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## EFFECTS OF DISTRIBUTION CHANNELS ON CONSUMER GOODS: A STUDY OF ARIEL DETERGENT IN ONITSHA METROPOLIS

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### ABSTRACT

*The study examined effects of distribution channels on consumer goods: A study of Ariel detergent in Onitsha metropolis. Problem of the study is that any firm's management that fails to identify with the best channel in distributing its products will not break even in business. The specific objective is examine whether the ariel detergent reaches the consumer in good form among others. Research question is how often do ariel detergents reach the consumers in good form among others? Research hypothesis is there is no significant relationship between ariel detergents and reaching the consumers in good form among others. Significance of the study delved into these beneficiaries such as management, students. Review of related literature had insight at conceptual review, theoretical framework and empirical review. The study adopted survey research design. Area of the study is Onitsha metropolis. The population consists of distributors, and consumers. The sample size is eighty seven (87) and sample technique is non-probability sampling. Data used were primary data and secondary data. Copies of questionnaire were utilized to extract data. The study presented tables. The study observed summary of findings, conclusion and recommendations.*

**Keywords:** *Distribution channel, consumer goods, ariel detergent, producers, wholesalers, retailers*

## INTRODUCTION

### 1.1 Background of the Study

Distribution channels consist of producers, wholesalers, retailers, agents or brokers and consumers that are linked through the exchange process. A good distribution channel should take into account not only marketing decision but also how goods get to the final consumer at a reasonable price, in good form, at the right place and acknowledged possession. In reality however, the number of participants along the distribution channel make the price of products higher than what it ordinarily ought to be. All things being equal, the longer the channel, the higher the price that a consumer pays for a product. That is why the firm's management should evaluate its distribution channels to identify with the best appropriate channel.

Production is the creation of goods and services, these goods and services can be produced in factories or industries and stored in warehouses. However, production cannot be complete until the products/services get to end user or consumer. This can be obtained through the distribution process and that complete the production cycle (Bowersox, 2016). The distribution activity is equally referred to as physical distribution management (PDM), marketing logistics or physical flow. Physical distribution is the collective term for series of inter-related functions (primarily transportation, stockholding, storage, goods handling and order processing) involved in the physical transfer of finished goods from producer to consumer, directly or through intermediaries (Udegbe, Udegbe, Olumoko, Abayomi & Hassan 2018).

Distribution channels of consumer products are five which involves producer to consumer or ultimate user, which is known or called zero or direct channel. The second channel is from producer to retailer to consumer, thus is longer than the direct or zero channel. The third channel which is called traditional channel is producer to wholesaler, to retailer to consumer. The fourth, channel involves agent or broker. While the fifth eliminates the wholesaler, agent or broker who does the functions of the wholesaler. Vast geographical areas must integrate the systems components of distribution to achieve an acceptable customer service level and avoid reduction of market share (Bowersox, 2016).

The wholesaler buys in a very large quantity from the producer or manufacturer and sells to the retailer in a smaller quantity. The retailer sells to the consumer in units. The retailer bridges the gap for the consumer not to seek for a wholesaler or producer and as it is the producer or wholesaler would not sell in units. In a distribution channel, all the members are necessarily expected to perform at least one value added function which the ultimate consumer pays for. The agent or broker does the same function as the wholesaler. Only that at times the agent or broker becomes the principle. Makers of Ariel detergent should draw conclusion on the best distribution channel to adopt in distributing its product.

The channel that will be adopted should be preferable because the cost to put the detergent through the channel should not be expensive, the management should minimize cost and maximize profit. The management should ensure that the ultimate consumer obtain the detergent in good order.

Distribution channel are known as marketing channels which consist of a set independent organization involved in marketing a production or services available for use or for consumption (Bianco, 2000).

