

**ASSESSMENT OF FACTORS AFFECTING INDIRECT
CHANNEL DISTRIBUTION OF ETHIO TELECOM.**

***A RESEARCH PAPER SUBMITTED TO MBA PROGRAM IN PARTIAL
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
MASTERS DEGREE IN BUSINESS ADMINISTRATION.***

BY: MULUGETA ADEBASH



ADVISOR: ASHENAFI HAILE (PHD candidate)

CO-ADVISOR: MOHAMMED YASIN (MBA)

**JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MBA PROGRAM**

SEPTEMBER, 2015.

JIMMA, ETHIOPIA

Acknowledgment

My innumerable praise goes to almighty God for guiding me in all directions of my life; then I would like to forward the deepest of my appreciation and Gratitude to my main advisor Ashenafi Haile and co-advisor Mohammed Yasin for their cooperation in giving constructive comments that are helpful for the successful completion of this thesis.

Next, I express my heart full gratitude to all IDC managers for their great support on data collection and Wondwosen Wondimu IDC officer and sales specialist Tesfa Tiruneh for their sympathetic ideas and useful comments. Finally I also owe a great deal of gratitude to my wife Meseret Shiferaw, what I have at the moment is all types of support that you provide me.

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Acronyms and Abbreviations

ANPI	American national performance Index
ARPU.....	Average revenue per user per month
CAF.....	Customer acquisition form
CDMA.....	Code division multiple access
CVI.....	Content validity index
E-CAF.....	Electronically - Customer acquisition form.
E-Commerce.....	Electronically commerce
GSM.....	Global System for Mobile communication.
ICT.....	Information communication Technology
IBM.....	International Business machine
ID.....	Identity card
IDC.....	Indirect channel
ITU.....	International Telecommunication Union
MCD.....	Multi Channel Distribution
M-PESA.....	Mobile Money transfer system
SME.....	Small and Micro enterprise
S/N.....	Serial Number
SIM.....	Subscriber Identification Module
SPSS.....	statistical package for social science
SW&G.....	South Western and Gambella Region
VBER.....	Vertical Agreements Block exemption regulation
USSD.....	Unstructured supplementary service data

Abstract

An effective distribution channel can be a source of strategic advantage for companies. This research principally aims at explaining factors affecting the performance of indirect channel distribution sales which ethio telecom implemented through distributors throughout the country. The researcher did carefully in order to have adequate and reliable data, information to identify and measure the impact of each variable according to contributions. The general objective of the study is to investigate the factors affecting indirect channel distribution sales through distributors. Descriptive analysis techniques used for the data analysis to primary data or information, respondents that could give reliable and relevant data are collected from 8 regional and 6 Zonal active and terminated distributors. Secondary is gathered mainly from Ethio telecom indirect channel department. According to this study that the major factors faced by Ethio telecom indirect channel distributions and then suggested recommendation for improvements are explained briefly.

Keywords: Effective distribution channel, Sales, factors.

CERTIFICATE

This is to certify that the thesis entitles ASSESSMENT OF FACTORS AFFECTING FOR INDIRECT CHANNEL DISTRIBUTION: THE CASE OF ETHIO TELECOM submitted to Jimma University for the award of the degree of Masters of Business Administration (MBA) and is a record of research work carried out by Mr. Mulugeta Adebash under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma

Main Advisor Name

Signature

Date

Ashenafi Haile (PhD candidate)

Co-Advisor name

Signature

Date

Ato Mohammed Yasin (MBA)

Declaration

I hereby declare that this thesis entitled " ASSESSMENT OF FACTORS AFFECTING FOR INDIRECT CHANNEL DISTRIBUTION: THE CASE OF ETHIO TELECOM has been carried out by me under the guidance and supervision of Ashenafi Haile and Mohammed Yasin.

The thesis is my original work and had not presented for a degree in any other University, and all sources of materials used for the study accordingly acknowledged.

Researcher's Name

signature

Date

Mulugeta Adebash

13/10/2015

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Co-advisor	Signature	Date
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Chair person	Signature	Date
_____	_____	_____

September; 2015

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APPENDICES

APPENDIX- I Questionnaire

Jimma University

College of Business and Economics

Department of Management (MBA)

Questionnaire

The objective of this questionnaire is assess the information of the challenging factors for indirect channel sales a case for ethio telecom.

