአለም አቀፍ ደረጃ በዘርፉ የተደረጉ ጥናቶች እንደሚያሳዩት በሃየኛው ክፍለ ዘመን አጋማሽ ላይ በጅምላ ግንድ ላይ ለታየው ከፍተኛ ለውጥ የእጅ በእጅ ሽያጭ ከፍተኛ አስተዋጽኦ አድርጓል። እ.ኤ.አ 1950ቹ ላይ መነሻውን በአሜሪካ አድርጎ ወደ ተቀረው





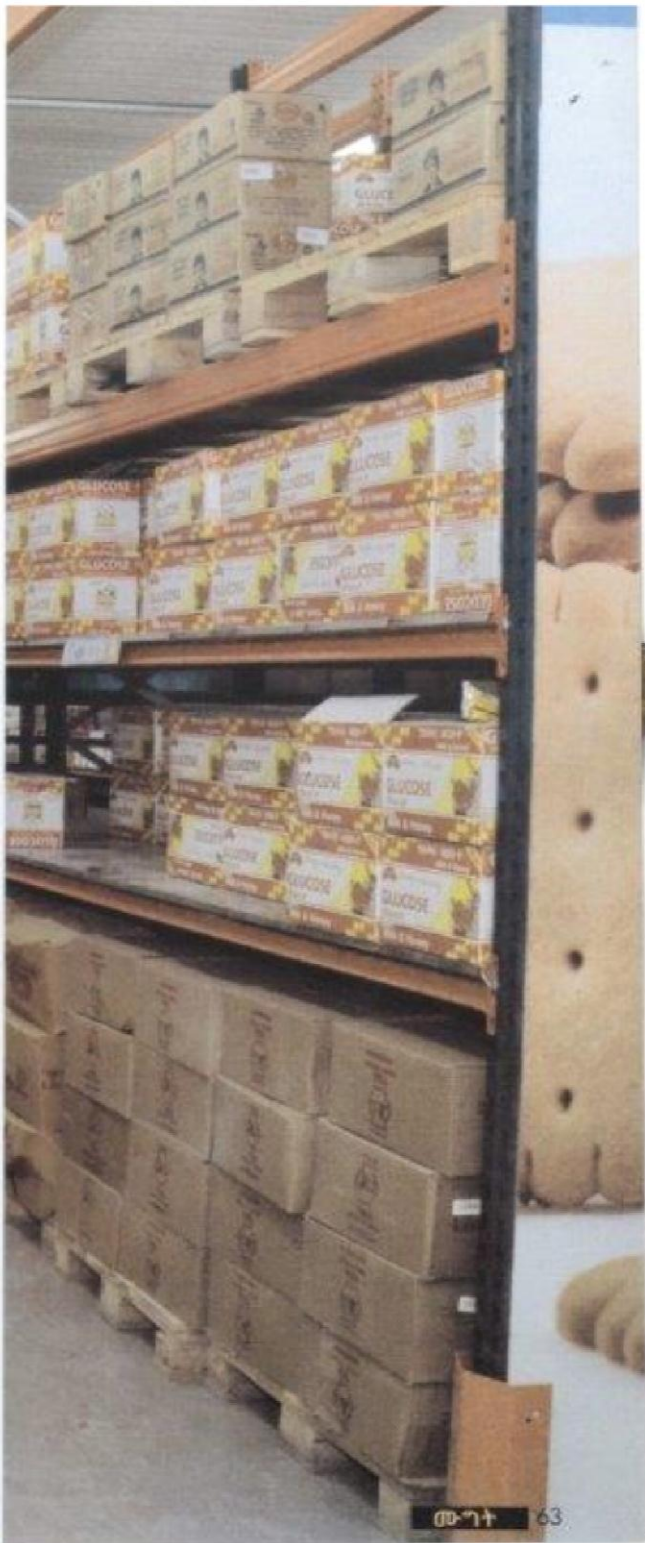
62 መግቢያ

አለም የተስፋፋው የንግድ ስርዓት ወደ እፍሪካ ሲመጣ ደግሞ በደቡብ እፍሪካ ማከሮ የተባለ ኩባንያ በፕሪቶሪያ የከፈተው መሸጫ ግንባር ቀደም ስፍራ ይይዛል። ዛሬ እንደሚተሮ፣ ወል ማርት እና ኬርቡር አይነት ያሉ ኩባንያዎች የእጅ በእጅ ሽያጭን በተለያዩ የአለም አካባቢዎች በመተግበር ሰማቸው ገኗል። ለአብነት እ.ኤ.አ በ1964 የተመሰረተው ሜትሮ በሃያ ሰባት ሀገራት የሚገኙ ሃያ አንድ ሚሊዮን ደንበኞች አሉት። አመታዊ ትርፍም በላሳ እንደ ሃጥብ ስድስት ቢሊዮን ዶላር ደርሷል። በመላው አውሮፓ፣ በኤሽያና በሰሜን እፍሪካ ሀገራት ሰባት መቶ ስድሳ አንድ መጋዘኖች ከፍተኛ። አጠቃላይ ስራተኞችም ከአንድ መቶ ሺህ በላይ ናቸው። እንደዚህ አይነት በእጅ ለእጅ ሽያጭ ስራ ልምድ ያላቸውን ኩባንያዎች ተሞክሮ በመውሰድ አገልግሎቱን በኢትዮጵያ ለመጀመር ሃሳቡ የመገኘው በቀድሞው ጠቅላይ ሚኒስትር እቶ መለስ ዜናዊ ነበር። ከሀገሪቱ ተጨባጭ ሁኔታ አንጻር አማራጭ ሊሆን የሚችል የጅምላ ንግድ ማዕከል ለማዳዳም የተደረገው እንቅስቃሴም ሚያዝያ 2005 ላይ ወደ ተግባር ተሸጋገረ። የኢትዮጵያ ንግድ ድርጅት ተመሰረተ። ዋነኛ አላማው የሸቀጦች ፍላጎት አቅርቦት በገበያ ህግጋት እንዲመራ ማድረግ፣ የምርቶች ዋጋ እንዲደንር መከላከል፣ ዘመናዊ የንግድ ስርዓትን ማስተዋወቅና ከአምራቹ እስከ ሽማግሌ ያለውን ስንሰለት ማጠናከር ናቸው። ከተለያዩ ሀገራት ልምድ ማየት የሚቻለው የእጅ በእጅ ሽያጭ ሲተገበር ስቸርቻሮ አይነት መልክ ነው። ይህን ሁኔታ በኢትዮጵያ ተግባራዊ ይደረግ ቢባል እስከ 800 ሺ ይደርሳሉ ተብለው የሚገመቱ ቸርቻሮዎችን ማጥፋት እንደሚለኩ ነው። በሌላ አባባል በጊዜ ሂደት እያደገ ለመጣ የሚችለውን ባለሀብት ማቀጨጭ ይሆናል። በመሆኑም በተቀረው አለም እንደሚታየው የጅምላ ነጋዴውንም ሆነ ቸርቻሮውን በመያዝ በተወሰነ የንግድ ስያሜ ትርፍን መሰብሰብ (franchise) ማድረግ ተመራጭ አይደለም። ከዚህ ይልቅ አለ በጅምላ እንደ አማራጭ የጅምላ የንግድ ማዕከል በመሆን ቸርቻሮው ስነ ምግባራዊ