## 1.2 Statement of the Problem

This study delved into evaluation of distribution channels on consumer goods: A study of Ariel detergent. The markets of nowadays are highly competitive, in the sense that every firm wants to remain in business. There are too many intermediaries that are also in charge of distribution channels. Based on this premise, a firm should endeavor to identify with the channels that will minimize cost and as well maximize profit. The firm's management should be prudent towards such a problem. The problem of the study is that any firm's management that fails to identify with the best channel in distributing its product will not break even in business.

## 1.3 Objectives of the Study

The general objective of this study is to evaluate the effects of distribution channels on consumer goods: A study of Ariel detergent in Onitsha metropolis. The Specific objectives of this study are to:

- i. Examine whether the Ariel detergent reaches the consumers in good form.
- ii. Examine whether the Ariel detergents are available in remote areas.
- iii. Examine whether the Ariel detergents are obtained at affordable price by consumers.

## REVIEW OF RELATED LITERATURE

### 2.1 Conceptual Review

#### 2.1.1 Distribution Channels

Burton and Edward (2007), said "distribution refers to the network of channels and institutions that facilitates marketing exchange". Though Schewe and Smith (2014) are of the view that distribution is not a matter of moving products into the hands of consumers only, it involves the movement of the products through all stages of development from resources to procurement through manufacturing to final sales.

Consequently, Adeleye (2015) opined that distribution is crucial to marketing, for without good distribution, no single product would reach the ultimate consumers. He further stressed that distribution is not only a matter of ensuring that products reach the hands of consumers but that the raw materials must be moved physically with a view to attaining the goal of proving potential satisfaction to ultimate consumers. Distribution is an important marketing function aimed at getting the right product to the right market segment at the right quantity and at the right time. Its activities include, transportation, inventory management, warehousing.

Bagozzi Chen, & Hsueh, (2012) assert that intermediaries create savings, which becomes more dramatic as the number of producer-consumers increases. Armstrong and Kotler (2013) pointed out that intermediaries play an important role in matching supply and demand, while Waxman (2012) argued that by servicing the thousands of indirect partners who were the customers, midrange distribution added true value. The distribution channel of consumer goods is further sub-divided into four channels. These are:

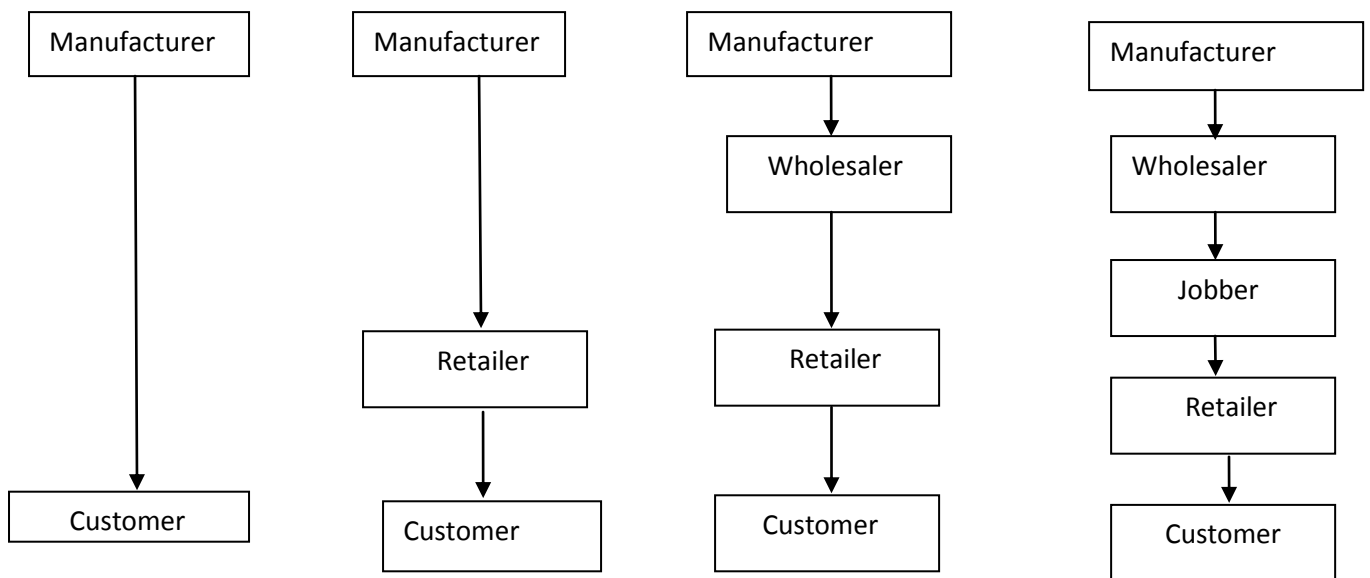
(i) Channel A: In this channel there are no intermediaries. This channel is called direct marketing.

