

Jimma University

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Department of Management and Business Administration



Determinants of Indirect Distribution Channels in Ethio-Telecom. The case of Ethio-telecom Jimma Region

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A research paper submitted to the Department of Management and Business Administration for the partial fulfillment of Master degree in Management and Business Administration.

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Letter of Approval

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APPROVED BY BOARD OF EXAMINERS

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Declaration

This paper work is a presentation of my original research work and has not been presented before, Wherever contributors of others are involved, every effort is made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions. Information derived from the published or unpublished work of others has been acknowledged in the text and a list of references is given.

Thus, I declare that this research has not been submitted in any university or other institution.

Declared by

Name: Elfnash Shiferaw

Date ----- signature -----

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Table of contents

Contents	pages
Letter of Approval.....	ii
Declaration.....	iii
ACKNOWLEDGEMENTS.....	iv
ACRONYMS.....	viii
Abstract.....	ix
CHAPTER ONE	1
INTRODUCTION.....	1
1.1. BACKGROUND OF THE STUDY.....	1
1.2. Statements of the problem.....	3
1.3. Objective of the study.....	6
1.3.1. General objective.....	6
1.3.2. Specific objectives.....	6
1.4. Significance of the study.....	7
1.5. Scope of the study.....	7
1.6. Limitation of the study.....	8
1.7. Organization of the Paper.....	8
CHAPTER TWO	9
2. REVIEW OF RELATED LITERATURE.....	9
2.1. Theoretical literature review.....	9
2.1.1. Distribution Channels.....	9
2.1.2. Types of Distribution Channels.....	11
2.1.3. Challenges of indirect Channel Management in the telecom Industry.....	12
2.1.4. Importance of Indirect Distribution Channel.....	13
2.1.5. Distribution channels in Telecommunication Company.....	14
2.1.6. Why is it necessary to use Indirect Marketing Channels?.....	15
2.1.7. Theories About distribution Channels.....	16
2.2. Empirical Literature Review.....	18
2.2. Conceptual frame work.....	25

CHAPTER THREE	26
3. RESEARCH DESIGN AND RESEARCH METHODOLOGY	26
3.1. Research design	26
3.2. Population of the study	27
3.3. Sample and sampling techniques	27
3.4. Instruments of Data Collection	29
3.5. Procedures of data collection	30
3.6. Methods of Data Analysis	31
3.7. Ethical Considerations	32
3.8. Operational Definition	32
CHAPTER FOUR	34
4. DATA PRESENTATION AND ANALYSIS	34
Introduction.....	34
4.1. Demographic Characteristics of Respondents	34
4.2. The past experience of IDC members in Ethiotelecom Jimma region	37
4.2.1. Basic challenges that affect IDCs in meeting their targets	39
4.3. Determinants of indirect channel distribution.....	41
4.3.1. Multiple linear regression analysis of determinants of indirect channel distribution.....	41
4.3.2. Unstandardized Beta Coefficient (β) of determinants of IDCs.	44
4.4. The main reason that distributors are terminating their distribution agreement.....	45
4.5. Qualitative result of the study	46
CHAPTER FIVE:	51
5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	51
5.2. SUMMARY OF MAJOR FINDINGS	51
5.3. CONCLUSIONS.....	53
5.4. Recommendations.....	55
References	56
APPENDICES 1: Questionnaire (English Version)	60
APPENDIX: 2 Questionnaire (Amharic version).....	64
APPENDIX: 3 Interview Question for IDC Administrative staffs.....	67

List of Tables and Figures

List of tables	pages
Table 1: Annual sales performance of Ethio telecom Jimma region	24
Table 2: Number of proportionally selected samples from each distributor	28
Table 3 : Demographic variables of respondents.....	34
Table 4: What is the prior experience of distributing the physical VC, Yimulu (Electronic VC), and SIM card on territory confined, bases?	37
Table 5 : What are the basic challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales?.....	39
Table 6: Model Summary ^b	41
Table 7: ANOVA ^a	42
Table 8 : Coefficients.....	42
Table 9: what is the main reason that distributors are terminating their distribution agreement?	45
List of figures	pages
Figure 1: Conceptual frame work of the study	25
Figure 2 Yemane sample size formula.....	27
Figure 3: Proportional sample size determination formula.....	28

ACRONYMS

ETC - Ethiopian Telecom Corporation

ET- Ethio telecom

ICT- .Information communication Technology

IDC - Indirect distribution channel

MCD Multi Channel Distribution

SIM - Subscriber Identification Module

SPSS - Statistical package for social science

VC - Voucher Card

Abstract

The aim of the study was to examine determinants of indirect distribution channels of Ethio telecom Jimma region. A cross-sectional research design involving mixed method of both qualitative and quantitative (concurrent research design) was used. One hundred eighty five participants were selected for the study using proportionate stratified random sampling. The data was collected through standardized Likert scales format and interviews. Mean, SD, percentage, and multiple linear regressions were done for the quantitative data and data collected through interview was analyzed by using thematic analysis. The result of the study shows that, approximately half respondents were agreed that, the main reason that distributors are terminating their distribution agreement were lesser commission paid by company to private distributors, restrictive agreement following penalty, and high target of SIM cards and absence of demand based allocation of voucher cards, The result of multiple linear regressions indicates that, shorter time in sales of higher denomination, restrictive agreement following penalty, assignment of over target, distributors consideration of distribution task as a secondary business, lesser commission paid by company to private distributors, and were found to be Statistically significant determinants of indirect distribution channels of Ethio telecom Jimma region. The result also supported by qualitative result of the study. Therefore, the researcher recommends that, Ethio telecom should implement distribution channel management approaches appropriately and continuously as an indispensable tool to build long lasting relationships with the channel members, provided the credit facility and training, support for distributors, to maintain sustainable sales performance.

Keywords: Indirect distribution channel, determinants of IDC's and sales performance

1. CHAPTER ONE

INTRODUCTION

This section discusses about the introductory concepts of the study is explained. Background of the study, statement of the problem, basic research questions the study was aim to answer, study objectives, definition of terms, the study significance, its scope and the entire organization of the study is broadly written.

1.1. BACKGROUND OF THE STUDY

As Kotler and Keller (2012) defined, marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. Moreover, Kotler and Keller (2012) stated that, the first decade of the 21st century challenged firms to prosper financially and even survive in the face of an unforgiving economic environment. Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company (Paul, 1994).

As described in Sihem & Georges, (2005) due to the distance between producers and last customers, bridging the gap between them has become the main function of distribution channel in order to reduce transaction cost in achieving better competitiveness, which, in turn, would enhance firm performance. Accordingly, most big organizations divided their market in different segmentation, based on different factors to manage their sales/market. According to Jobber (2001), all products whether they be consumer goods, industrial goods or services require a channel of distribution.

The choice of distribution channels and channel members will have a huge impact on the company's strategy. A careful attention should be also taken into account at different levels in distribution channel's decision making process (Razieh & Maryam, 2016). Most international firms would prefer to run a direct channel when using the firm's own sales force, but instead they are forced to use intermediaries, i.e. agents/distributors, due to low sales volume, high start-up costs and local knowledge (Coelho et al., 2003).

It is estimated that two thirds of telecommunications services are sold through an indirect channel, according to USA national performance index and many carriers are taking advantage of this growing and successful trend, further increasing, the complexity and dynamic nature of the industry (Nokia, 2010). Telecom operators use channels sales as a primary selling vehicle, this benefits carriers that want to develop a channel because there are many experienced agents ever investigating expanding their product offerings, searching for better sources of existing products, or just want better support and compensation (Mulky, 2013).

In the context of Ethiotelcom the company's indirect channel of distribution was established on December 2010 after the management contract signed by France Telecom. The IDC's are been engaged in distributing products and services which are being sold within distribution chain members for supporting communication technology. Such products and services are; data and voice SIM cards, Voucher cards and Telephone apparatus (Hailu, 2015).

1.2. Statements of the problem

As described in Hailu (2015) the indirect channel of distribution is being contributing more than 70% of the Ethio-Telecom total sales volume. However, the indirect distribution channels (IDC) contributes the major shares of sales for Ethio-Telecom; its sales performance has got constraints with in different situations. Because of its insufficient and smooth-less distribution of products and services in most parts of the country, it creates some drawbacks to satisfy the channel's smooth relationship. Furthermore, the distribution channel member's failure to function in an ordinary business function, the absence of minimum resource deployment to manage the business, handling of wrong and incomplete data and engagement of territory and price violation makes the business to function in a tough relationship (Assefa, 2018).

As described in summarized sales channel quality assurance report of Ethio- telecom the illegal practices of some distribution chain members made other distribution chain members to function improperly and lead to inappropriate competitions. In addition to this, some distribution chain members "performance are being below from the required level which might be because of the market penetration of others and not engaging in a regular business course of actions as per the contractual agreements between Ethio-telecom (Ethio-telecom, 2014).

According to Taddesse (2004) even if the company has made a transformation program and reorganized in a new structure, the marketing strategy of the company is not well formulated and developed. Due to this fact, the company couldn't provide a competitive product and service to the customer. The distribution agreements were terminated due to lesser commission to distributors, lack of demand based allocation of voucher cards, less profit for distributors/sub distributors.

Moreover, lack of motivation and support from Ethio telecom to its channel dealers, special treatment for national distributors, lack of enough demand and penalty on contract violation is applied only on distributors are the main reason for conflicts of channels in the distribution activities. Lack of support for distributors to manage their orders and the system to support distributors and low level of IT knowledge of distributors to implement the system are challenges on distribution activities (Bante, 2017).

The study conducted on the effect of distribution channel management on sales performance of Ethio telecom south region showed that most of the channel members are not happy with each of the distribution channel management components & practices of the company. This implies that the channel members are working with displeasure in terms of channel communication, channel motivation, channel control, channel support, and channel conflict management practices of the company (Assefa, 2018).

Most of previously conducted studies on determinants of IDC's of ET were uses smaller sample size which is limiting the finding representatives. In addition the studies were employs Likert scale instruments to gather the data from respondents, but the tools were unstandardized and the reliability and validity of the tools were unknown, due to this the finding the studies reliability is under questioned. As this is the observed gap by the researcher, the current research was expected to provide its own contribution to fulfill the observed gap by having conceptual and empirical evidence on determinants indirect of distribution channel.

In addition to this, according to the researcher preliminary examination Ethio-Telecom Jimma region uses agents or dealers to reach their products and service for final customers. However, there are many determinants which affect the performance and utilization of indirect distribution channels of Ethio telecom Jimma region. In line with this the current study attempts to answer the following basic research questions.