ሆኖ፣ የትርፍ ህዳገን ወሰኖ በገበያ እየተመራ የሚቀጥልበትን ስርዓት ማገልበት ኑልፍ ራዕይ ነው።

ከዚህም አንጻር በኢትዮጵያ ተግባራዊ የእቅድ በእጅ ሽያጭ ቢያንስ ሶስት መስሪታዊ ባህርያት ያሉት የንግድ ስርዓት ነው። ወዲያውኑ ገንዘብ ከፍሎ እቃውን መውሰድ፣ በአንድ ጣሪያ ስር ብዙ ሸቀጦችን በማግኘት ለደንበኞች እስተማማኝ እቅርቦት እንዲኖር ማድረግ እንዲሁም ቸርቻራው በንግድ ማዕከሉ ግቢ ውስጥ ከገባ ጀምሮ ሳይገባላቸው በሰራተኞች ድጋፍ ተደርገላት ሸቀጡ እስከ መኪናው ድረስ መቀረቡ። የኢትዮጵያ ንግድ ድርጅት፣ ስራ አስኪያጁ እቶ ኑረዲን እንደሚሉት ቸርቻራው በአያንዳንዱ መጋዘን እየሄደ ምርቶችን ከመምረጥ ይልቅ በአንድ ጥላ ስር በሶስት ኪሎ ሜትር ራዲየስ ውስጥ እንዲያገኝ የሚያስችል አስራር ተግባራዊ እየተደረገ ነው። በአስከፊነት እንቅስቃሴም በአዲስ አበባ ሶስት እንዲሁም በከልሎች ደግሞ በሻሻላማ ህዋሳ እና ባህር ዳር የመሸጫ ስቆች ተከፍተው አገልግሎት እየሰጡ ይገኛሉ። የሰድስተኛው ስቆች የአለት ሽያጭ ከአንድ ሚሊዩን ብር በላይ ሆኗል። በአዲስ አበባ ስራቸውን የጀመሩት መጋዘኖች በሶሌ ቂርቆስ እና የካ ክፍለ ከተማ አማካኝ ቦታዎች ላይ የሚገኙ ናቸው።

በአዲስ አበባ ወደ ሃያ ሶስት ሺህ ይጠጋሉ ተብለው ከሚታሰቡት ቸርቻራዎች ቢያንስ ሁለት ሶስተኛው የአለ ጀምላ ደንበኛ ለማድረግ ድርጅቱ ተግባራዊ እየሰራ ነው። እስካሁንም ከአራት ሺህ በላይ ቸርቻራዎች ከአለ በጀምላ ጋር ለመሰራት ተመክግበዋል። እነዚህ ቸርቻራዎችም ሸቀጦችን በህብረተሰቡ የሚሸጡበትን ዝቅተኛ ዋጋ ከመተመን ባለፈ በዚህ የሽያጭ ስርዓት ለንገተኛ የሚችሉትን የሸማቾች ማህበራትና የመንግስት ተቋማት በማድረጃት ህብረተሰቡ በቀጥታ ግንኙነት የሚመሰረቱበትን አማራጭ እየታየ ነው። አንድ መርካቶን ብዙ መርካቶ ማድረግ ነው አለማችን ይላሉ እቶ ኑረዲን። የኢትዮጵያ ንግድ ድርጅት (አለ በጀምላ) የሚያቀርባቸው ምርቶች በሰባት ተቀራራቢ ምድቦች የሚከፈሉ