(ii) Channel B: In this channel goods move from producers to retailers to consumers.

(iii) Channel C: This is the most common. In this channel the producer sells to wholesalers, who sell to retailers who in turn sell to consumers.

(iv) Channel D: This is the most indirect channel. Goods pass from producers to agents, then to wholesalers to retailers and then to customers. Agents coordinate a large supply of goods when there are many small manufacturers and retailers. Small manufacturers lack the capital for their own sales force and thus use agents to serve as independent sales teams.

### Consumer Channels of Distribution



Source: Kotler & Keller (2006)

### 2.2 Theoretical Framework

This theory known as system theory was propounded by Alderson (1957). The theory states System Theory can be viewed as a system of components linked together for the efficient movement of products. Using a system approach to describe physical distribution, the components include; customer service, transportation, warehousing, order processing, inventory control, protective packaging and materials handling. These components are interrelated, hence: decisions made in one area affect the relative efficiency of others. For example, a firm that Ariel detergent may transport finished products by air rather than by truck, as faster delivery times may allow lower inventory costs, which would more than offset the higher cost of air transport. Viewing physical distribution from a system's perspective can be the key to providing a defined level of customer service at the lowest possible cost.

### This theory called depot theory was propounded by Aspinwall's (1958)

The flow in the distribution channel has been explained using parallel model, model postponement and speculation under Depot Theory. How fast do flows move to overcome separations and match a seller's small segment of supply with a buyer's small segment of

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demand? According to Aspinwall's (1958) Depot Theory, goods move toward consumption at a rate established by the final consumer's need for replacement. As detailed in Aspinwall's (1958a) Parallel Systems Theory, replacement rate is inversely related to gross margin, services required, search time and consumption time. Thus, knowing replacement rate provides knowledge of the other characteristics determining rate of flow. This theory relates with the study because it explain how Ariel detergent can reach customers in rural areas more faster so that the seller and buyer can overcome separations.

### 2.3 Empirical Review

According to Ferri Mohd and Ghorbani (2012), Impact of innovation in distribution channel functions on firm performance, particularly among export-oriented, agro-based small and medium enterprises (SMEs) is under researched. Based on this literature gap, the present study examines the impact of distribution channel innovation on SMEs performance in Indonesia. A total of 120 samples were collected from export-oriented, agro based manufacturing SMEs in Yogyakarta and the surrounding area s, Java. Using a regression analysis, the findings show that innovation in assortment, information sharing and transportation coordination had positive and significant relationships with firm performance. This study also found that distribution channel effectiveness mediated the relationship between innovation in assortment and transportation coordination and firm performance. The study concludes that innovation and distribution function has significant effect on firm performance. The study recommend that distribution Channel modification must be performed periodically because of the ever changing market environment like increased activities of competitors, changes in demand, customer preferences and taste etc..