The purpose of the study is to examine challenging factors for indirect channel sales and understand factors affecting these contributions, then to come up with possible recommendations that will bring improvement in the future. Your response has great importance to achieve the objectives of the study, so you are kindly requested to answer the questions carefully.

Part one

1. Gender of the respondents a) Male b) Female
2. Age a) 18-30 b) 31 – 45 c) above 45
3. Level of Education a) under complete
a) 10th -12th b) Diploma c) Degree and above.

Part Two

1. How long you are working with Ethio telecom on distribution of its' telecom consuming telecom product?
a) 1 year b) 2 years c) 3 years d) 4 years

Regarding this aspect of the study respondents were required to rate the items in the instrument on the basis of a five (5) point scale (1=Strongly Disagree, 2=Disagree, 3=Not Sure, 4=Agree and 5=Strongly Agree). This implies that for purposes of interpreting the findings, Means that are close to 1 or 2 reflect disagreement, while Means close 4 or five reflect agreement. Means close to 3 reflect uncertainty with the statement and therefore a need to address the issue represented.

S / N	Question	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
2	How do you evaluate the required commercial product on time availability?					
	➤ The availability of telecom consuming product is very good.					
	➤ The availability of telecom consuming products is available on the schedule.					
	➤ It has no fluctuation on the availability of all the required denominations					
3	Some distributors customized breaching others territory, it has raised horizontal conflict among them. Then what is the main problem?					
	➤ Due to assign over target.					
	➤ Due to lack of enough demand in own territory especially for higher denomination VC cards.					
	➤ Due to preferring to earn target commission payment over target achievement.					
4	There is visualizing price violation around rural areas. Then what is the main problem for these issues?					
	➤ Due to operational cost burden on distributors to address					
	➤ Due to lack of enough DD in rural area.					
	➤ Due to lack of agent at rural area.					
5	Distributors and SME face challenges to collect the customer agreement form (CAF) for SIM sales as per of agreement. Then what is the main problem?					
	➤ Due to lack of awareness the requirement (photograph and ID cards) by the customer.					
	➤ Due to lack of awareness how to fill the customer agreement form by the					

	retailers.					
	➤ Due to lack of customer agreement form (CAF)					
6	Are there any negative impacts on SIM sales around rural areas due to lack of photo camera and photocopier machine? a) Yes b) No c) Not recognized					
7	The relevance of sub distributor establishment in distributors view.					
	➤ It hasn't got acceptance.					
	➤ Being forced them to implement by ethio telecom					
	➤ Lead them to quit the business.					
	➤ It makes uncontrollable the distribution system.					
8	It is common that some distributors were terminated their distribution agreement. What is the main problem?					
	➤ Due to lesser commission paid by company to private distributors.					
	➤ Due to boring target of SIM and high denomination voucher cards assignment.					
	➤ Due to restrictive agreement following penalty.					
9	How do you evaluate the ethio telecom free interest credit limit for one month to enhance economical capability for all distributors based on their target?					
	➤ It is very good support.					
	➤ Since free interest period is very short, then it couldn't achieve the objective.					
	➤ It makes dependant the distributor then shall be stopped.					

Part three

Discussion questions

1. Would you brief about Terminated Distributors to measure whether they have influence on new entrant.

2. Would you brief the existence of vertical or ethio telecom to distributors conflicts, how could it be solved?

ጅም ዩንቨርሲቲ
የቢዝነስና ኢኮኖሚክስ ኮሌጅ
ማናጅመንት ዲፓርትመንት (MBA)
መጠይቅ

በዚህ መጠይቅ ዋና አላማ በኢትዮ ቴሌኮምና በአከፋፋዮች መካከል ባለው ስምምነት መሰረት ስራው በሚሰራበት ወቅት ያጋጠሙ ችግሮች ለይቶ ለማውጣትና ለችግሮቹም መፍትሄ ለመስጠት ነው።

ስለዚህ የእርሶ መልስ ለችግሮቹ ትክክለኛ መፍትሄ ለመስጠት ስለሚያስችል በመጠየቁ መሰረት የሚያውቁትን በትክክል በመሙላት እንዲተባበሩን እንጠይቃለን።.