ውግት 63





ናቸው። ሸቀጣሸቀጦች ምርቶች (commodities)፣ መጠጦች የቀርሰ ምግቦች፣ የጎድህና እቃዎች፣ የጽህፈት መሳሪያዎች፣ የቤት ውስጥ እቃዎች እና የግል ገፅህና መስጫ በሚሉ። ከሌሎች ሀገራት ልምድ በመነሳት ሲታይ እነዚህን እቃዎች በብዛት ሲገዙ የመሸጫ ዋጋ ይቀነሳል። እቅርቦትም እስተማማኝ ነው። እንዲሁም የምርቶችን ጥረት ለመከታተል የሚቻልበትን እድል ይከፍታል። በጅምላ ንግድ የሚገባ ውል (ኮንተር) መሠረት ጥራት ነው። እንደ እቶ ኑረዲን አባባል በአንዳንድ ሀገሮች እንደዚህ አይነት መደብሮች ከቅተኛ ዋጋ የሚሸጥባቸው ይሏቸዋል። በአትዮጵያ ግን ከከቅተኛ ዋጋ በላይ በህብረተሰቡ የሚፈለጉ ሸቀጦች በአንድ ቦታ ተሰብስበው እንዲገኙ ማድረግ ነው። ከዚህ ስኬቶቹ ንጉሳን የውጭ ምንዛሪ እና የበጀት አጥረት፣ የሰው ኃይል አለመሟላት እንዲሁም ከጅንኦት የሚተላለፉ ሱቆች በተገቢው ጊዜ አለማለቁ ዋና ችግሮች ሆነዋል።

በአዲስ አበባ መገናኛ አካባቢ በተጀመረው የእጅ በእጅ

ሽያጭ አገልግሎትን እንደ ያለው አለ በጅምላ በአዲስ አበባ በደቡ ፣ በጅማ ፣ አዳማ ፣ ገንደር ፣ መቀለና ፣ ድራዳዋ ከተሞች ሱቆችን ለመክፈት አቅዷል። ከዚህ ጎን ለጎንም በተወሰነ ምርቶች ላይ ማድላት፣ ከፍተኛ ትርፍ የሚያስገኙ ሸቀጦችን መፈለግ እንዲሁም እንደ ሰጋርና ዘይት ያሉ መሰረታዊ ሸቀጦች ላይ የሚታየውን ፍላጎት ጨምሮ በተለያዩ ሁኔታና ደረጃ ለሚሰተዋሉ የደንበኞችን አስተያየት ምላሽ ለመስጠት ጥረትን ቀጥሏል። የመጨረሻው ሀገባችን ይላሉ የአትዮጵያ ንግድ ድርጅት ስራ አስኪያጅ አቶ ኑረዲን ሰርዓቱን ባለሀብቱ በፈቃደኝነት ከኛ ሞዴል ወሰደ እየተገበረው ሲመጣ ለቆ መውጣት ነው። የአለ በጅምላ አይነት ሰላሳ መጋዘኖችና ሱቆች በተለያዩ ቦታ ቢጭጭ ትልቅ ለውጥ ማምጣት ይቻላል። እኛ የምንፈልገው አለ በጅምላ ልምድንና አውቀትን በነጻ እያካፈለ ባለሀብቱ እንዲገባበት ነው። በውድድር ላይ የተመሰረተ ገበያው ለሸማቸው ማህበረሰብ ጥቅም የቆመ የንግድ ስርዓት እንዲፈጠር ተግባርን እንሰራለን።



**Appendix D: Questionnaires (All of the Questionnaires)**

**ST. MARY’S UNIVERSITY  
SCHOOL OF POST GRADUATE STUDIES  
MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)  
QUESTIONNAIRE TO BE FILLED BY ALLE BEJIMLA EMPLOYEES**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic:** Assessment of Ethiopian Cash and Carry Wholesale Enterprise’s (ALLE BEJIMLA’s) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia

ALLE BEJIMLA: is a governmental owned cash and carry wholesale business model which supplies more than 700 items of Food and Fast Moving Consumer Goods in the market through retailers in Ethiopia

**Dear Respondents:**

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

**General Instructions for Respondents:**

- ✓ No need of writing your name, address and company name
- ✓ In all cases where an answer options are available please tick (✓) in the appropriate box
- ✓ Please try to describe honestly the fact as per the questions on the space provided
- ✓ Use the back of the sheet if the given space isn’t enough for open ended by specifying its number.
- ✓ Please do not fill this questionnaire if your work experience is < 1 year in **Alle Bejimla**.

**Part I: General Information about respondents**

No	Respondents Personal details		No	Respondents Personal details	
1	<b>Gender</b>	<b>Response</b>	4	<b>Marital status</b>	
	Male			Single	
	Female			Married	
2			5	Divorce	
	<b>Age</b>	<b>Response</b>		<b>Educational Status</b>	<b>Response</b>
	21-25 years			Reading and Writing	
	26-30 years			Elementary & Secondary (1-8 Grades)	
	31-35 years			High School (9-12 Grades)	
	36-40 years			College Diploma	
	41-45 years			Bachelor Degree	
46-50 years		Master’s Degree			
Above 50 years		PhD Degree & Above			
3	<b>Position</b>	<b>Response</b>	6	<b>Total Work Experience</b>	<b>Response</b>
	Specialist or Supervisor			1-3 years	
	Manager			4-6 years	
	Head			7-9 years	
	Director			10-12 years	
			13 Years and Above		