Yagana (2014) examined the two types marketing channels of distribution of Agricultural Produce in Borno State of Nigeria. Data for the study were collected from both primary and secondary sources. The primary data was collected with structured questionnaire administered on producers, wholesalers and retailers of agricultural produce in Borno state. The secondary data was collected from journals articles and textbooks. Multi sampling technique was employed in the study. Simple random sampling was employed to select one local government area. The use of purposive sampling was used to capture the channel members as well as LGAs that relevant to the study. The major findings of the study showed there were no differences in the channels used in the three Local Government Areas studied. The study concludes that marketing channels of distribution has significant effect on Agricultural produced. Thus the study recommends that ordial relationship must be initiated and maintained with distribution channel management members especially since distribution cannot be effective & efficient without them

Asogwa and Okwoche (2012) examined sorghum marketing among rural farm households in Nigeria. Data were collected from randomly sampled 100 sorghum marketers in Benue State using a structured questionnaire. Data were analyzed using frequency distribution and percentages as well as marketing margin analysis and t-test statistic. The marketing margin of an average sorghum marketer in the study area was 34.43%. This implies that 100% retail price paid by the final consumer resulted in farm-to-retail price spread (marketing margin) of 34%. An average sorghum marketer in the study area earns a farm-to-retail price spread of 0.34 Naira for every 1 Naira retail price paid by the final consumer in the marketing process. The marketers in the study area had significant marketing margin during their marketing transaction. The study recommends firms should monitor the activities of channel members in order to keep it in conformity with the marketing strategy and goals of the organization.

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Madugu, & Edward, (1980) investigated the causal relationship between quantity of fish sold and marketing costs in Adamawa State. Specifically, the profitability was determined and distribution channels identified. Structured questionnaires were used to collect data from 80 fish marketers using purposive and simple random sampling technique from Jimeta, Yola, Gurin and Labondo markets. Analytical tools used were descriptive statistics, market margin and multiple regression analysis. The result showed a margin of 39.8% which could be attributed to the marketing functions. The study identified a decentralized distribution channel in the area. Regression analysis revealed an R<sup>2</sup> of 63.8%, F-value of 8.93 and a very low standard error of 0.38889. The result further revealed that initial capital, cost of fish, processing cost and handling charges were positive and significant at different levels indicating that they were the major determinants of selling prices of processed fish in the area. The study concluded that processed fish marketing in the study area was profitable. It recommended that marketers should form a strong co-operative society. There is also a need for government intervention by reducing tax and providing licence to increase the number of micro-credit finance institutions

Khairunnisah, Yanuary, & Hutagalung, (2015) evaluated the relationship between price, channel distribution, information technology and the profit of drop shipping. There are significant improvements in term of drop shipping in Indonesia. In other words, this entity of chain grows and attracts others to involve in. There are several articles were identified and analysed. This research was conducted through online questionnaire and the respondents were identified by snowball approach. This research is categorised as explanatory research with the aim to identify the relationship between the constructs. The hypotheses in this paper were analysed through multiple regression. This study found that price as well as information technology have significant correlation on financial performance. Meanwhile, distribution channel has not significant contribution to the financial performance of drop shipping. The reason for this, origin company send the products direct to the customers via the drop shipping's name. The result of this study has also contributed to academicians and professional who involve in logistics and supply chain. This study identify that the future study are needed to extent the area of study so that the understanding of drop shipping will also be improved

Obaji, (2011) investigated the effects of channels of distribution in a selected Nigerian manufacturing company as it affects sales of its product. The quantitative research method was the instrument used to collect data for the study. A total of 300 copies of the questionnaires were distributed to sampled consumers, distributors and marketing staff of the company, out of which 200 copies was retrieved back. The data was analyzed using the Statistical Package for Social Science (SPSS) version 15 and the-T-Test statistical tool was employed to test the significance between the observed variables and the underlying construct. The findings revealed that the involvement of channels of distribution affects sales of product and that consumers prefer to buy from intermediaries than from producer channels. Based on the underlying assumption, the following were recommended for the study; that the channel members should influence several key decisions such as customer service, delivery, and maintain inventory control and the company should give adequate promotional support to the intermediaries, improve on delivery terms and also evaluate channel members regularly.