- 1) What are the prior experiences of Ethio-telecom Jimma region distribution on territory confined bases?
- 2) What are the basic challenges that faces IDCs of Ethio-telecom Jimma region in meeting their targets?
- 3) What are the determinants that affect the performance of indirect distribution channels of Ethio-telecom Jimma region in meeting their targets?
- 4) What is the main reason that indirect channel distributors are terminating their distribution agreement in Ethio-telecom Jimma region?

1.3. Objective of the study

1.3.1. General objective

The main objective of the study was to examine the determinants of indirect distribution Channels in Ethio-Telecom Jimma Region.

1.3.2. Specific objectives

- 1) To investigate the prior experience of Ethio-telecom Jimma region distribution on territory confined bases.
- 2) To explore basic challenges that faces IDCs of Ethio-telecom Jimma region in meeting their targets.
- 3) To identify the determinants that affects the performance of indirect distribution channels of Ethio-telecom Jimma region in their targets.
- 4) To assess the main reason that distributors are terminating their distribution agreement in Ethio-telecom Jimma region.

1.4. Significance of the study

The finding of the study will be have a greater benefit for Ethio-Telecom Jimma Region top executive management to understand the challenges of indirect channel distribution in empirical ways. It also has a practical significance so as to evaluate determinants of indirect channel distribution in an empirical ways weather it is in the right truck or not, suggest ways and means of tackling the problems on the decision makings. For the company's indirect channel department in particular and for the residential sales division in general, it can be used as an indicator for further detail assessment and successively help the company so as to improve its own corporate performance by taking action plans on the drawbacks which affects the distributions channel of the company. The finding of the study will be have some contribution to the already existing knowledge on the field of channels of distribution with a theoretical significance for further researchers, academicians, and marketing researchers as an input to test a theory.

1.5. Scope of the study

Since Ethio-Telecom is the sole telecom operator all over the country and it has eight regional and six zonal distribution boundaries, this study was conceptually delimited to assess determinants of indirect distribution of channels in Ethio telecom Jimma Region. Even if there is other type of distribution channels implemented by the company such like direct distribution channels the current study was delimiting the scope on assessing the determinants of indirect distribution of channels.

1.6. Limitation of the study

The main limitation of this study was financial and time. In addition, the study was constrained by the following limitations: There were very few documented figures and studies conducted on IDC's of ET Jimma region, lack of organized secondary data, due to the absence of documentation among IDC's and lack of willingness of respondents to give first hand(primary data) information as a result the study was use small numbers of participants for interview from Ethio telecom management staffs to understand the determinants of IDC from company perspectives. However, utmost effort was made to minimize the negative impact of such constraints on the result of the study.

1.7. Organization of the Paper

The study conducted on determinants of indirect distribution channels in Ethio-Telecom, Jimma Region and organized in to five chapters. The first chapter was the introduction part in which the paper discusses the reason why this research is necessary; the research questions that are needed to be answered objective of the study, statement of the problem, scope of the study. The second part which is chapter two of the research paper was dedicated to review previous research papers and scholar's point of view or theoretical review on the topic raised. The second chapter literature review discusses in depth previous researches on the topic of the determinants of indirect distribution channel on telecom corporations. Chapter three which is the third part of the paper is fully dedicated to methodology, research design, Population of the study and sampling and sampling procedure of the research under study. Chapter four focus on analyzing major finding of the study and discussion of the result with previous finding. Chapter five discussed about summary of finding, conclusion of the study and recommendations given by the researcher based on the finding.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This section discusses literature review on indirect channel and determinants of indirect channel distribution so that it will help the reviewer to test the contents of the problems that are intended to investigate. The discussion began by reviewing key terms used throughout the paper, explains theoretical literature and previous studies in the subject.

2.1. Theoretical literature review

2.1.1. Distribution Channels

In addition Gorchels et al, (2002) argued that, Distribution Channels have become the most important component of marketing today and are receiving increased attention. Channels not only add value to products and services, but also create customer and shareholder value, brand equity and market presence for a company. For most service organizations, consumer marketing and industrial marketing firms, the distribution channel, or inter organizational network of institutions, comprising of agents, wholesalers, distributors, and retailers (Pelton et al. 2004).

According to, Coughlan et al. (2006) defined a distribution channel as a set of independent organizations involved in the process of making a product or service available for use or consumption. The ultimate goal of a distribution channel is to bridge the gap between producers and consumers by adding value to products or services. Typically, manufacturers, intermediaries (wholesaler, retailer, specialized) and end users are perceived as the key actors of distribution channel (Coughlan et al., 2006).

Distribution channels are pathways along which products travel from producers and manufacturers to ultimate consumers. They are routes along which products, information, and finance flow. While some companies deal directly with their customers, most companies use a distribution channel to take products to consumers. Considerable thought, effort, and investment are required to create and maintain a distribution channel. Channel margins and the expense of sales efforts in managing channels can form a substantial proportion of total marketing costs (Rangan, et.al, 2010).

In a wide range of industries alternative electronic distribution channels may permit customers to deal directly with manufacturers and primary service providers, effectively disintermediate wholesalers, retailers, and agencies. In some cases, manufacturers or primary service deliverers will be able to implement strategies to interact with and sell directly to their customers, while in other industries existing intermediaries will be able to withstand attempts to bypass them. Distribution channels other than e-distribution leave much to be desired in today's telecommunication industry in Ghana (Edusei, 2011).

Essentially, interaction in the marketing channel is central to the development of long term relationships based on mutual satisfaction, trust, and commitment. This interaction involves challenges related to motivation, power and conflict, evaluation, and communications (Rosenbloom, 2013). Motivation is about alignment of goals and objectives of channel members with those of the manufacturer through a range of measures and incentives.

2.1.2. Types of Distribution Channels

a) Multichannel Marketing

As illustrated in Kotler (2014) “multi-channel marketing is a form of a single firm uses two or more marketing channels to reach one or more customer” (p.524). Even if two or more channels are called as “multichannel” In the other side Stern and El-Ansary (1977, p. 345) described it as “dual distribution marketing” by which a manufacturer or a wholesaler reaches its final markets with two or more different types of channels for the same basic products.

b) Direct Marketing

Direct marketing as a distribution channel which attempts to distribute products, information and promotional benefits without an intermediary and using methods like; direct mail, telemarketing, direct response advertising, electronic media, catalogue marketing, inserts, door-to-door leafleting and text messaging(Jobber and Lancaster,2003, p.186).

C) Indirect Channel

Definitions (Business dictionary): Indirect channels are chain of intermediaries through which a product moves in order to be made available for purchase by a consumer. An indirect channel of distribution typically involves a product passing through additional steps as it moves from the manufacturing business via distributors to wholesalers and then retail stores. The most important channel in terms of revenue contribution is the Indirect Distribution Channel which generates around 67% of the company’s total revenue and more than 80% of its domestic sales volume.

d) Electronic Commerce and Online Channels

According to Bang, et.al, (2013), in electronic commerce & online channels products are not able to touch and have no face-to-face communication with the retailer. This is because both channels are electronic media for which product search and transactions can be undertaken remotely without geographic distance problem.

Electronic commerce is defined as “the process of buying, selling, transferring or exchanging products, services, and/or information via computer networks, mostly through the internet and intranets” (Makame, Kang and Park, 2014). The types of electronic commerce are the following; Business-to-consumer (B2C), e-banking, business-to-business (B2B), consumer-to-consumer (C2C), peer-to-peer (P2P), and mobile commerce.

2.1.3. Challenges of indirect Channel Management in the telecom Industry

In recent years, there has been a growing body of evidence that the spread of ICT (information and communications technologies) can have substantial benefits for economic development. The growing use of the Internet and email through mobile phone for many people and organizations, revolutionized the speed and ease of communications, both within their own countries and, especially, across international borders. The high-tech industry, such as Telecom like physical voucher card and SIM distribution, ICT and mobile subscription with its volatility, poses new challenge to channel management. As discussed Earlier in the “Telecom Marketing Theory” section, high-tech industries are faced with three Uncertainties: Market, Technology and Competition.

Different literatures showed that, the mix of direct vs indirect channels used by many companies has changed significantly over the past 10 years. Direct channels are critical routes into the marketplace, but diminishing economic returns often require a company to add indirect channels to their go-to-market strategy at some point. The experience of many organizations over the past several years demonstrates that indirect channels can be critical to expanding market coverage. This has been particularly true in the electronics, communications and high tech sectors. This change in the channel mix to include both direct and indirect channels has enabled companies to better target customers and expands into new markets (Global Technology Distribution Council, September, 2008).

2.1.4. Importance of Indirect Distribution Channel

The indirect channel is used by companies who do not sell their goods directly to consumers. Suppliers and manufacturers typically use indirect channels because they exist early in the supply chain (Aaker, 2001). Depending on the industry and product, direct distribution channels have become more prevalent because of the Internet. Distributors, wholesalers and retailers are the primary indirect channels a company may use when selling its products in the marketplace. Companies choose the indirect channel best suited for their product to obtain the best market share; it also allows them to focus on producing their goods (Aaker, 2001) in direct distribution channel, the producing company directly delivers its products to its customers without the help of intermediaries.

The indirect distribution channel relies on intermediaries to perform most of or all distribution functions. It includes wholesalers, retailers, and distributors. Such kinds of channels are connected to related organizations and institutions through different flows. These flows are

physical flow of product, ownership flow, payment flow, information flow, and promotion flow. These flows make distribution channels more complicated (Faraji, Alidadi, & Lotfi, 2011).

As described in Belz and Peattie, (2012) four types of decision related to the management of distribution channels should be taken into account. The first type is determination of the extent of distribution. It refers to the number of retailers that offer the product. The second type of decision determines the different types of support that should receive from facilities and distribution channels. Selecting the suitable partners for distribution channel based on marketing mix, accessibility, fees, and other criteria is another type of decision. The last type of decision is assessing the relationships with distribution channel partners over time (Belz & Peattie, 2012).

2.1.5. Distribution channels in Telecommunication Company

Distribution channels are pathways along which products travel from producers and manufacturers to ultimate consumers. They are routes along which products, information, and finance flow. While some companies deal directly with their customers, most companies use a distribution channel to take products to consumers. Considerable thought, effort, and investment are required to create and maintain a distribution channel. Channel margins and the expense of sales efforts in managing channels can form a substantial proportion of total marketing costs (Rangan, et.al, 2010).

Telecom operators use channels sales as a primary selling vehicle. This benefits carriers that want to develop a channel because there are many experienced agents ever investigating expanding their product offerings, searching for better sources of existing products, or just want better support and compensation. Carriers should embrace these agents as they already have familiarity with the market and are trusted advisors to a base of customers. The knowledge and

experience agents can be readily leveraged to communicate with prospects in a language they can understand (Mulky, 2013).