## Part II: Close Ended Questions

No	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The establishment of Alle Bejimla by Ethiopian government is good opportunity for all Ethiopians					
2	The establishment of Alle Bejimla by Ethiopian government has disadvantages on local private food and fast moving consumer goods wholesale companies in Ethiopia					
3	The establishment of Alle Bejimla by Ethiopian government has advantages impact on local private food and fast moving consumer goods wholesale companies in Ethiopia					
4	If Alle Bejimla starts retail business models by opening shops in addition to its wholesaling, it is better than what it has been doing now					
5	The establishment of Alle Bejimla has significant contribution in reducing price of food and fast moving consumer goods in the market in Ethiopia					
6	The establishment of Alle Bejimla has significant contribution in reducing inflation rate in Ethiopia					
7	The establishment of Alle Bejimla has significant contribution in increasing availability of food and fast moving consumer goods in the market in Ethiopia					
8	End users/consumers/who purchase products from Alle Bejimla retailers for their consumption are currently benefited from Alle Bejimla					
9	The establishment of Alle Bejimla by Ethiopian government stabilizes market of food and fast moving consumer goods in the country					
10	The establishment of Alle Bejimla by Ethiopian government creates competitive and market oriented business environment in the country					
11	Alle Bejimla has a broad assortment of products sourced from international and local suppliers which satisfy its customers					
12	Alle Bejimla provides products which are highly demanded by customers in the market in the country					
13	The establishment of Alle Bejimla brings consumers with options in the market and influence suppliers/its competitors/ to do as of Alle Bejimla					
14	Alle Bejimla cash and carry stores are located at comfortable place for customers than other wholesale companies/its competitors/					
15	Alle Bejimla provides quality products at competitive prices in the market in Ethiopia					
16	Alle Bejimla has controlling mechanisms on which it set Maximum Retail Price (MRP) to its retailers in the market					
17	Alle Bejimla applied varies methods of receiving payments (like check, bank transfers, CPO, etc.) from its customers while they purchase products from its stores/shops					
18	Alle Bejimla provides products with affordable /reasonable/ price in the market in Ethiopia					
19	Alle Bejimla always provides products in the market with low price than competitors					

20	Alle Bejimla has customers/suppliers complain handling mechanisms /procedures/					
21	Alle Bejimla has strong relationship with its local and foreign Suppliers					
22	Alle Bejimla’s customers (retailers) has been selling products with the agreed Maximum Retail Price (MRP) given to them by Alle Bejimla in the market					
23	Alle Bejimla follows enough promotion that satisfy its suppliers/customers					
24	Alle Bejimla employees fairly treat Alle Bejimla’s suppliers/customers					
25	Alle Bejimla follow up its customers/suppliers/ enquiry & handle accordingly					
26	Alle Bejimla fulfills its customers/suppliers/ needs in the market					
27	Alle Bejimla take its customers feedback as an input for its decision					
28	Alle Bejimla employees are well trained.					
29	Alle Bejimla employees are well supervised					
30	Alle Bejimla employee follows professional standards of conduct					

**Part III: Open Ended Questions that support closed ended questions**

- More cash and carry business models like ALLE BEJIMLA are needed in Ethiopia (Hint: You can chose more than 1 also)
  - By Ethiopian Government
  - By Ethiopian Private Sectors
  - By Foreign Government
  - By Foreign Private Sectors
  - Neutral /No comment

2. What are challenging factors for Alle Bejimla in achieving its mission, vision and objectives? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Are there any opportunities for Alle Bejimla in market due to it was established by the government? Yes  No  . If your answer is “yes” Please, State these opportunities?

\_\_\_\_\_

\_\_\_\_\_

4. Are (is) there any dissatisfied suppliers and cut their relationship with ALLE? Yes  No  If your answer is “yes” Please list these customers and why they dissatisfied? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. Are (is) there any dissatisfied customers and cut their relationship with ALLE? Yes  No  . If your answer is “yes” Please list these customers and why they dissatisfied? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. If you have any comments/recommendations please you can write here/on the back of this paper \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF POST GRADUATE STUDIES**  
**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**INTERVIEW QUESTIONS TO BE ANSWERED BY ALLE BEJIMLA EMPLOYEES**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic: Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**

**Part IV: Structured Interview Questions**

- 1) What is the rationale behind for the establishment of Alle Bejimla by the government
- 2) How do you evaluate the effectiveness of the enterprise from different point of view?
- 3) What are the major operational and strategic challenges and successes of the company?
- 4) What are the major potential risks of the company?
- 5) What makes Alle Bejimla different from previous initiatives government Merchandise Wholesale and Import Trade Enterprise?
- 6) Which countries best practices are taken as a bench mark and what are the best practices obtained from?
- 7) Is /Are/ there any such kind of business which is/are governmental owned in the world?
- 8) Did you face any foreign currency exchange problem to import food and FMCG from abroad?
- 9) How many customers do you have currently?
- 10) How about your sales? Is it increasing or decreasing?
- 11) Why Alle Bejimla's has stood not to sell its products to household end users/consumers as a retailer?
- 12) Do you think that as Alle Bejimla's Customers (Retailers) are selling product with set of MRP (Maximum Retail Price)?

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF POST GRADUATE STUDIES**  
**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**QUESTIONNAIRE TO BE FILLED BY ALLE BEJIMLA'S CUSTOMERS**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic: Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**

**ALLE BEJIMLA:** is a governmental owned cash and carry wholesale business model which supplies more than 700 items of Food and Fast Moving Consumer Goods in the market through retailers in Ethiopia

**Dear Respondents:**

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

**General Instructions for respondents**

- ✓ No need of writing your name, address and company name
- ✓ In all cases where an answer options are available please tick (✓) in the appropriate box.
- ✓ please try to describe honestly the fact as per the questions on the space provided
- ✓ Use the back of the sheet if a given space is not enough for open ended by specifying its number.
- ✓ Please do not fill this questionnaire if you are **less than 6 months** as a Customers of ALLE BEJIMLA
- ✓ Customer Type: \_\_\_\_\_; Year of Establishment: \_\_\_\_\_; Month: \_\_\_\_\_