## RESEARCH METHODOLOGY

### 3.1 Research Design

This study had insight at evaluation of distribution channels on consumer goods: A study of Ariel detergent in Onitsha metropolis. The study adopted survey research design. Survey research made it clearer to analyze the data that were extracted from the respondents.

### 3.2 Area of Study

The study took place in Onitsha metropolis, where there is a reasonable number of ariel detergent consumers.

### 3.3 Population of the Study

In trying to carry out a comprehensive study on Distribution Channels on consumer goods: A study of Ariel detergent in Onitsha metropolis. It is research selected personnel who are directly involved in distribution and marketing of Ariel detergent in Onitsha especially regarded as the total of population who are of great value to this project, equally distributors and consumers who patronized the product of ariel detergent. This is to enable the researcher have a wider view of the subject matter. Hence the exact population of the distributor and consumers is not known which make the population infinite.

### 3.4: Sample Size and Sampling Technique

87 sample size, sampling technique, non-probability sampling. Freund and Williams statistical formula as cited by Agbodudu (2004) was adopted in determining the sample size for the study. Thus it is stated:

$$n = \frac{Z^2 pq}{e^2}$$

Where:

n = Sample size

Z = level of significance

p = Proportion of respondents with positive response

q = Proportion of respondents with negative response

e = margin of error

To generate the value for p and q in the formula, the researchers conducted a pilot study. Hundred (100) respondents were selected randomly from the population. The participants were asked to give general impression on the assertion “which centered on effects of distribution channels on consumer goods: A study of Ariel detergent in Onitsha metropolis.” 79(79%) of the respondents agree while 21(11%) disagree and none of the respondents were indifferent.

Thus,

$$P = 0.79(79\%)$$

$$q = 0.21(21\%)$$

$$p + q = 0.79 + 0.21 = 1.0$$

Applying a two- tailed test where  $z = 1.96$  and  $e = 0.025$

Therefore,

$$n = \frac{(1.96)^2 (0.79)(0.21)}{(0.025)^2} = \frac{3.8416 \times 0.1659}{0.000625} = \frac{0.63732144}{0.000625}$$

1019, n = 102

### 3.5 Sources of Data Collection

The data collection method used in this research was basically the primary and secondary sources of information.

#### 3.5.1 Primary Sources:

The primary sources refer to the first hand information obtained directly from the original and personal experience.

#### 3.5.2 Secondary sources

Secondary sources of information reforests data obtained from second hand source such as journals, newspapers and textbooks.

### 3.6 Instrument of Data Collection

In carrying out this study, the research instrument used for this study is together needed information, are questionnaire and personal interview observation.

However, both open and check list questions were used to reduce the respondents' bias, while close-ended question are used to land respondents where specific answers are needed to analysis straight, forward. The questionnaire was administered directly to the respondent. These questionnaires were standardized and simply worded. The question that broader on the issues under study and it contain twenty-two (22) questions. The nature of the question were structured non-disguised and unstructured consisting of multiple choice, contain boxes where the respondents will tick against the question or fill in as appropriate.

### 3.7 Validity and Reliability of Instrument

The research instrument was validated to ensure that the instrument could work with the population of the following procedures and tests were used.

- i. The instrument was drafted and given to the supervisor for study and approval.
- ii. Copies of the approved instrument were distributed to some staff of the firm the instrument weight for rehab it in order to ensure that it would give the same result at any time. While the reliability was achieved through the analysis of the respondents from the instrument (structured questionnaire) distributed. The text was conducted through the provision of responses in the questionnaire.