It is estimated that two thirds of telecommunications services are sold through an indirect channel, according to American national performance index and many carriers are taking advantage of this growing and successful trend, further increasing, the complexity and dynamic nature of the industry. The development of these markets has taken two different routes both technology-wise and related to market structure and competition. While in the European mobile phone market handset manufacturers utilize a wide range of marketing and through distribution channels to reach the end customer, the mobile operator dominance over the distribution network in the United States forces handset manufacturers to cooperate with the operators who constitute the only major sales channel (Nokia, 2010).

2.1.6. Why is it necessary to use Indirect Marketing Channels?

Different researchers stated the importance of distribution channels on their works. An arguments stated in (Parrish, 1995) paper as “a manufacturing firm cannot be successful without incorporating channel partner into both their strategic and product planning Processes”. According to Bowers and Copper, (2004) explained distribution channel as a motivational factor for functional performance, reduction of complexity and specialization. Wallace et al., (2009) further stated the importance from researchers as it can create channel synergies, competitive parity, dependence balancing, greater market coverage, and ultimately better firm performance through greater sales.

2.1.7. Theories About distribution Channels

2.1.7.1. The depot theory of distribution

The essence of depot theory in distribution channel is that goods tend to flow towards the point of final consumption or end users. The theory is concerned with the performance of all direct and supporting storage, handling, and transportation activities performed by middlemen in the channel of distribution, on actual cost of service base, and eliminating merchandising profit. The depot theory of distribution envisions a steady flow of goods from the point of producer to the point of end users or consumers. The intermediary institution that facilitates the flow of goods is actually the depot. Depot is a military term and refers to the storage of supplies purely as a service function for the goods' flow (Leo, & Bruce, 1967 as cited in Freedman, 1994).

2.1.7.2. Coordination Theory

The area of research called coordination theory is another stream of literature that is currently being developed in a number of seemingly unrelated fields (Malone 1998). The aim of coordination theory is to unite all of the research done in systems control and coordination in the many disciplines involved. The coordinating and control plans for one type of system can then be applied to what on the surface appears to be a totally different type of system. Portions of coordination theory are used to analyze complex systems, tasks, functions and processes. When coordination theory is applied to business functions, they can be shown to have inputs and outputs both physical and informational. By examining the needs of functions and flows within and between organizations carefully they can be simplified. Once simplified, flows can then be improved by techniques appropriate to the system (Sihem & Georges, 2005).

2.1.7.3. Transaction cost Economy theory in distribution channel

Arrow (1969) defines transaction cost as running cost in the system of economic. Different from Arrow (1969), Coase (1937) defines transaction cost as actual and opportunity costs of transacting under various authority structures. Williamson (1989) further defines transaction cost, in economics and related field, as a cost in making an economic exchange. Hence, whenever goods or services are transferred from a producer to a user, transaction costs occur. They could occur within or outside an organization. “Economists assume that firms always prefer to transactions that minimized coordination costs. In this assumption, transaction costs are similar to production costs (Arrow 1969, Coase 1937, & Williamson, 1989 as cited in Lumpkin, Pelton, &Strutton, 2016).

The Economic transaction cost (ETC) examines functions of a firm or a market from an efficient contracting and/or comparative organizational perspective (Williamson, 1996, as cited in Lumpkin, Pelton, & Strutton, 2016).further stated his vision of transaction costs that to perform a market transaction, it is essential to investigate who would contract with, carry out deal, leading up to negotiate, prepare the contract, accept the examination needed, to make sure that the terms of the agreement are experimental, and so forth.

2.2. Empirical Literature Review

In most of Ethiopian firms products and services are sold through their own outlets or wholesale to other re-sellers in cities of the country. Since, it is difficult to get paper works on experiences of distribution networks of firms in Ethiopia. Sutton and Kellow(2010) study assessed 50 leading firms in Ethiopia, and in their own study they tried to describes the history and current capabilities of Ethiopia's leading industrial companies (agribusiness, manufacturing and construction) with the help of the companies profiles. Relating to the distribution network practices of the 50s leading firms; their study described almost all firms' distribution experiences.

The study conducted by Markos (2013) studied the distribution practices of MOHA soft drink industry and come up that, MOHA has used direct and indirect distribution through its own sales force, trucks, agents and sub- agents throughout the country, respectively. According to his survey study, the (agent) indirect distribution of the company takes only 15.1%, the direct distribution also used 57.3% of the time, wholesaler's distribution was 3.1% and the remaining percent was distributed by other means of distribution. The study further showed that, there is major distribution problem 54.2% and most of the respondents were not satisfied 62.6% by the distribution strategy of the company too. Even though this study shows the challenges of distribution channels in Ethiopian context but the study did not conducted on detriments of IDC's of Ethio telecom.

According to Abeselom (2013) Ethio telecom has identified its target market and used all the 4ps of marketing mix element in the marketing strategies. The distribution strategy of the company is both direct and indirect channel and tries to reach accessible to all customers in the country. The company has faced some challenges in the implementation of the strategy such as

lack of effective communication, structure problem in the marketing division, lack of coordination, network quality problem, and delay in decision making process, time gap and lack of knowledge about customer needs. The objective of study was to assess the marketing strategy practices of Ethio telecom. It described how the marketing strategies were practiced in the company to achieve its goals aligned with target market, segmentation, positioning and the marketing mix to satisfy customer requirements. The study was limited and focused on marketing strategy practices of Ethio telecom from the company perspective only. The research was carried out through the use of case study design employed by using both qualitative and quantitative approaches. The collected data was analyzed and interpreted by using both qualitative and quantitative techniques.

As described, in Serkalem (2013), ambitious sales target setting, lack of resources, lack of technical and managers support, and unavailability of incentive and reward system are the main challenges of the sales executives which are hindered to achieve their target. This study was identify the challenges through comprehensive answer to the research questions the researcher used mixed research method that going beyond the limitations of a single approach. Subsequently, the researcher developed and distributed three types of questionnaire to 40 sales executives, 75 enterprises key account customers and five key account departments' managers. Similar with other studies conducted on Ethio telecom this study also addresses challenges of the practice and challenges of Ethio telecom enterprise sales executives, But study has not paid attention for determinants of indirect distribution channels of Ethio telecom.

According to, the study conducted on assessment of performance among indirect distribution channel of Ethio telecom all distributors operating in Addis Ababa and Regions. Ethio telecom retailer's judgment of the indirect channel's efficiency tends to be disagreement

than agreement in clear difference. While 47.2%, 38.1% & 41.6% from ET staffs, distributors and retailers either disagree or strongly disagree to efficiency of ET's indirect distribution channel, 3.4%, 35.7% and 21.7% agree to it respectively. That means those who believe ET's indirect distribution channel is inefficient outweigh slightly those who agree to it. So, we can make a statement that ET's indirect distribution channel has been inefficient in terms of cost though it has been ineffective (Taddesse, 2015).

Moreover the study indicates that, the major poor performance areas are pillar terms of the distribution agreement (such as door to door distribution, territory confined distribution of the products) are not implemented, and Channel stakeholders indicated that it is impossible and not feasible to control territory confined distribution of ET's products (Taddesse, 2015). The main objective of the study was to assess appropriateness of the indirect distribution channel of Ethio telecom. From the perspective of specific objectives, the research can also be taken as descriptive (survey) research as it aims to describe, contrast and analyze the problem identified. A cross-sectional survey was conducted to evaluate how indirect distribution channel of Ethio telecom. The data was analyzed using descriptive statistical tools such as frequency, percentages, bar-graphs, means, variance and standard deviation .The limitation of the study was smaller sample size on Ethio telecom staffs and distributors.

In addition, according to Alemu (2017) Ethio telecom indirect distribution channels have basic design problems such like inappropriate and discriminatory territory management, channel conflicts, price cut, low revenue performance, inappropriate commission payment. The channel is not effectively and efficiently functioning, also poor territory implementation the territory management is not applied for all of the channel members, some exempted from it. This clearly shows discrimination among channel members and it is one source of channel conflict. Price cut

and territory violation- there is not uniform price although it is supposed to be and the price is set by ET. The price cut is mainly caused by the sales target (over sales target) and commission payment system.

The prime objective of this study was to assess the performance of ET's indirect channel in terms of its effectiveness, efficiency and equity. The researcher is used mainly a descriptive type research method. The main strength of the study is it describes contrasts and analyzes the existing situation and practice related to the problem identified. It explores the applicability of different indirect channel distribution theories and practices to the company under study. Primary and secondary data sources are used in the study both quantitatively and qualitatively. The data was analyzed presented and analyzed using various descriptive statistical tools whichever is suitable for interpretation. Even if the study aims to obtain in-depth information by using interview but there is no interview guide which helps the researcher to conduct the interview using interview guide.

The study conducted by Bante (2018) on regards of Prior experience of IDCs distributing the physical voucher card and SIM card on territory confined bases had a great importance in a process to deliver products to end customers. As basic challenges that affect the distribution channel: There is assignment of over target, shorter time in sales of higher denomination of voucher cards, delay in on-time distributions and delivery of voucher card and SIM cards from Ethio telecom to distributors, lack of distributors capacity in finance, skill and consistency, distributors consideration of distribution task as a secondary business, lesser commission paid by company to private distributors, the high target of SIM cards and lack of demand based allocation of voucher cards, restrictive agreement following penalty and less profit for distributors/sub distributors are the reasons for terminating distribution agreement.

This research has used descriptive type of research since it attempts to assess the challenges of distribution channel in the case of Ethio telecom. The study employed descriptive research and simple random/probability sampling design employed based on the nature of the target population. The data was analyzed using quantitative basis using descriptive statistics. The researcher was employs Likert scale instruments to gather the data from respondents, but the tools were unstandardized and the reliability and validity of the tools were unknown, due to this it's difficult to generalize the finding into other regions of Ethio telecom.

According to Assefa (2018) factors such as, channel communication, channel motivation, channel control, channel commitment, channel support and channel conflict that affect sales performance of the Ethio telecom indirect distribution channels. This study mainly concentrates on the effect of distribution channel management on sales performance in Ethio telecom South region, by using only quantitative method and the study tries to understand factors affects the indirect distribution channels from distributors point view rather than including the perspective of Ethio telecom indirect distribution channel members.

According to, Wondimu (2018) distributor selection process lacks contract that convince partners, motivating partners with bonuses, rewards, support on trade fairs are shortage of the channel, there is improper handling on conflict management and the training investment has less attention, from identified challenges improper handling of conflict can damage the company since the collusion bring malfunction of both the principal and the partner.

Similar with other studies conducted on Ethio telecom indirect distribution channels this study also focus on assessing the challenges of indirect sales channel management: not addresses determinants of IDC's of Ethio telecom. The researcher was used descriptive types of research method to conduct the study.

Because it aims to describe problem identified in surveys and facts which has been enquired in questioners and interview for the major purpose of describing the state of affairs as it exists at present, the analysis was done using descriptive statistics including minimum, maximum, means, mode and standard deviations to presents the results. The main strength of the study was the using of standardized instruments and the researcher was conducted pilot study before actual data collection processes to secure reliability and validities of data collection instruments.