**Part I: General Information about respondents**

No	Respondents Personal details		No	Respondents Personal details	
1	<b>Gender</b>	<b>Response</b>	4	<b>Marital status</b>	
	Male			Single	
	Female			Married	
		Divorce			
2	<b>Age</b>	<b>Response</b>	5	<b>Educational Status</b>	<b>Response</b>
	21-25 years			Reading and Writing	
	26-30 years			Elementary & Secondary (1-8 Grades)	
	31-35 years			High School (9-12 Grades)	
	36-40 years			College Diploma	
	41-45 years			Bachelor Degree	
	46-50 years			Master's Degree	
	Above 50 years			PhD Degree & Above	
3	<b>Position</b>	<b>Response</b>		6	<b>Work Experience</b>
	Expert		1-3 years		
	Owner		4-6 years		
	Manager/Head		7-9 years		
	Owner and Manager		10-12 years		
	Others _____		13 Years and Above		

**Part II: (A) Close Ended Questions**

No	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The establishment of Alle Bejimla by Ethiopian government is good opportunity for all Ethiopians					
2	The establishment of Alle Bejimla by Ethiopian government has disadvantages on local private Food and Fast Moving Consumer Goods wholesale Companies in the country					
3	The establishment of Alle Bejimla by Ethiopian government has advantages on local private Food and Fast Moving Consumer Goods wholesale companies in the country					
4	If Alle Bejimla starts retail business models by opening shops in addition to its wholesaling, it is better than what it has been doing now					
5	The establishment of Alle Bejimla has significant contribution in reducing price of Food and Fast Moving Consumer Goods in the market in Ethiopia					
6	The establishment of Alle Bejimla has significant contribution in reducing inflation rate in Ethiopia					
7	The establishment of Alle Bejimla has significant contribution in increasing Food and Fast Moving Consumer Goods availability in the market in Ethiopia					
8	End users/consumers/who purchase products from Alle Bejimla retailers like households, for their consumption are currently benefited from Alle Bejimla					
9	The establishment of Alle Bejimla by Ethiopian government stabilizes Food and Fast Moving Consumer Goods market in the country					
10	The establishment of Alle Bejimla by Ethiopian government creates competitive and market oriented business environment in the country					
11	Alle Bejimla has a broad assortment of products sourced from international and local suppliers which satisfy its customers					
12	Alle Bejimla provides highly demanded products by customers in the market					
13	The establishment of Alle Bejimla brings consumers with options in the market and influence suppliers in doing as of Alle Bejimla					
14	Alle Bejimla cash and carry stores are located at comfortable place for customers than other wholesale companies					
15	Alle Bejimla provides quality products at competitive prices in the market					
16	Alle Bejimla always provides products in the market with low price than competitors					
17	Alle Bejimla follows enough promotion that satisfy its customers					
18	Alle Bejimla employees fairly treat Alle's customers					
19	Alle Bejimla take its customers feedback as an input for its decision					

20	Alle Bejimla follow up its customers enquiry & handle accordingly					
21	Alle Bejimla has customers/suppliers complain handling mechanism					
22	Alle Bejimla customer complain handling ways are comfortable for its customers					
23	Alle Bejimla employees are well trained.					
24	Alle Bejimla employees are well supervised					
25	Alle Bejimla employee follows professional standards of conduct					
26	Alle Bejimla applied varies methods like check, bank transfers, CPO, etc. of receiving payments from its customers while they purchase products from its stores					
27	Overall, as a customer you are satisfied with Alle Bejimla					

**(B). Close Ended Questions (Additional)**

- More cash and carry business models like ALLE BEJIMLA are needed in Ethiopia (Hint: You can chose more than 1 also)
  - By Ethiopian Government
  - By Ethiopian Private Sectors
  - By Foreign Government
  - By Foreign Private Sectors
  - Neutral /No comment
- Are you a customer of any other wholesale company? Yes  No  If your answer is 'Yes' how do you compare ALLE BEJIMLA's with others?
  - In terms of Service Provision: Excellent  Very Good  Good  Neither Good Nor Bad  Bad
  - In terms of Product Assortment: Excellent  Very Good  Good  Neither Good Nor Bad  Bad
  - In terms of Customer Handling: Excellent  Very Good  Good  Neither Good Nor Bad  Bad
  - In terms of product Price: Excellent  Very Good  Good  Neither Good Nor Bad  Bad
  - In terms of product Availability: Excellent  Very Good  Good  Neither Good Nor Bad  Bad
  - In terms of Product Quality: Excellent  Very Good  Good  Neither Good Nor Bad  Bad
  - In Terms of Store/shop Location: Excellent  Very Good  Good  Neither Good Nor Bad  Bad

**Part III: Open Ended Questions that support closed ended questions**

3. Have you seen any products that are fewer prices than ALLE's price in market around your area? Yes  No . If your answer is "Yes" please list the product(s) and amount of price difference

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4. How often do you typically use the ALLE BEJIMLA's Product? Daily  weekly  once a Month  every 2-3 months  3 per year  s often  e a year

5. Are (Is) there anything(s) that ALLE should have to improve? Yes  No  If your answer is "yes" please describe/list them \_\_\_\_\_

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**ST. MARY'S UNIVERSITY**  
**SCHOOL OF POST GRADUATE STUDIES**  
**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**STRUCTURED INTERVIEW TO BE ANSWERED BY ALLE BEJIMLA'S CUSTOMERS**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic:** Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia

**Part IV: Structured Interview Questions**

- 1) Why you need to be a member of Alle Bejimla?
- 2) What makes ALLE different from previous initiatives government Merchandise Wholesale and Import Trade Enterprise for you?
- 3) What are your opportunities and challenges from Alle Bejimla?
- 4) Have you get enough products from Alle Bejimla?
- 5) Do you comfortable with MRP given to you by Alle Bejimla?