### 3.8 Administration of the Instrument

Data for the research was collected from primary sources which will involve the use of Questionnaire. The questionnaire that will be utilized for the study will be divided into two sections. The first section will be designed to gather information about the participants' characteristics like Gender, Marital status, Academic qualification and Work experience. The



second part will seek the participants' opinion on the different questions that will operationalize the dependent and independent variables. The participants will indicate their response on a 5 – point likert scale with scoring weights as follows:

Strongly agree – 5 points, Agree – 4 points, Undecided – 3 points Disagree – 2 points and Strongly disagree – 1 point.

### 3.9 Method of Data Analysis

The statistical method to be used in data analysis and testing is explained and stated. This is by the use of table and simple percentage. To test the hypothesis for the study, the statistical tool chi-square was used in analyzing the data collected. The general formula for computation of chi-square statistic is given by  $X^2 = (oi-ei)^2$ .

El  $X^2$  = chi square

Where

$X^2$  cal = calculate chi-square value

O<sub>i</sub> = observed or actual value

e<sub>i</sub> = Theoretical or expect value.

To obtain the expected frequency the total number of respondents will be divided by the number of categories. Degree of freedom (DF) is computed by deducting one from both the horizontal and from both and calculating the product. The research place 9% level of confidence in the level at 5% level of significance Decision Rule Accept Ho: if  $x^2_c > x^2_t$  Reject Ho: if  $x^2_c < x^2_t$ .

## PRESENTAION AND ANALYSIS OF DATA

This chapter presents the data obtained from the respondents through the administered copies of questionnaire. One hundred and two (102) were administered among the selected population. However, eighty-seven (87) copies of questionnaire were retrieved. Therefore, the analysis and interpretation of data were only based on the returned copies of questionnaire. The validity and reliability of this study is highly ensured, despite the number of copies of questionnaire not returned. The method applied is simple percentage and chi-square is used for the test of hypotheses.

### 4.1 Demographic Characteristics of the Respondents

#### 4.1.1 GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	49	55.1	56.3	56.3
	FEMALE	38	42.7	43.7	100.0
	Total	87	97.8	100.0	

*Source: Field Survey, 2021*

The above table reveals that the forty-nine (49) of the respondents which represents 56.3% were male respondents, while thirty-eight (38) respondents which represent 43.7% were female respondents. By implication, male respondents were more than female respondents by 12.6% in our selected population sample for this study. The implication of this is to enable us to know the number of female and male that successfully returned their questionnaire.

#### 4.1.2 STATUS

	Frequency	Percent	Valid Percent	Cumulative Percent
MARRIED	45	50.6	51.7	51.7
SINGLE	20	22.5	23.0	74.7
WIDOWED	9	10.1	10.3	85.1
DIVORCED	5	5.6	5.7	90.8
SEPERATED	8	9.0	9.2	100.0
Total	87	97.8	100.0	

*Source: Field Survey, 2021*

In the table above, out of the one hundred and two (102) respondents, forty-five (45) of the respondents were married. While twenty (20) respondents which represent 23 percent are single. Nine respondents (9) which represent 10.3 were widowed, while divorced were five, which represent 5.7%. Separated were eight which represent it 9.2%. It is therefore glaring that the majority of the respondents are married as at the time of this study. Thus marital status table help us to know the number of single, married, and divorce respondents that answered the distributed questionnaire

#### 4.1.3 LEV OF EDU

	Frequency	Percent	Valid Percent	Cumulative Percent
WAEC/NECO	30	33.7	34.5	34.5
OND	16	18.0	18.4	52.9
HND/BSC	14	15.7	16.1	69.0
MSC	19	21.3	21.8	90.8
OTHERS	8	9.0	9.2	100.0
Total	87	97.8	100.0	

*Source: Field Survey, 2021*

The table above indicates that thirty (30) respondents which representing 34.5% maintain to acquire WAEC, while 18.4% of the respondents which represents sixteen (16) ordinary national diplomas. However fourteen which represent 16.1 percent either have Bachelor of Science degree/HND. The respondents that have M.Sc are numbered 19 which represent 21.8%, while those that answered others are but 98 which represent 9.2%. Lastly, this as one of the demographic items helps us to identify the education qualification of the respondents.