In conclusion, most of studies conducted on indirect distribution channels of Ethio telecom mainly focus on challenges of indirect distribution channels utilization, therefore, as to the knowledge and understanding of the researcher, only very studies conducted in the area of telecom with regard to determinants indirect distribution channel. As this is the observed gap by the researcher, the research is expected to provide its own contribution by having conceptual and empirical evidence on determinants indirect of distribution channel.

Table 1: Annual sales performance of Ethio telecom Jimma region IDCs, report from July 2018 - June 2019

No	Distributors	SIM Target			VC			e-TOP UP/Yimulu		
		Target	Sales	%	Target	Sales	%	Target	Sales	%
1	Kemal. A	33,600	44,000	131	334,450,000	256,975,000	77	13,750,000	6,987,000	51
2	Hidassie	197,000	193,250	98	828,700,000	82,870,000,000	100	31,500,000	16,400,000	52
3	Kifiya financial	8,400	400	5	149,250,000	70,359,900	47	4,960,000	1,517,844	31
4	TAT oil	6,500	6,000	92	235,400,000	192,177,500	82	10,762,500	5,222,500	49
5	FTF trading	54,500	60,800	112	79,150,000	21,177,500	27	4,935,225	2,022,803	41
6	SMF	197,000	193,250	98	828,700,000	82,870,000,000	100	31,500,000	16,400,000	52
7	Total	319,700	497700		1,503,255,000	166,280,689,90		75,346,725	48,550,147	

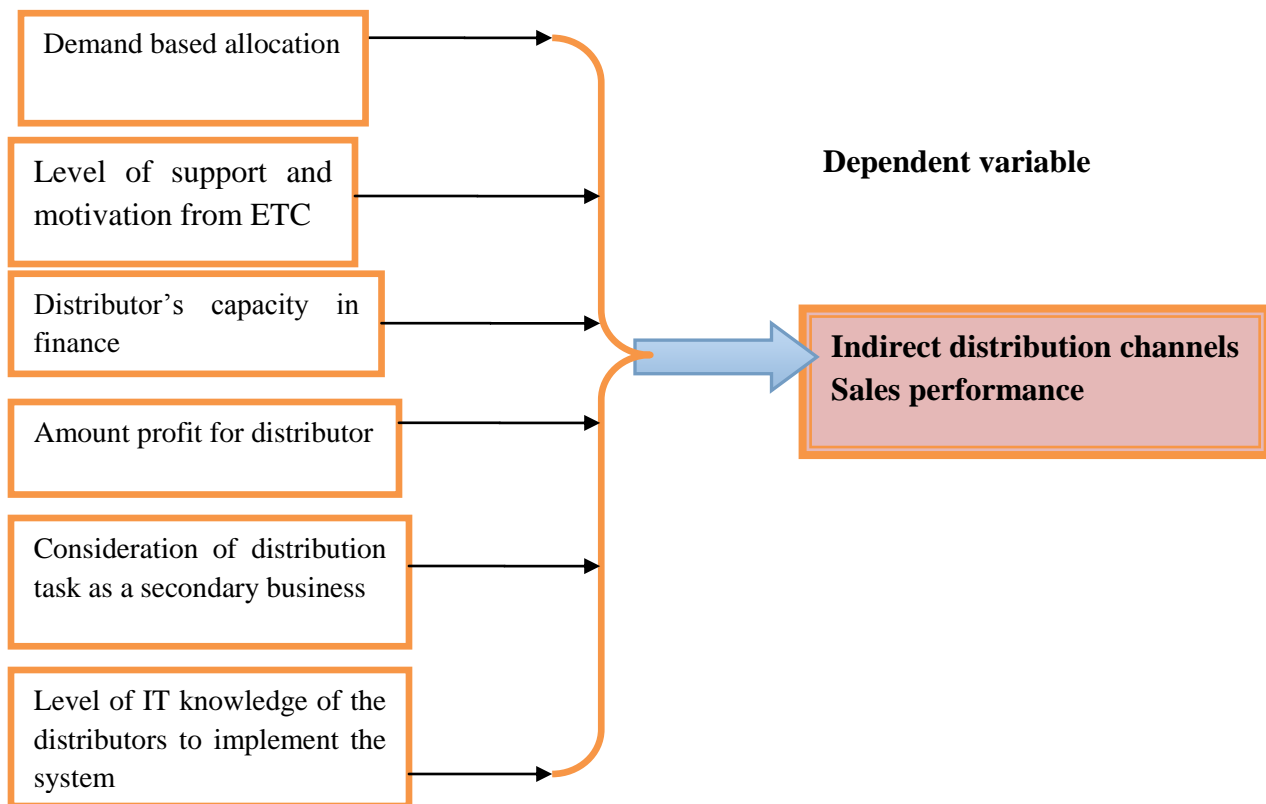
Source: Ethio telecom Jimma region indirect channel distribution Department report from July 2018 - June 201

2.2. Conceptual frame work

The conceptual framework indicates the crucial process, which is useful to show the direction of the study. Depend up on previously conducted study on the topic the researcher was developed conceptual frame that can shows determinants of indirect distribution channels .

Figure 1: Conceptual frame work of the study

Independent variables



Source: · Churchill, F., & Walker. (1985) Model of determinants of sales performance.

CHAPTER THREE

3. RESEARCH DESIGN AND RESEARCH METHODOLOGY

This chapter of the study describes methodology and research design employed by the study; the subjects/participant of the study, sampling techniques and sample size determination, the sources of the data, the data collection tools/instruments employed, the procedures of data collection, the methods of data analysis was used by the study, as well as ethical considerations was specified.

3.1. Research design

In order to answer research questions, cross-sectional research design which involves mixed method qualitative and quantitative (concurrent or convergent mixed method) was used. Cross-sectional research design is considered mainly for the reason that it was enabling the current researcher to conduct a survey of study at once for a group of respondents. As stated by Creswell(2012) mixed research methods is a procedure for collecting, analyzing, and "mixing" both quantitative and qualitative research and methods in a single study to understand a research problem. Among types of mixed methods, specifically the researcher was used concurrent or convergent mixed method because it enables the researcher to conduct the study through using the process of; collecting both qualitative and quantitative data concurrently, analyzing the two data sets separately and mixes the two data by merging the results during interpretation and analysis. In order to see the determinants of indirect channels distribution in Ethio telecom, in this approach, the researcher collects both qualitative and quantitative data concurrently.

3.2. Population of the study

The target populations of this study were all indirect channel distributors, sub distributors and IDC employees found in Jimma Region Ethio- According to the information obtained from IDC's and Ethio-telecom there are 345 of employees works in IDC's. Accordingly, all employees and administrations of seven indirect distributor's channels and Ethio-Telecom indirect sales department staffs were the target population of the study.

3.3. Sample and sampling techniques

To select sample for the study among seven indirect channel distributors of Ethio-telecom Jimma region the study was used probability sampling techniques. To select the required number of samples, the study was use proportionate stratified random sampling technique by using distributors and departments as strata. According to Kothari (2004), under stratified sampling the population is divided into several sub populations that are individually more homogeneous than the total population and then we select items from each stratum to constitute a sample. Under proportional allocation, the sizes of the samples from the different strata are kept proportional to the sizes of the strata. By identifying the total number of employees in each distributors and Ethio-Telecom Jimma region of indirect channels department, the study was calculated and determined the required number of samples for each distributors by using proportionate stratified random sampling formula developed by (Yemane, 1967).

Figure 2 Yemane sample size formula

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

n- Is the sample size

e- Is the level of precision or sampling error = (0.05)

N- Is the population

$$n = \frac{345}{1 + 345(0.05)^2} = 185$$

Table 2: Number of proportionally selected samples from each distributor

No	Distributors	Number of employees	Calculation	Sample selected from each distributors
1	Hidase Telecom	285	185(285/345)	153
2	Kemal Abdela	8	185(8/345)	4
3	Ethio-telecom Jimma region sales department	14	185(14/345)	8
4	Kifiya financial	6	185(6/345)	3
5	TAT oil	12	185(12/345)	7
6	FTF trading	10	185(10/345)	5
7	SMF	10	185(10/345)	5
8	Total	345		185

Figure 3: Proportional sample size determination formula.

$$n_i = n \frac{n_i}{N}$$

3.4. Instruments of Data Collection

In order to gather valuable information for the study, the researcher was used different type of questionnaires. Based on this, different types of questionnaires were developed in English language and translated in to local language, for indirect channels distributors, managers and employees. Closed ended questionnaires which consist 29 items each were employed for indirect channels distributor's employees and Ethio telecom indirect sales department staffs.

The questioners were typical form of fixed response alternative that require the respondent to select item from a predetermined set of answers to every question. In addition, the tools were has three sections, the first section consist demographic information of respondents and the second section consist questions about the prior experience of distribution and the basic challenges that affect indirect distribution channel in distributing physical voucher card, Yimulu (Electronic voucher card), and SIM cards on territory confined bases. The third part of the questioners consist items about the main reason that distributors are terminating their distribution agreement, the fourth section of the questioners consist questions about sales performance of indirect distribution channels on the year of 2019.

The questionnaire was applied the Likert scaling technique which consists 5 scales indicates (1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5=strongly agree).and it is a rating scale which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements or questions. This rating scale was easy to respondents to give their responses. In addition to this, to collect in-depth information from respondent's interview was used.

3.4.1. Validity and Reliability Test

3.4.1.1. Reliability of test

The reliability of the tools were checked by conducting pilot study on 30 participants who are not the target population of the current study, from the experience gained in this way, improvement can be made. Then after the result of the test indicates acceptable range of Alpha Cronbach result, the tools were applied in to the main target population of the study. Accordingly, during the pilot study, the reliabilities of the tools were found to be 0.88 alpha Cronbach value for Amharic versions and 0.86 for English versions.

3.4.1.2. Validity test

In order to secure validity of the inventory tools, after the tools translated to a local language, (Amharic) then translated back to English language by consulting Amharic language experts for their advice. Moreover, the researcher was consulted expert who have knowledge on the area to read and give feedback for pre-testing and have commented on length, idea duplication and words to be merged so that it was accommodated. This is done to ensure that the questionnaire is clear to respondents and can be completed in useful way.

3.5. Procedures of data collection

As the preliminary procedure to conduct survey of the participants the researcher was received formal letter from Jimma University College of business and Economics department of Management which describes that the researcher is going to conduct study. Using the received letter, the researcher was communicates the institution to receive permission and get required data from concerned bodies. Accordingly, the researcher was informed the aim of study for participants in order to get their full consent and agreement to be part of the study. Lastly, the researcher was distributed the questionnaire and collected after they complete it.