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**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**QUESTIONNAIRE TO BE FILLED BY ALLE BEJIMLA's COMPETITORS**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic: Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**

**ALLE BEJIMLA:** is a governmental owned cash and carry wholesale business model which supplies more than 700 items of Food and Fast Moving Consumer Goods in the market through retailers in Ethiopia

**Dear Respondents:**

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

**General Instructions for respondents:**

- ✓ No need of writing your name, address and company name
- ✓ In all cases where an answer options are available please tick (✓) in the appropriate box.
- ✓ Please try to describe honestly the fact as per the questions on the space provided
- ✓ Use the back of the sheet if the given space isn't enough for open ended by specifying its number.
- ✓ Please do not fill this questionnaire if your work experience is < 1 year in this company.

**Part I: General Information about respondents**

No	Respondents Personal details		No	Respondents Personal details response	
1	<b>Gender</b>	<b>Response</b>	4	<b>Marital status</b>	
	Male			Single	
	Female			Married	
		Divorce			
2	<b>Age</b>	<b>Response</b>	5	<b>Educational Status</b>	
	21-25 years			Reading and Writing (No Grades)	<b>Response</b>
	26-30 years			Elementary & Secondary (1-8 Grades)	
	31-35 years			High School (9-12 Grades)	
	36-40 years			College Diploma	
	41-45 years			Bachelor Degree	
	46-50 years			Master's Degree	
	Above 50 years			PhD Degree & Above	
3	<b>Position</b>	<b>Response</b>		6	<b>Total Work Experience</b>
	Expert		1-3 years		
	Owner		4-6 years		
	Manager/Head		7-9 years		
	Owner and Manager		10-12 years		
	Others _____		13 Years and Above		

**Part II: Close Ended Questions**

No	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The establishment of Alle Bejimla by Ethiopian government is good opportunity for all Ethiopians					
2	The establishment of Alle Bejimla by Ethiopian government has disadvantages on local private Food and Fast Moving Consumer Goods wholesale Companies in the country					
3	The establishment of Alle Bejimla by Ethiopian government has advantages on local private Food and Fast Moving Consumer Goods wholesale companies in the country					
4	If Alle Bejimla starts retail business models by opening shops in addition to wholesaling, it is better than what it has been doing now					
5	The establishment of Alle Bejimla has significant contributions in reducing price of food and fast moving consumer goods in the market in Ethiopia					
6	The establishment of Alle Bejimla has significant contributions in reducing inflation rate in Ethiopia					
7	The establishment of Alle Bejimla has significant contributions in increasing availability of food and fast moving consumer goods in the market in Ethiopia					
8	You think that end users/consumers/who purchase products from Alle Bejimla retailers/like households, for their consumption are currently benefited from Alle Bejimla than before existences of ALLE					
9	The establishment of Alle Bejimla by Ethiopian government stabilizes market of food and fast moving consumer goods in the country					
10	The establishment of Alle Bejimla by Ethiopian government creates competitive and market oriented business environment in the country					
11	Alle Bejimla has a broad assortment of products sourced from international and local suppliers					
12	Alle Bejimla provides products which are highly demanded by customers in the market					
13	The establishment of Alle Bejimla brings consumers with options in the market and influence suppliers in doing as of Alle Bejimla					
14	Alle Bejimla cash and carry stores are located at comfortable place for customers than other wholesale companies					
15	Alle Bejimla provides quality products at competitive prices in the market in Ethiopia					
16	The establishment of Alle Bejimla by Ethiopian government declines your company's market share					
17	The establishment of Alle Bejimla by Ethiopian government declines your company's customers					

18	The establishment of Alle Bejimla by Ethiopian government declines your company's suppliers					
19	The establishment of Alle Bejimla by Ethiopian government declines your company's sales					
20	The establishment of Alle Bejimla by Ethiopian government declines your company's return/profit					

**Part III: Open Ended Questions that support closed ended questions**

6. More cash and carry business models like ALLE BEJIMLA are needed in Ethiopia (Hint: You can chose more than 1 also)

- C) By Ethiopian Government    B) By Ethiopian Private Sectors    C)By Foreign Government  
 E) By Foreign Private Sectors    E) Neutral /No comment

7. How did you see the establishment of Alle Bejimla as a cash and carry business model in Ethiopia by the government in general? \_\_\_\_\_

8. Does your business market share decline due to Alle Bejimla's establishment?

Yes  No  .If your answer is 'Yes' how much market shares have you lost still? \_\_\_\_\_

9. Did your business suppliers decline as a result of Alle Bejimla establishment?

Yes  No  . If your answer is 'Yes', how many suppliers have you lost still? \_\_\_\_\_

10. Does your sales' decline as a result of Alle Bejimla establishment?

Yes  No  If your answer is 'Yes,' how many sales you lost per annum? \_\_\_\_\_

11. Does your profit decline as a result of Alle Bejimla establishment?

Yes  No  . If your answer is 'Yes' how much profit have you lost per annum? \_\_\_\_\_

12. Did your customers decline as a result of Alle Bejimla establishment?

Yes  No  If your answer is 'Yes', how many customers have you lost still? \_\_\_\_\_

13. Are there any challenges encountered by your business as a result of Alle Bejimla's Establishment?

Yes  No  If your answer is 'Yes' please mention them \_\_\_\_\_

14. Are there any opportunities for your business as a result of Alle Bejimla's establishment?

15. Do you have any additional comments? \_\_\_\_\_

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**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**INTERVIEW QUESTIONS TO BE ANSWERED BY ALLE BEJIMLA'S COMPETITORS**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic: Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**