ክፍል አንድ

- 4. የመላሽ ጾታ ሀ) ወንድ ለ) ሴት
- 5. እድሜ ሀ) 18-30 ለ) 31 – 45 ሐ) above 45
- 6. የትምህርት ደረጃ ሀ) ሁለተኛ ደረጃ ያላጠናቀቀ) ለ) 10ኛና 12ኛ ሐ) የኮሌጅ ዲፕሎማ መ) ዲግሪ እና ከዚያ በላይ

ክፍል ሁለት

- 2. ከኢትዮ ቴሌኮም ጋር በዚህ ቢዝነስ ስራ በመስራት ለምን ያክል ጊዜ ቆይተዋል?
ሀ) 1 አመት ለ) 2 አመት ሐ) 3 አመት መ) 4 አመት

ለጥናቱ አመቺ እንዲሆን የመጥይቁ ፎርም ላይከርት ስኬል ተብሎ በሚጠራው ፎርም በመሙላት መልስ መስጠት ይቻላል። የመጠየቁ ይዘትም 5 ክፍሎች ያሉት ሲሆን እንደሚከተለው ይሆናል። በእጅጉ አልስማማም 1፤ አልስማማም 2 ፤እርግጠኛ አይደለሁም 3፤ አስማማለሁ 4፤ በእጅጉ አስማማለሁ 5. በዚህ መሰረት 1 እና 2 አለመስማማት የሚገጹ ሲሆን 3 ቁጥር ምንም አይነት ውሳኔ ለመወሰን መረጃ የለውም. እንዲሁም 4 እና 5 በቂ የሆነ መረጃ ኖሯቸው መስማማታቸውን የሚገልጹ ናቸው።

ተራቁ	ጥያቄ	በእጅግ አልስማማም	አልስማማም	እርግጠኛ አይደለሁም	እስማማለሁ	በእጅግ አስማማለሁ
2	ወቅቱን ጠብቆ መቅረብ ያለበት የሽያጭ እቃዎች አቅርቦት እንዴት ይመለከቷል?					
	➤ የቴሌኮም የሽያጭ እቃዎች አቅርቦት ጥሩ ነው					
	➤ ወቅቱን ጠብቆ ይቀርባል					
	➤ የሚፈለጉት ካርዶች ሚፈለጉት የዋጋ ተመን ያያዙት በሚፈለገው መጠን አይገኙም					
3	አንዳንድ አከፋፋዮች የሌሎች ክልል ጥሰው በመግባት ሲሸጡ ይታያል በዚህም የጎንዮሽ ግጭት ሲፈጠር ይታያል ይህ ለምን የመስልዎታል?					
	➤ ከአቅም በላይ ታርጌት ስለሚሰጥ					
	➤ በክልሉ በቂ የሆነ የገበያ ፍላጎት ስለማይኖር በተለይ ከፍተኛ ዋጋ ለያዙት ካርዶች					
	➤ ወራዊ ታርጌት ከመምታት የሚገኝ ኮሚሽን መምረጥ					
4	በገጠሩ አካባቢ የቫውቸር ካርድና የሲም ካርድ የዋጋ ጥሰት ይታያል ይህ ምክንያቱ ምን እንደሆነ ቢገልጹልኝ					
	➤ የአጥፊነት ወጪ ከፍተኛ በመሆኑ አዋጭ አይደለም					
	➤ በቂ የገዢ ፍላጎት ስለሌለ					
	➤ ተወካይ አከፋፋይ ስለማይገኝ					
5	አከፋፋዮች በገጠሩ አካባቢ ለሲም ካርድ ሽያጭ ፎርም በበቂ ሁኔታ ባለመሞላቱ ሲቸገሩ ይታያል ይህ ለምን ይመስልዎታል?					
	➤ በደንበኝነት ፈላጊው በበቂ የኩል አስፈላጊውን መስፈርቶች ባለመታወቅ					
	➤ ቸርቻሪዎቹ ፎርሙ እንዴት እንደሚሞላ በቂ እውቀት ስለሌላቸው ነው.					
	➤ ሲም ካርዱ ቀድሞም ከሌላበታ ስለሚመጣ ፎርሙ አብሩ አይመጣም ስለዚህ ባለመኖሩ ለመሙላት ይቸገራሉ					
6	በገጠሩ ክፍል የፎቶ ካሜራና የፎቶ ኮፒ ማችን ባለመኖሩ በሲም ሽያጭ ላይ ተጽእኖ አሳድሯል ብለው ያምናሉ ወይ? ሀ) አዎ ለ) አይደለም ሐ) የተረዳሁት ነገር የለም					
7	የንኡስ አከፋፋዮች መፈጠር በዋና አከፋፋዮች ዘንድ የተፈጠረው ስሜት ምን ይመስላል.					
	➤ በአከፋፋዮች ዘንድ ተቀባይነት አላገኘም					
	➤ በኢትዮ ቴሌኮም ይህ ለመቀበል መገደዳቸውን ይገነዘባሉ					