3.6. Methods of Data Analysis

In order to analysis the collected data, Descriptive and inferential statistics methods was used. The quantitative data collected through closed ended questioners were encoded into Statistical Package for the Social Sciences (SPSS) for analysis. After the completing entering data, frequencies were generated for descriptive statistics. For each questions or variable in the study, the overall frequencies, and percentages, mean standard deviation was presented in table form. Moreover, to investigate the prior experience of IDCs on distributing the physical voucher card SIM card and Yimulu (Electronic voucher card) on territory confined bases and to assess the main reason that distributors are terminating their distribution agreement frequencies, and percentages, mean standard were conducted. In addition, to identify determinants which affects indirect distribution channels multiple linear regression analysis was used. The qualitative data collected through interview was analyzed by using thematic analysis and direct quotation.

The regression model was developed using eight variables or predictors, which have influences on a performance IDC's of ET. The regression model took the form of: Where;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + e$$

Where Y is the response and the independent variables are those which explain the response ranges from X1 to X8

Y = IDC's SALES PERFORMANCE

Predictors (constant)

X1 = Assignment of over target on members of IDC's

X2 = Shorter time in sales of higher denomination

X3 = Delay on-time of distributions and delivery of voucher Card and SIM cards from ET to distributors

X4 = Lack of distributors capacity in finance, skill and consistency

X5= Distributors consideration of distribution task as a secondary business

X6= lesser commission paid by company to private distributors

X7= High target of SIM cards and lack of demand based allocation of voucher cards

X8= Restrictive agreement following penalty

β_i = Coefficients of the independent variables, where, 1, 2,3,4,5,6,7,8

e= Error term

3.7. Ethical Considerations

Since writing this study required a collection of data, the data collection techniques was interview with IDC managers and survey over questionnaires. Therefore, the following are ethical issues that were considered while writing the entire research. The data collected from the interview for supporting the study and the participants of survey over the questionnaire i.e., distribution chain sample respondents, data collectors and their organizations are protected with trust. The trust and credibility was established between the researchers and the participants by getting permission from Ethio-telecom's higher officials and by including cover letter with brief description of the purpose and benefits of the study without misusing the results to the advantages of the researcher or for the company.

3.8. Operational Definition

- **Direct Channel:** It is Ethio-Telecom's marketing channel in which products and services are sold within its own shops for the entire customers of the company.
- **Distribution Chain:** It refers to the distributors system of organization of sales of Ethio-telecom products to the customers through its Distributors, sub distributor and retail outlets (Ethio-Telecom, Indirect Channels Products and Services Distribution Agreement, 2014, p.3).
- **Indirect Distribution Channel** - The indirect channel is used by companies who do not sell their goods directly to consumers. Suppliers and manufacturers typically use indirect channels because they exist early in the supply chain (Aaker, 2001)

- **Pre-Paid SIM:** It is a normal type of mobile service, in which a subscriber needed to pay or recharge regularly in advance for getting talk time, data and other services within a stated validity period, offered through Ethio telecom's SIM Card (Ethio Telecom, 2015).
- **Voucher Card:** It is a scratch-able card used for recharging any pre-paid services offered by Ethio-Telecom (Ethio Telecom, 2015).

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

Introduction

This chapter presents the main finding of the study and discussion. The first portion deals about the demographic characteristics of respondents which includes sex, age, educational status and work experience of the target sample. The second portion deals about the prior experience of IDC's on distributing the physical voucher card, Yimulu (Electronic VC), and SIM cards, the basic challenges that affect indirect distribution channel in distributing meeting their targets. Thirdly linear multiple regressions analysis result for determinants of IDC the study was presented. In addition, based on objective of the study the main reasons that distributors are terminating their distribution agreement were analysis and interpretation is made after figurative table. Finally the qualitative result of interview collected form Ethio telecom IDC department staffs presented by using thematic approaches.

4.1. Demographic Characteristics of Respondents

Table 3 : Demographic variables of respondents

No	Variables	Frequency	Percent
1	Sex		
	Female	96	56.5
	Male	74	43.5
2	Age		
	Between 18-28 years	50	29.4
	Between 29-39 years	86	50.6
	Between 40-50 years	27	15.9
	Over 50 years	7	4.1
3	Marital status		
	Married	117	68.8

	Single	53	31.2
4	Educational level		
	High School Graduate	5	2.9
	MA/MSC/MBA	8	4.7
	BA/BSC	69	40.6
	Technical Diploma	88	51.8
5	Work experience		
	Under 2 years	29	17.1
	Between 2-5 years	19	11.2
	Between 5-10 years	61	35.9
	Between 10-15 years	55	32.4
	Above 15 years	6	3.5
6	Position of staffs		
	Supervisor	8	4.7
	Officer	25	14.7
	Manager	4	2.4
	Sales	85	50
	Accountant	33	19.4
	other	15	8.8

In order to collect primary data 185 questioners were distributed to seven indirect distributor's employees and Ethio-telecom Jimma region distribution department staffs, out of these 170 questioners were filled completely and consistently with a response rate of (91.8 %). Based on the table shown above, out of 170 participants 86 (50.6 %) of the respondents were found between 29-39 years old, while 27(15.9%) of the respondents were found in the age ranging between 40 -50 years old, 50 (29.4%) of the respondents were found between 18-28 years old and the rest 7 (4.1 %) of the respondents were found above 50 years old. The result showed that, approximately half of the samples were between 29-39 years old.

Among the total respondents 74(43.5%) of the respondents were male and 96(56.5%) of them were female respondents. With to regard marital status, 117(68.8%) of the respondents were married and 53(31.2%) of was single. With respect to level of education majority respondents or 88(51.8%) of them were technic diploma holder. 5(2.9%) of the respondents were high school graduates, while 8(4.7%) of the respondents attended their education in MA/ MSC/MBA and 69(40.6%) respondents were BA/BSC holders.

As shown in the table above out of 170 respondents 29(17.1%) of respondents were have under 2 years work experience, 19(11.2%) of them have between 2-5 years' work experience, 61 (35.9%) were have between 5-10 years' work experience, 55 (32.4%) of respondents were have between 10-15 years' work experience and 6(3.5%) of respondents were have above 15 years work experience. with regard to work position of participants 8(4.7%) of them were supervisor, 25(14.7%) of them were officer, 4(2.4%) of them were manager, 85(50%) of them were a sales and 33(19.4%) respondents were accountant, the rest 15(8.8%) of them were had other position.

4.2. The past experience of indirect distributors channel members in Ethio telecom

Jimma region

Table 4: What is the prior experience of distributing the physical VC, Yimulu (Electronic VC), and SIM card on territory confined, bases?

No	Item	Response	Frequency	Percent	Mean	SD
1	ET's distribution channel strategy is as good as compared to ETC's Sales channel strategy	Strongly Disagree	16	9.4	3.6588	1.08843
		Disagree	4	2.4		
		Neutral	31	18.2		
		Agree	90	52.9		
		Strongly agree	29	17.1		
2	Territory confined/limited sales is a convenient decision for target achievement	Strongly Disagree	0	0	2.9882	1.23071
		Disagree	97	57.0		
		Neutral	10	18.2		
		Agree	10	5.9		
		Strongly Agree	32	18.8		
3	Sales channel strategy complies with overall company vision and aims on distributions	Strongly Disagree	0	0	3.1294	1.02960
		Disagree	64	37.6		
		Neutral	0	0		
		Agree	90	52.9		
		Strongly Agree	16	9.4		
4	The sales activity in the distribution chain is performed based on the price set by the company	Strongly Disagree	39	22.9	2.8824	1.40086
		Disagree	44	25.9		
		Neutral	1	6		
		Agree	70	41.2		
		Strongly disagree	16	9.4		

In order to get information about how distributors evaluates the prior experience of distributing physical voucher card, Yimulu (Electronic voucher card), and SIM card on territory confined bases respondents were interviewed by using Likert scale questioners and the result was presented by using descriptive statics analysis such as percentage, frequency, mean and SD. As can be observed in the table above, 16(9.4%) of respondents were strongly disagreed, 4(2.4%) were disagreed, 31(18.2%) neutral, 90(52.9%) were agreed and 29(17.1%) of respondents were

strongly agreed that, Ethio-telecom distribution channel strategy was good when compared to ETC's Sales channel strategy. The mean score indicates 3.6588 with 1.08843 SD.

As indicated on Table=4, approximately half of the samples or 97(57.0%) of respondents were disagreed, the rest 31(18.2%) of respondents were neutral, 32(18.8%) were agreed and 10(5.9%) of respondents were strongly agreed that, territory confined/limited sales is a convenient decision for indirect distributors to achieve their target achievement. The mean score indicates 2.9882 with SD of 1.23071. The result of study shows constant result with Bante, (2018) finding which shows 32.9% of distributors and sub-distributors respondents were agreed and 10.9% of distributors and sub-distributors were strongly agreed, territory confined/limited sales is a convenient decision for indirect distributors to achieve their target achievement. In conclusion only around six percent of participants believed that territory confined/limited sales are a convenient decision for target achievement.

As illustrated on Table4, 64(37.6%) of respondents were disagreed, 90(52.9%) of respondents were agreed and 16(9.4%) of respondents were strongly agreed that, Sales channel strategy complies with overall company vision and aims on distributions. The mean score indicates 2.9882 with SD of 1.23071. With regards to sales activity in the distribution chain whether performed or not based on the price given by the company (Ethio-telecom), 39(22.9%) of respondents were strongly disagreed, 1(.6%) of respondents were neutral, 44(25.9%) of respondents were disagreed, 70(41.2%) of respondents were agreed, and 16(9.4%) of respondents were strongly agreed that, the sales activity in the distribution chain is performed based on the price seated by the company. The mean score indicates 2.8824 with SD of 1.40086.

4.2.1. Basic challenges that affect IDCs in meeting their targets

Table 5 : What are the basic challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales?

No	Item	Response	Frequency	Percent	Mean	SD
1	The Assignment of over target	Strongly Disagree	16	9.4	3.5353	1.24103
		Disagree	22	12.9		
		Neutral	26	15.3		
		Agree	67	39.4		
		Strongly Agree	39	22.9		
2	Shorter time in sales of higher denomination	Strongly Disagree	23	13.5	2.9647	1.19116
		Disagree	41	24.1		
		Neutral	38	22.4		
		Agree	55	32.4		
		Strongly Agree	13	7.6		
3	Delay on the time of distributions and delivery of voucher Cards and SIM cards from Ethiotelecom to indirect channel distributors	Strongly Disagree	26	15.3	3.3059	1.39758
		Disagree	28	16.5		
		Neutral	25	14.7		
		Agree	50	29.4		
		Strongly Agree	41	24.1		
4	Lack of distributors capacity in finance, skill and consistency	Strongly Disagree	16	9.4	3.4294	1.31818
		Disagree	39	22.9		
		Neutral	10	5.9		
		Agree	66	38.8		
		Strongly Agree	39	22.9		
5	Distributors consideration of distribution task as a secondary business	Strongly Disagree	21	12.4	3.0765	1.24036
		Disagree	49	28.8		
		Neutral	8	4.7		
		Agree	80	47.1		
		Strongly Agree	12	7.1		

As indicated on Table 5, 16(9.4%) of respondents were strongly disagreed, 22(22.9%) were disagreed, 26(15.3%) neutral, 67(39.4%), were agreed and 39(22.9%) of respondents were strongly agreed that, the main challenge that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales of IDC is assignment of over target on indirect channel distributors by Ethio-telecom. The mean score indicates 3.5353 with SD of 1.24103.