**ALLE BEJIMLA:** is a governmental owned cash and carry wholesale business model which supplies more than 700 items of Food and Fast Moving Consumer Goods in the market through retailers in Ethiopia

**Part IV: Structured Interview Questions**

1. Does your company provide service to its customers on Sunday and holiday full time?
2. Did you face any foreign currency exchange problem to import food and FMCG from abroad?
3. How many customers do you have currently?
4. How about your sales? Is it increasing or decreasing?
5. Do you support the establishment of Alle Bejimla by Ethiopian government?
6. Do you get any benefit from the establishment of Alle Bejimla?
7. Do you face any problems as a result of establishment of Alle Bejimla?
8. Do you support if Ethiopian government would allow foreign Food and Fast Moving Consumer Goods Wholesale Company to enter and do in Ethiopia?
9. What do you suggest on the overall ALLE's Establishment?
10. Do you have any comments in general?

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF POST GRADUATE STUDIES**  
**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**QUESTIONNAIRE TO BE FILLED BY ALLE BEJIMLA'S SUPPLIERS**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic:** Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia

**Alle Bejimla:** is a governmental owned cash and carry wholesale business model which supplies more than 700 items of Food and Fast Moving Consumer Goods in the market through retailers in Ethiopia

**Dear Respondents:**

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**General Instructions for respondents**

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- ✓ In all cases where an answer options are available please tick (✓) in the appropriate box.
- ✓ please try to describe honestly the fact as per the questions on the space provided
- ✓ Use the back of the sheet if a given space is not enough for open ended by specifying its number.
- ✓ Please do not fill this questionnaire if you are **less than 6 months as Suppliers of Alle Bejimla**
- ✓ Supplier type \_\_\_\_\_

**Part I: General Information about respondents**

No	Respondents Personal details		No	Respondents Personal details	
1	<b>Gender</b>	<b>Response</b>	4	<b>Marital status</b>	
	Male			Single	
	Female			Married	
2	<b>Age</b>	<b>Response</b>	5	<b>Educational Status</b>	<b>Response</b>
	21-25 years			Reading and Writing (No Grades)	
	26-30 years			Elementary & Secondary (1-8 Grades)	
	31-35 years			High School (9-12 Grades)	
	36-40 years			College Diploma	
	41-45 years			Bachelor Degree	
	46-50 years			Master's Degree	
Above 50 years		PhD Degree & Above			
3	<b>Position</b>	<b>Response</b>	6	<b>Work Experience</b>	<b>Response</b>
	Expert			1-3 years	
	Owner			4-6 years	
	Manager /Head			7-9 years	
	Owner and Manager			10-12 years	
Others _____		13 Years and Above			

## Part II: Close Ended Questions

No	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The establishment of Alle Bejimla by Ethiopian government is good opportunity for all Ethiopians					
2	The establishment of Alle Bejimla by Ethiopian government has disadvantages on local private food and fast moving consumer goods wholesale Companies in the country					
3	The establishment of Alle Bejimla by Ethiopian government has advantages on local private food and fast moving consumer goods wholesale companies in the country					
4	If Alle Bejimla starts retail business models by opening shops in addition to wholesaling, it is better than what it has been doing now					
5	The establishment of Alle Bejimla has significant contribution in reducing price of food and fast moving consumer goods in the market in Ethiopia					
6	The establishment of Alle Bejimla has significant contribution in reducing inflation rate in Ethiopia					
7	The establishment of Alle Bejimla has significant contribution in increasing availability of food and fast moving consumer goods in the market in Ethiopia					
8	End users/consumers who purchase products from Alle Bejimla retailers for their consumption/ are currently benefited from Alle Bejimla					
9	The establishment of Alle Bejimla by Ethiopian government stabilizes market of food and fast moving consumer goods in the country					
10	The establishment of Alle Bejimla by Ethiopian government creates competitive and market oriented business environment in the country					
11	ALLE BEJIMLA has a broad assortment of products sourced from international and local suppliers					
12	Alle Bejimla provides products which are highly demanded by customers in the market					
13	The establishment of Alle Bejimla brings consumers with options in the market and influence suppliers/its competitors/ in doing as of Alle Bejimla					
14	Alle Bejimla cash and carry stores are located at comfortable place for customers than other wholesale companies					
15	Alle Bejimla provides quality products at competitive prices in the market in Ethiopia					
16	Alle Bejimla Suppliers are satisfied with Alle's service provision					
17	Alle Bejimla has strong relationship with its Suppliers					
18	Alle Bejimla has suppliers complain handling procedures					

19	Alle Bejimla suppliers complain handling methods are comfortable for suppliers					
20	Alle Bejimla follows enough promotion that satisfy its suppliers					
21	Alle Bejimla employees are fairly treat Alle's suppliers					
22	Alle Bejimla follow up its suppliers enquiry & handle accordingly					
23	Alle Bejimla fulfills its suppliers needs					
24	Alle Bejimla take its suppliers feedback as an input for its decision					
25	Alle Bejimla Suppliers are satisfied with Alle's Payment Settlement					
26	Alle Bejimla employees are well trained.					
27	Alle Bejimla employees are well supervised					
28	Alle Bejimla employees follows professional standards of conduct					

**Part III: Open ended questions that support closed ended questions**

7. More cash and carry business models like ALLE BEJIMLA are needed in Ethiopia (Hint: You can chose more than 1 also)
- D) By Ethiopian Government    B) By Ethiopian Private Sectors    C)By Foreign Government  
D) By Foreign Private Sectors    E) Neutral /No comment

8. Have you got any requirements that you expected from Alle Bejimla?  
Yes  No  If your answer is "NO" Please describe your reason:

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9. Do you believe that end users are benefited from Alle Bejimla than other wholesalers?  
Yes  No . If your answer is "NO" Please describe your reason:

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10. How did you see Alle Bejimla compared to other similar wholesale companies?