	➤ በዚህ የመጣ ቢዝነሱ ለማቋረጥ እየወሰኑ የሚገኙ አሉ					
	➤ እረጅም ጉዞ ስለሚወስድ ለመቆጣጠር አስቸጋሪ ያደርገዋል.					
8	የዋና አከፋፋዮች የማከፋፈል ውላቸውን አቋርጠው ከስራው ይታያል ይህ ለምን ይሆናል?					
	➤ በአሁኑ ወቅት ለአከፋፋዮች የሚከፈለው ኮሚሽን በማነሱ					
	➤ የሲምና ከፍተኛ ዋጋ ያላቸው ቫውቸር ካርዶች የሚሰጠው ወራዊ ታርጌት ከአቅም በላይ በመሆኑ.					
	➤ ጥብቅ የሆነ ቁጥጥር የሚደረግ በመሆኑ					
9	የአከፋፋዮቹ የካፒታል አቅም ለማጎልበት በኢትዮ ቴሌኮም የተሰጠው ወራዊ ያለምንም ወለድ የአንድ ወር የስቶክ አቅርቦት በአከፋፋዮች ዘንድ እንዴት ይመለከቱታል?					
	➤ በጣም ጥሩና ሊበረታታ ይገባዋል					
	➤ የወለድ ነጻ ጊዜው በመጠሩ የሚፈለገው ግብ አልመታም					
	➤ ብዙ አከፋፋዮች በረሳቸው ካፒታል አመንጭተው እንዳይሰሩ ጥገኛ አድረጓቸዋል					

ክፍል ሶስት

የማብራሪያ መጠይቅ

3. ከኢትዮ ቴሌኮም ጋር የማከፋፈል ውል የቋረጡ የቀድሞ አከፋፋዮች አሁን አዲስ በሚገቡት ላይ ሊፈጥሩ የሚችሉት ሁኔታዎች ካሉ ቢያብራሩልን

4. በኢትዮ ቴሌኮምና በአከፋፋዮች ሊነሳ የሚችል ወይንም ተነስቶ የነበረ ግጭቶች ካሉ እንዲሁም በምን መፍትሄ መፈታታቸው ቢያብራሩ?

APPENDIX- II

Mystery shopping report 2013

Month	Total No of Purchase for each month VC					
	SWAAZ	EAAZ	SAAZ	WAAZ	NAAZ	CAAZ
July,2013	-	-	2	-	-	-
August,2013	2	-	-	-	1	-
September,2013	2	34	4	7	27	2
October,2013	-	-	3	2	-	-
November,2013	3	5	-	-	2	-
December,2013	-	-	3	-	3	-
January,2014	-	3	-	-	2	-
February,2014	<i>10(including out station)</i>	<i>10(including out station)</i>	<i>10(including out station)</i>	<i>6(including out station)</i>	<i>20(including out station)</i>	6
March,2014	-	-	-	2	3	-
April,2014	2	2	2	-	-	-
May,2014	-	-	-	-	-	-
June,2014	4	4	4	16	9	8
Total	13	48	18	27	47	16

Mystery
shopping Report
2014

Month	Total No of Purchase for each month SIM													
	SWA AZ	EAA Z	SA AZ	WA AZ	NA AZ	CA AZ	NE R	SE R	N W R	E R	SW(Gamb ella)	N R	S W R	SR
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	3	2	-	-	-
September	-	-	-	-	4	-	-	-	-	-	-	1	-	-
October	-	-	-	-	-	-	1	-	-	-	-	-	-	-
November	-	3	-	1	-	2	7	3	-	1	-	-	-	-
December	-	-	-	-	-	-	4	-	-	1	-	-	13	-
January	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	2	-	-	-	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	4	2	10	-	-	-	-
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4	3		1	4	2	12	7	2	15	2	1	13	