As shown in the Table 5, 23(13.5%) of respondents were strongly disagreed, 41(24.1%) were disagreed, 38(22.4%) were neutral, 55(32.4%) were agreed and 13(7.6%) of respondents were strongly agreed that, the main challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales is shorter time in sales of higher denomination. The mean score indicates 2.9647 with 1.19116 SD.

As shown in the Table 5, 26(15.3%) of respondents were strongly disagreed, 28(16.5%) were disagreed, 25(14.7 %) were neutral, 50(29.4%) were agreed and 41(24.1%) of respondents were strongly agreed that, the main challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales is delay in on-time distributions and delivery of voucher Card and SIM cards from ETC to distributors. The mean score indicates, 3.3059 with 1.39758 SD.

As can be observed in the Table, 5=16(9.4%) of respondents were strongly disagreed, 39(22.9%) were disagreed, 10(5.9 %) were neutral, 66(38.8%) were agreed and 39(22.9%) of respondents were strongly agreed that, the main challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales is Lack of distributors capacity in finance, skill and consistency. The mean score indicates, 3.4294 with 1.31818 SD.

As depicted on Table=5, 21(12.4 %) of respondents were strongly disagreed, 49(28.8%) were disagreed, 8(4.7%) were neutral, 80(47.1%) were agreed and 12(7.1%) of respondents were strongly agreed that, the main challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales is distributors consideration of distribution task as a secondary business, The mean score indicates, 3.0765, with 1.24036, SD.

4.3. Determinants of indirect channel distribution

4.3.1. Multiple linear regression analysis of determinants of indirect channel distribution

Before applying regression analysis all assumptions of multiple regressions were checked. Multicollinearity was checked using variance inflation factors (VIF) and tolerance. The VIF indicates whether a predictor has a strong linear relationship with the other predictor(s). All VIF values were less than 10 and the tolerance values were above 0.2 which indicated that there was no Multicollinearity (Myers, 1990 as cited in Field, 2009).

Table 6: Model Summary ^b

Model	R	R Square	Adjusted R	Std. Error of the Estimate	Durbin-Watson
1	.877 ^a	.769	.769	2.18470	1.813

Source: SPSS output

As shown in the above model summary table, the Durbin-Watson statistic showed that the values of the residuals are independent. The obtained value was between 1 and 3. (Durbin-Watson = 1.813) and the essential conditions were attained. As shown in the above table, a value of adjusted R square" (*adj. R²*) .769, indicates that 76.9% of variation in the outcome variable is explained by the predictors which are to keep in the model.

Table 7: ANOVA ^a

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	2475.213	13	190.401	39.892	.000 ^b
	Residual	744.575	156	4.773		
	Total	3219.788	169			

The F-ratio in the ANOVA (Table 7) tests whether the overall regression model was a good fit for the data. The table shows that, the independent variables statistically and significantly predict the dependent variable, $F(13, 156) = 39.89$, $P(.000) < .05$ (i.e., the regression model was a good fit of the data). The value of R .769 indicates that, our independent variables explain 76.9% of the variability of our dependent variable, And 23.1% (100%-76.9%) of the variation is caused by factors other than the predictors included in this model.

Table 8 : Coefficients

No	Item	Unstandardized Coefficients		Standardized Coefficients	T	sig
		B	Std. Error	Beta		
1	The Assignment of over target on members of IDC's	-3.360	.329	-.955	-10.223	.000
2	Shorter time in sales of higher denomination	.877	.186	.239	4.718	.000
3	Delay in on-time distributions and delivery of voucher Card and SIM cards from ET to distributors	.065	.261	.021	.249	.804
4	Lack of distributors capacity in finance, skill and consistency	-.204	.388	-.062	-.526	.600
5	Distributors consideration of distribution task as a secondary business	-1.178	.269	-.335	-4.378	.000
6	Lesser commission paid by company to private distributors	-1.017	.227	-.277	-4.479	.000
7	High target of SIM cards and lack of demand based allocation of voucher cards	.603	.487	.145	1.238	.217
8	Restrictive agreement following penalty	2.159	.275	.653	7.855	.000

A correlation analysis showed that, shorter time in sales of higher denomination with ($\beta = .2.39$, $P < .000$), restrictive agreement following penalty with, ($\beta = .653$, $P < .000$) assignment of over target, with ($\beta = -.955$, $P < .000$), distributors consideration of distribution task as a secondary business with ($\beta = -.335$, $p < .000$) and lesser commission paid by company to private distributors with, ($\beta = -.27$, $p < .000$) were found to be statistically significant predictor of indirect distribution channels of Ethio-telecom Jimma region.

The qualitative result also support that, shorter time in sales of higher denomination , restrictive agreement following penalty, distributors consideration of distribution task as a secondary business and lesser commission paid by company to private distributors were the main challenges which affects the process of IDC.

However, variables such as delay in on-time distributions and delivery of voucher Card and SIM cards from ET to distributors with ($\beta = .021$, $P < .804$), lack of distributors capacity in finance, skill and consistency with ($\beta = -.062$, $P < .600$), high target of SIM cards and lack of demand based allocation of voucher cards), ($\beta = .145$, $P < .217$), were found to be not significantly determine indirect distribution channels of Ethio telecom Jimma region.

In contrast according to the information gathered through interview from Ethio-telecom IDC department staffs the main complain and source of conflict between IDCs and Ethio-telecom was, high target of SIM cards and lack of demand based allocation of voucher cards and delay in on-time distributions and delivery of voucher Card and SIM cards from ET to distributors is the main challenges which affects indirect distribution channels largely.

4.3.2. Unstandardized Beta Coefficient (β) of determinants of IDCs.

The result of Unstandardized Beta Coefficient (β) for variables such as assignment over target, lesser commission paid by company to private distributors and, distributor's consideration of distribution task as a secondary business, shows negative beta coefficient result. Accordingly, negative beta coefficient indicates when we keep all other variables constant; for each 1-unit increase on assignment of over target, on indirect channels distributors the outcome variable will decrease by -3.360 units on dependent variables. Moreover, for every one unit increment on distributors' consideration of distribution task as a secondary business of the distribution chain members, the % of sales performance decreases by -1.178. For every one unit increment on lesser commission paid by company to private distributors of the distribution chain members, the % of sales performance decreases by -1.017.

4.4. The main reason that distributors are terminating their distribution agreement

Table 9: what is the main reason that distributors are terminating their distribution agreement?

No	Item	Response	Frequency	Percentage	Mean	SD
1	Lesser commission paid by company to private distributors	Strongly Disagree	16	9.4	3.2353	1.18818
		Disagree	39	22.9		
		Neutral	21	12.4		
		Agree	77	45.3		
		Strongly Agree	17	10.0		
2	High target of SIM cards and lack demand based allocation of voucher cards	Strongly Disagree	5	2.9	3.6412	1.04658
		Disagree	24	14.1		
		Neutral	32	18.8		
		Agree	75	44.1		
		Strongly Agree	34	20.0		
3	Restrictive agreement following penalty	Strongly Disagree	5	2.9	3.4529	1.31923
		Disagree	45	26.5		
		Agree	79	46.4		
		Strongly Agree	41	24.1		

As shown in the above table, 16(9.4 %) of respondents were strongly disagreed, 39(22.9%) were disagreed, 21(12.4 %) were neutral, 77(45.3%) were agreed and 17(10.0%) of respondents were strongly agreed that, the main reason that distributors are terminating their distribution agreement is lesser commission paid by company to private distributors, the mean score indicates 3.2353 with 1.18818 SD.

As shown in the table above, 5(2.9 %) of respondents were strongly disagreed, 24(14.1%) were disagreed, 32(18.8 %) were neutral, 75(44.1%) were agreed and 34(20.0%) of respondents were strongly agreed that, the main reason that distributors are terminating their distribution agreement is high target of SIM cards and lack of demand based allocation of voucher cards the mean score indicates 3.6412 with 1.04658 SD. As shown in the table twelve, 5(2.9 %) of respondents were strongly disagreed, 45(26.5%) were disagreed, 79(46.4 %) were agreed, and 41(24.1%) of respondents were strongly agreed that, the main reason that distributors are terminating their distribution agreement is restrictive agreement following penalty the mean score indicates 3.4529 with 1.31923SD.

4.5. Qualitative result of the study

In order to gather in-depth information about Ethio-telecom Jimma region IDC's processes and experience in related with IDC, the researcher was conducted an in-depth interview on Managerial staffs of Ethio telecom Jimma region IDC department. During the interview, participants were interviewed about their overall experiences and their relationship with IDC's. The result of the interview was analyzed qualitatively by using paraphrasing and direct quotation as follows.

4.5.1. The major source of conflict Between Ethio telecom Jimma region and indirect channel distributors

According to most interviewed from Ethio telecom IDC department, the main source of conflict between Ethio-telecom and indirect channel distributors can be raised either between the company and the distribution chain or within the chain members. The conflict between the company and chain a member starts from target with the major issue of the chain members by saying "*the target set for IDC's is too high*". And secondly conflict can be arises from the

demands of selling only Voucher Cards instead of including SIM card, Yimulu electronic card, because of the fact that SIM card will have other processes (*like collection of CAF, and returned to Ethio-Telecom*). For instance as one participant of the interview explained his experiences as follows.

“Due to lack awareness about the product and fear of low demand from customers most distributors are not interested to distribute Yimulu (Electronic voucher card) service for final customers this situation cause’s conflict between indirect channel distributors and Ethio-telecom most of the time”.

In addition selling SIM cards above the price sated by the company which has negative impact on image of Ethio telecom are the major source of conflict. In the other side, the company primary objective is to sell more SIM and by implication the Voucher Card sales will increase. These two conflicting issues might create conflicts between the two parties.

4.5.2. How Ethio telecom evaluates indirect channel distributors

According to the interviewees replay about the evaluation and regulation systems of the company’s IDC, the regulation of the distribution chain is performed based on the specified contractual terms. The contractual terms mainly emphasized on unethical behaviors of channel members; such as, violation on territory & price and underperforming channel members and the activities of the channel members will be assessed and if there exist disparity against the contractual agreements, warnings and terminations will be held on those distributors.