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**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**INTERVIEW QUESTIONS TO BE ANSWERED BY ALLE BEJIMLA SUPPLIERS**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic:** Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia

**Part IV: Structured Interview Questions**

1. Are you satisfied with Alle Bejimla's Service Provision?
2. Are there any challenges that you faced with Alle Bejimla?
3. What are your opportunities from Alle Bejimla?
4. How do you compare Alle Bejimla with Other Competitors?
5. Are there any recommendations from you for Alle Bejimla?



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**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**QUESTIONNAIRE TO BE FILLED BY END USERS/CONSUMERS/**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic: Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia**

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- ✓ Please try to honestly describe the fact as per the questions on the space provided
- ✓ Use the back of the sheet if the given space isn't enough for open ended by specifying its number.

**Part I: General Information about respondents**

NOI	Respondents Personal details		NOI	Respondents Personal details response	
1	Gender	Response	4	Marital status	
	Male			Single	
	Female			Married	
		Divorce			
2	Age	Response	5	Educational Status	Response
	21-25 years			Reading and Writing (No Grades)	
	26-30 years			Elementary & Secondary (1-8 Grades)	
	31-35 years			High School (9-12 Grades)	
	36-40 years			College Diploma	
	41-45 years			Bachelor Degree	
	46-50 years			Master's Degree	
	Above 50 years			PhD Degree & Above	
3	Position	Response		6	Total Work Experience
	Specialist/Expert		1-3 years		
	Business Owner and manager		4-6 years		
	Manager/Head/Director		7-9 years		
	Daily Workers		10-12 years		
	No position		13 Years and Above		
		No Work Experiences			

**Part II: (A) Close Ended Questions**

No	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The establishment of Alle Bejimla by Ethiopian government is good opportunity for all Ethiopians					
2	The establishment of ALLE BEJIMLA by Ethiopian government has disadvantages on local private Food and Fast Moving Consumer Goods wholesale Companies in the country					
3	The establishment of ALLE BEJIMLA by Ethiopian government has advantages on local private Food and Fast Moving Consumer Goods wholesale companies in the country					
4	If ALLE BEJIMLA starts retail business models by opening shops in addition to wholesaling, it is better than what it has been doing now					
5	The establishment of ALLE BEJIMLA has significant contributions in reducing price of food and fast moving consumer goods in the market in Ethiopia					
6	The establishment of ALLE BEJIMLA has significant contributions in reducing inflation in Ethiopia					
7	The establishment of ALLE BEJIMLA has significant contributions in increasing food and fast moving consumer goods availability in the market in Ethiopia					
8	Indirect end users/consumers who purchase from ALLE BEJIMLA Retailers/ like households, another retailers etc. are benefited from ALLE BEJIMLA					
9	The establishment of ALLE BEJIMLA by Ethiopian government stabilizes food and fast moving consumer goods market in the country					
10	The establishment of ALLE BEJIMLA by Ethiopian government creates competitive and market oriented business environment in the country					
11	ALLE BEJIMLA has a broad assortment of products sourced from international and local suppliers					
12	ALLE BEJIMLA increases the availability of highly demanded Food and Fast Moving Consumer Goods in the market					
13	The establishment of ALLE BEJIMLA brings consumers with options in the market and influence suppliers in doing as of ALLE BEJIMLA					
14	There were enough food and FMCG in the market in Ethiopia					
15	Price of food and FMCG in the market is fair and affordable					

**Part III: Open ended questions**

- Did you informed as ALLE BEJIMLA started as a wholesaling company of food and fast moving consumer goods in the market in Ethiopia? Yes  No
- If your answer on the above question is yes, do you support the establishment of ALLE BEJIMLA by Ethiopian government? Yes  No  If you said 'NO' please describe reason(s): \_\_\_\_\_

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3. Have you got any requirements that you expected from ALLE BEJIMLA?

Yes  No  If your answer is "NO" Please describe your reason:

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4. Do you believe that end users are benefited from ALLE BEJIMLA than other wholesalers?

Yes  No  If your answer is "NO" Please describe your reason:

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5. More cash and carry business models like ALLE BEJIMLA are needed in Ethiopia (Hint: You can chose more than 1 also)

- E) By Ethiopian Government      B) By Ethiopian Private Sectors      C)By Foreign Government  
D) By Foreign Private Sectors      E) Neutral /No comment

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF POST GRADUATE STUDIES**  
**MASTERS OF GENERAL BUSINESS ADMINISTRATION (G/MBA)**  
**INTERVIEWS QUESTIONS TO BE ANSWERED BY END USERS/CONSUMERS/**

**Researcher:** Fekadu Girosh; **Mobile:** 0913117249/0922580613; **Email:** fekadugirosh@gmail.com

**Research Topic:** Assessment of Ethiopian Cash and Carry Wholesale Enterprise's (ALLE BEJIMLA's) Effect on Food and Fast Moving Consumer Goods Market in Ethiopia

**Part IV: Structured Interview Questions**

1. Did you informed as ALLE BEJIMLA started work?
2. How do you evaluate End users benefited from ALLE?
3. How do you consider ALLE's role in controlling price of FMCG in Ethiopia?
4. Did you get products what you need in the market in Ethiopia?