According to the information gained from Ethio-telecom Jimma region IDC department head, there is a continuous evaluation and review on the strategic document. However the head of department couldn't answer in what period the strategic document was evaluated and reviewed. Additionally, the company had not experienced in the participation of external evaluator and reviewer. The above information implies that the company didn't practice a periodic internal and external evaluation and review of their strategic document.

In the absence of periodic external evaluation, it is difficult to provide reliable and accountable information to different stakeholders. Finally officers of the company has replied for the question of how you evaluate the company's current marketing strategy is that in fact Ethio-telecom is an infant company after the reshuffling of former Ethiopian Telecommunications Corporation, hence the company will do a well-organized and competitive marketing strategies than now what we have practiced.

4.5.3. Communication between Ethio-telecom and indirect channel distributors

As most interviewed participants of the study reported, most of the time, the communication, coordination and relationship activities of the company mainly focused on the main-distributors only, this shows that the lower level of the chain, i.e., the sub-distributors are neglected. Therefore, the communications, coordination and creation of relationship between the lower levels of the chain should be created, so that the hindrances of the overall distribution chain will be reduced in some level.

In addition the participants of the interview believed that, for improving communication between ET and the distribution chain members the company should strengthen its communication, not only with the higher levels of the chain members but also to the lower level chain members as well and ahead of time communication through support team and training.

Moreover, according to the replays, of the management of IDC, the formal business relationship between the company and the distribution chain members actually is “transactional relationship”, but it should be a “strategic relationship”. In a sense, the transactional relationship mean that the channel members is been acting as a one-time buyers. Hence, the ethical behavior that is required from them might not expect.

Additionally, the relationship between the company and the distribution chain is being performed mainly on the higher level chain members (i.e., main-distributors and to some extent to sub-distributors). The major strategy of the relationship creation was “*distributors’ day meeting*” which is being held on monthly basis with a major emphasis of the problems faced in the chain activities.

The interview report shows there is a timely, a well-constructed, a clear and open communications between the channel members and the IDC, whereas the frequency of direct communication is only 2 or 3 times in a month. And the communication emphasis of the company IDC is majorly on the main-distributors whereas the sub-distributors and retailers are being communicated either through their respective distributors” or the POS coordinators of the company.

The other communication tools of the IDC are the direct observations on actual work places of distribution chain members through all POS coordinators. And hence they will see all ordinary business activities with regard to price, territory violations and other factors that might hinder the performances of the chain.

4.5.4. Motivational practices and training for IDCs from Ethio-telecom Jimma region

According information obtained from Ethio telecom Jimma region IDC department managerial staffs there are two types of motivational incentives provided by Ethio-Telecom Jimma region for indirect channel of distributors. The two types of motivational incentives which have been given for the best performers are; some percentage increment on commission payment based on the contribution and one-time reward (like, Laptop and Smartphones).

The management of IDC replied that, with regard to support, the company's IDC by its initiation performs market health assessment, commercial items assessment and notification for the shortages of fast moving voucher cards (example of fast moving voucher cards like; 5 ETB and 10 ETB denominations), the forwarding of communication materials for free and recruitment of sub-distributors and retailers (even if the task was the distributors) is being performed as a support to the chain members.

Most of interviewee shared similar experiences regarding training, for instance one participant of the interview explained that, even if the need of training is more important for IDC on the topic of knowledge/skill on the product and service and convincing the customers, implementing IT system handling and to upgrade the sales executives' skills members of IDC's, Ethio telecom Jimma region still didn't provide adequate training for IDCs found in the catchment areas. In addition, the participant's responses also indicate that, training support would only provide for a limited number of distributors. As a result lack of incentives for distributors to produce good results is a serious problem. Generally, according to interviewees the motivational practice, training and support for IDCs is very low and this due to a lack of budget support from head quarter to for to provide enough support indirect channel distributors.

CHAPTER FIVE:

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.2. SUMMARY OF MAJOR FINDINGS

The following points are summary findings of the data analysis under chapter four:

- The majority or 90(52.9%) of respondents were agreed that, Ethio-telecom distribution channel strategy was good when compared to ETC's Sales channel strategy. The mean score indicates 3.6588 with 1.08843 SD
- Approximately half of the samples or 97(57.0%) of respondents were disagreed that, territory confined/limited sales is a convenient decision for target achievement. The mean score indicates 2.9882 with SD of 1.23071.
- The majority 64(37.6%) of respondents were disagreed, 90(52.9%) of respondents were agreed and 16(9.4%) of respondents were strongly agreed that, Sales channel strategy complies with overall company vision and aims on distributions. The mean score indicates 2.9882 with SD of 1.23071.
- The descriptive result of the study shows that approximately 77(45.3%) and 17(10.0%) of respondents were agreed and strongly agreed respectively the main reason that distributors are terminating their distribution agreement is lesser commission paid by company to private distributors.
- Moreover, 67(39.4%) agreed and 39(22.9%) of respondents were strongly agreed that, the main challenge that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales of IDC is assignment of over target on indirect channel distributors by Ethio-telecom.

- A correlation analysis showed that, shorter time in sales of higher denomination, restrictive agreement following penalty, assignment of over target, distributors consideration of distribution task as a secondary business, and lesser commission paid by company to private distributors were statistically significant determinant if indirect distribution channels of Ethio telecom Jimma region.
- However, variables such as delay in on-time distributions and delivery of voucher Card and SIM cards from ET to distributors, lack of distributors capacity in finance, skill and consistency and high target of SIM cards and lack of demand based allocation of voucher cards), were found to be statistically has not significantly determine indirect distribution channels of Ethio telecom Jimma region.
- In addition, motivational practice specially on financial rewards, and appreciation of effort and success, close relationship between ET and distributors in order to achieve common goal, providing timely and enough training on recent update about the change in the channel getting credit and (financial assistance) and setting achievable goal for distributors were found to be statistically significant predictors of indirect distribution channels performance.

5.3. CONCLUSIONS

- The study was tries to examine determinants of indirect distribution channels of Ethio telecom Jimma region by employing mixed method of statistics or concurrent method. Accordingly, both qualitative and quantitative method was used to analysis the collected data. The data was collected through Likert scale questioners and interview. The quantitative data was analyzed by using both descriptive and inferential statics.
- Based on the finding the researcher concluded that, shorter time in sales of higher denomination, restrictive agreement following penalty, assignment of over target, distributors consideration of distribution task as a secondary business, and lesser commission paid by company to private distributors were statistically significant determinant of indirect distribution channels of Ethio telecom Jimma region. .
- Regards to prior experience of IDC's the majority of respondents were agreed that, Ethio-telecom distribution channel strategy was good when compared to ETC's sales channel strategy. Approximately half of the samples respondents were disagreed that, territory confined/limited sales is a convenient decision for target achievement.
- Majority of respondents were agreed that the main reason that distributors are terminating their distribution agreement is lesser commission paid by company to private distributors.
- In addition, the study was interviewed 8 managerial staffs of Ethio telecom Jimma region In addition for quantitative study; eight participants were interviewed about their relationship and overall experience with members of IDCs.

- The result indicates price violation, lack of support for IDC members, lack of periodic external evaluation, less profit for IDC members, motivational practice specially on financial rewards, and appreciation of effort and success, providing achievable goal for distributors, open and honest communication between distributors and Ethio telecom, close relationship between ET and distributors in order to achieve common goal, providing timely and enough training on recent update about the change in the channel and getting (financial assistance) credit from the ET found to be the major determinates of IDC of Ethio telecom Jimma region.

5.4. Recommendations

Based up on the finding of the study the researcher forwards the following recommendations for concerned body to the company for improving distribution channel management activities to assure and improve the experience of indirect distribution channels performance.

- The company should reconsider the process of indirect distribution in to base on mutual benefit for both parties process develop modern ways of channel management to satisfy the channel members and treat them as families of the company so as to retain and attract more channel members for the purpose of sales maximization.
- The responsible employees of the company should approach the members politely, evaluate their performances periodically and give consultancy services to maximize their sales of the company's product.
- The company should have to reconsider the profit and commission it offers to IDC members into more attractive.
- The company should have to develop frequent, regular and constant mechanisms of evaluation and regulation of indirect distributors.
- The company should have to provide support IDC members by providing credit and trainings on recent update to increases their achievements.
- The company should develop incentive mechanisms for the channel members like; rewards and commissions for the ones their performance excelled.
- The communication mechanism should be improved in a more scientific manner rather than manual systems. This can be enhanced via experience sharing in other developed and advanced nations in the telecom industry.

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APPENDICES 1: Questionnaire (English Version)

Jimma University
College of Business and Economics
Department Business Management MBA program

DEAR RESPONDENT

The purpose of this questionnaire is to collect primary data for a research on ‘determinants of indirect distribution channel of Ethio telecom Jimma region’ for academic purpose in the first place and benefit of Ethio telecom in the second place. I would be very thankful for taking few minutes to answer the questions provided. Your genuine and frank responses are important for the success of this study and please, take some of your valuable time to fill this questionnaire. Your responses will only be used for the purpose of this study.

Thank you for your cooperation in advance!

Part One:-General Information of respondents

Direction: For multiple choice questions, please answer by putting ✓mark in the boxes provided.

1) Gender

1. Male 2. Female

2) Age

1. 18-28 3. 40-50
2. 29-39 4. Over 50

3) Marital Status

1. Single 2. Married , 3. Divorced

4) Educational Background

1. High School Graduate 3. BA/BSC
2. MA/ MSC/MBA 4. Technical School Diploma 5. PHD

5) Work Experience

1. Under 2 years 2. Between 2-5 years
3. Between 5-10 years 4. Above 10 years

6) Position Staff

1. Supervisor 3. Manager
2. Officer 4. If any other Please specify -----

PART TWO: DETERMINANTS OF INDIRECT DISTRIBUTION CHANNELS OF ETC.

The following statements are concerned about the determinants of indirect distribution channel in Ethio telecom Jimma region. You are required to rate the items in the instrument on the basis of a five (5) point scale. Please indicate the extent of your agreement with each statement by ticking (✓) a number from 1 to 5.

Note that; select only one among the options given below

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, 5 = Strongly Agree.

No	Statement	1	2	3	4	5
1 What is the prior experience of distributing the physical voucher card ,Yimulu (Electronic voucher card), and SIM card on Territory confined, Bases?						
1.1	ET"s distribution channel strategy is as good as compared to ETC"s Sales channel strategy					
1.2	Territory confined/limited sales is a convenient decision for target achievement					
1.3	Sales channel strategy complies with overall company vision and aims on distributions					
1.4	The sales activity in the distribution chain is performed based on the price set by the company.					
2 What are the basic challenges that affect the distribution channel in distributing voucher cards and meeting their targets in SIM card sales?						
2.1	The Assignment of over target on members of IDC's					
2.2	Shorter time in sales of higher denomination					
2.3	Delay in on-time distributions and delivery of voucher Card and SIM cards from ETC to distributors					
2.4	Lack of distributors capacity in finance, skill and consistency					
2.5	Distributors consideration of distribution task as a secondary business					
3 What is the main reason that distributors are terminating their distribution agreement?						
3.1	Lesser commission paid by company to private distributors					
3.2	High target of SIM cards and lack of demand based allocation of voucher cards					
3.3	Restrictive agreement following penalty					
3.4	Less profit for distributors/sub distributors					
4 What is the level of IT support for inventory and order management						
4.1	Currently there is system support from ETC for distributors to manage their orders					
4.2	System order handling is better than manual order handling; the system efficiency & effectiveness is high					
4.3	The system to support distributors is fully implemented					
4.5	The level of IT knowledge of distributors is high to implement the system					

PART THREE- DEPENDENT VARIABLE (SALES PERFORMANCE)

How do you rate the following statements by considering the last year sales performance?

1= Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree.

No Statements 1 2 3 4 5

No	Statements	1	2	3	4	5
1	In the year 2019 your firm has achieved high sales revenue					
2	In the year 2019 your firm has generated high sales per potential demanded.					
3	In the year 2019 your firm is being experiencing high amount of sales to new customers.					
4	In the year 2019 the number of order of products and services has significantly increased.					
5	In the year 2019 the distribution network expansion has been improved					
6	In the year 2019 sales quota achievement has been very satisfactory.					

APPENDIX: 2 Questionnaire (Amharic version)

በጅምቶች ስርዓት

የቢዝነስ እና ኢኮኖሚክስ ኮሌጅ

በሜጅመንት ትምህርት ክፍል የሁለተኛ ዲግሪ MBA ፕሮግራም

የዚህ መጠይቅ ዓላማ በኢትዮጵያውያን ጅምቶችን በወከል አከፋፋዮች ምርትና አገልግሎት የማስፋፈል ስራ ላይ በዋናነት ተጽኖ የሚሰጥ ምክንያቶችን ለማጥናት የሚያስፈልግ መረጃዎችን ለመሰብሰብ ነው። የሚጠቅመው መረጃም በሚኒስቴር የሚያዘው እና ለምርምር አላማ ብቻ የሚውል ነው። የቀረቡትን ጥያቄዎች ለመሙላት ፍቃደኛ በመሆኑ ከወዲው እና መሳግናልን። በተጨማሪም የሚጠቅመው እውነተኛ እና ግልፅ መረጃም ለዚህ ጥናት ስኬት አስፈላጊ በመሆኑ እባክዎን ይህንን መጠይቅ በማሞላት ወቅት እውነተኛ እና ትክክለኛ መረጃ እንዲሰጡ በአክብሮት እንጠይቃለን።

ስለ ትብብርዎ እና መሳግናልን!

ክፍል አንድ :- የተሳታፊዎች የግል መረጃ

አጠቃላይ መረጃ : እባክዎ የሚከተሉትን ጥያቄዎች በመልስ ላይ ✓ ምልክት በማድረግ ይመልሱ

1) ያለ

- 1. ወንድ
- 2. ሴት

2) እድሜ

- 1. ከ18-28 ዓመት
- 3. ከ 40-50 ዓመት
- 2. ከ29-39 ዓመት
- 4. ከ 50 ዓመት በላይ

3) የጋብቻ ሁኔታ

- 1. ያላገባ/ች
- 2. ባለትዳር
- 3. ፍቺ ፈጽሞ ለው

4) የትምህርት ደረጃ

1. ሁለተኛ ደረጃ አጠናቀቁ 3. የመጀመሪያ ደረጃ

2. ማስተርስ

4. የቴክኒክ ዲፕሎማ

5. ፒኤችዲ

5) የስራ ልምድ

1. ከ 2 ዓመት በታች 2. ከ 2-5 ዓመት

3. ከ 5-10 ዓመት 4. ከ 10-15 ዓመት

5. ከ 15 ዓመት በላይ

6) የስራ ድርሻ

1. ሱፐር ቫይረስ

3. ማፍጆር

2. አፊሰር

4. ሌላ ከሆነ ይብራራ -----

ክፍል ሁለት- የወከል ማከፋፋል ስራ ላይ ተጽኖ ማረጋገጫ ችግሮች

መሪያ - የማከተሉትን ጥያቄዎች እንዴት ይለካሉ? 1 (እጅግ ባጣም አልሰማም) 2 (አልሰማም) 3 (እርግጠኛ አይደለም)

4(እስማማው) 5 (እጅግ ባጣም እስማማው) በማለት መልስ ላይ ምልክት ያድርጉ።

ቁጥር	ጥያቄ	1	2	3	4	5
1	የሜቁ ካርዶችና ሲም ካርዶችን በተገደበ ወሉን በታዎች የሚከፈል የቀድሞ ተሞክሮዎ ምን ይመስላል?					
1.1	የአሁኑ የኢትዮ ቴሌኮም ምርቶችን የሚከፈል እስትራቴጂ ከቀድሞው የኢትዮጵያ ቴሌኮሚኒኬሽን ኮርፖሬሽን ሽያጭ እስትራቴጂ ሲነጻጸር የተሻለ ነው፡፡					
1.2	ድንበር የለሽ (በክልል ያልተገደበ) ሽያጭ አሁን ካለው በክልል የተገደበ ሽያጭ የተሻለ ነበር፡፡					
1.3	በክልል የተገደበ ሽያጭ ታርጌት ግብን ለማሳካት ተስማሚ (የተሻለ) ወሳኔ ነው፡፡					
1.4	የሽያጭ ሥራዎች ኢትዮ-ቴሌኮም ባስቀመጠው ዋጋ መሰረት ይከናወናሉ፡፡					
2	የሜቁ ካርዶችን በሚከፈል ሂደት፣ በሲም ካርዶች ሽያጭ የታርጌትን ግብ ከመምታት አንጻር መሰረታዊ ችግሮች ምን ድናቸው?					
2.1	የተጋነነ የሽያጭ ታርጌት መቀመጥ					
2.2	ከፍተኛ ዋጋ ያላቸው የሜቁ ካርዶች ሽያጭ ሊዘጋጁ መሆኑ					
2.3	የቫወቸር ካርድ እና ሲም ካርዶች ከኢትዮ ቴሌኮም ለወከል አከፋፍቶች በሰዓቱ ማስራጨት አለመቻል እና ምዝግባት					
2.4	የፋይናንስ፣ በክህሎትና በቋሚነት የአከፋፍቶች አቅም አጥረት					
2.5	አከፋፍቶች የስርጭት ሥራን እንደ ሁለተኛ ሥራ አድርገው መሰራታቸው					
3	አከፋፍቶች የስርጭት ስምምነታቸውን የሚቆጣጠሩ ዋና ውጭካን ያት ምን ድነው?					
3.1	ለአከፋፍቶች አነስተኛ ኮሚሽን ከከባንያው መከፈሉ					
3.2	ከፍተኛ የሆነ ሲም ካርድ እና ቫወቸር ካርድ ፍላጎት እንዲሁም ፍላጎትን መሰረት ያደረገ አመዳደብ አለመኖሩ					
3.3	ቅጣትን የሚያስከትል ገዳቢ የሆነ ወል ስምምነት መኖሩ					
3.4	አከፋፍቶችን ንዑስ አከፋፍቶች የሚገኙት አነስተኛ ትርፍ በመሆኑ					
4	ለወከል አከፋፍቶች የሚደረገው የ IT ድጋፍ ደረጃ እንዴት ነው?					
4.1	በአሁኑ ጊዜ አከፋፍቶች ከኢትዮ ቴሌኮም የምርት ትዕዛዝ የሚከታተሉበት የኢንፎርሜሽን ሲስተም ድጋፍ አለ					
4.2	የሲስተም ትዕዛዝ አያያዝ ከሰው ማዘዣ (አያያዝ) የተሻለ ነው፤ የስርዓቱ ወጠታዎች ትኩረት ነው					
4.3	አከፋፍቶችን የሚገባው የ IT ሲስተም ማሉ በማሉ ተተግብሯል					
4.5	የኢንፎርሜሽን ሲስተምን ለመተግበር የአከፋፍቶች የ IT ዕውቀት ደረጃቸው ከፍተኛ ነው					

ክፍል ሦስት- ከአከፋፍታዎች ድርጅቶች የሽያጭ አገልግሎት ስምምነት የተያያዙ ጥያቄዎች

መሠሪያ - የሚከተሉትን ጥያቄዎች እንዴት ይለካሉ? 1 (እጅግ በጣም አልስማማም) 2 (አልስማማም) 3 (እርግጠኛ አይደለሁም) 4 (እስማማለሁ) 5 (እጅግ በጣም እስማማለሁ) በሚለት መልሶ ላይ ምልክት ያድርጉ።

ተ/ቁ	ጥያቄ	1	2	3	4	5
1	ካስቀመጣቹት ዓመታዊ እቅድ አንፃር ሲታይ የ 2011 ዓ.ም አፈፃፀም ከፍተኛ ነው					
2	አከፋፋይ ድርጅታቹ በ2011 ዓ.ም. ከአጠቃላይ ፍላጎት አንፃር ከፍተኛ ሽያጭ እስገኝቷል፡፡					
3	አከፋፋይ ድርጅታቹ በ2011 ዓ.ም. ከፍተኛ ሽያጭ ለአዳዲስ ደንበኞች ሸጧል፡፡					
4	አከፋፋይ ድርጅታቹ በ2011 ዓ.ም. የምርት እና አገላግልት አቅርቦት ጥያቄ ከፍተኛ በሆነ ሁኔታ እየጨመረ ይገኛል					
5	አከፋፋይ ድርጅታቹ በ2011 ዓ.ም. ጀምሮ የሚከፋፈሉ ሰንሰለቱ እያሰፋ ይገኛል፡፡					
6	አከፋፋይ ድርጅታቹ በ2011 ዓ.ም. የሽያጭውስንን (ኮታ) ከሚሙሉት አንጻር የሚታይ ካልተሙሉ አግኝቷል፡፡					

APPENDIX: 3 Interview Question for IDC Administrative staffs

1. What are the major source of conflict between indirect distributives and Ethio telecom IDC department?
2. How does Ethio telecom handle distribution conflicts?

3. How do you evaluate the commitment levels and communication between indirect Distribution channels, for bright future and for the mutual benefits?
4. How would you express Ethio telecom evaluation of distributors on their organization performance?
5. What are those various motivational practices that have been given for them?
6. Do you think Ethio telecoms provide trainings for IDC members on current update? If so – in what area/areas?