**4.1.3 AGE**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-30	26	29.2	29.9	29.9
31-35	10	11.2	11.5	41.4
40-45	25	28.1	28.7	70.1
46-50	11	12.4	12.6	82.8
51-ABOVE	15	16.9	17.2	100.0
Total	87	97.8	100.0	

*Source: Field Survey, 2021*

The table above shows that respondents whose age bracket falls between 25-30 yrs were twenty-six (26) which represent 29.9 percent. This is followed by those with age bracket of 31-35 years with ten (10) which represents 11.5%. Also those within age bracket of 40-45 yrs were twenty-five (25) which represents 28.7%. This is followed by those with age bracket of 46-50 years with eleven (11) which represents 12.6%. However, those with age bracket of 51-above were fifteen which represent 17.5%. The implication of this age distribution is to enable us to check if the questionnaire was directed to the right age group.

**4.2 Hypotheses Testing**

The need to examine the relationship between the collected data and the stated hypotheses has called for this section. This result will be compared with the statistical criteria to see if the preconceived notion in this research work holds or not.

**Hypothesis one**

H01: There is no significant relationship between Ariel detergents and reaching the consumers in good form

**ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3242.5981	2	1794.190	4.742	.015
Within Groups	6734.279	85	378.389		
Total	77436.800	87			

*Source: Field Survey, 2021*

The test table reveal that wide significance value (F. sig<.05) indicate group differences. Since the F- value of 4.742 which has a significance of .015 is less than .05 (i.e .001<.05), there exist no group difference among the variables. Therefore, there is significant relationship between Ariel detergents and reaching the consumers in good form.

**Hypothesis Two**

H02: There is no significant relationship between Ariel detergents and being available in remote areas.

**ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4838.324	2	2419.162	3.233	.009
Within Groups	6598.476	85	388.146		
Total	11436.800	87			

Source: *Field Survey, 2021*

We discover that in the F-statistics column the value for F is 3.233, while its probability is 0.009 since its probability is less than 0.05% desired level of significance, we reject the null hypothesis and accept alternative hypothesis, which states that there is significant relationship between Ariel detergents and being available in remote areas.

**Hypothesis Three**

H03: There is no significant relationship between Ariel detergents being obtained at affordable price by consumers.

**ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2839.200	2	1419.600	2.807	.088
Within Groups	8597.600	85	505.741		
Total	11436.800	87			

Source: *Field Survey, 2021*

From the regression result, we discover that in the F-statistics column the value for hypothesis three is 2.807, while its probability is 0.88 since its probability is greater than 0.05% desired level of significance, we reject the null hypothesis and accept alternative hypothesis, which states there is significant relationship between Ariel detergents being obtained at affordable price by consumers

## **SUMMARY OF THE FINDINGS, CONCLUSION AND POLICY RECOMMENDATION**

### **5.1 Summary of the Findings**

The basic objective of this study is to critically examine the effects of distribution channels on consumer goods: A study of Ariel detergent in Onitsha metropolis. One hundred and two (102) respondents were randomly selected. Eighty-seven (87) questionnaires were returned and analysis of the data was based on this number. From the analysis of the data especially, and the testing of hypotheses it was realized that:

- i. Therefore, there is significant relationship between Ariel detergents and reaching the consumers in good form
- ii. There is significant relationship between Ariel detergents and being available in remote areas

- iii. There is significant relationship between Ariel detergents being obtained at affordable price by consumers'

## 5.2 Conclusion

Many manufacturing companies have long looked upon distribution channels as “customers” and rarely bothered to look beyond. Yet the primary purpose of the distribution channel is to satisfy customer/end-user needs, and intermediaries are conduits to effect this goal. The profit margin derived by channel members in distributing the company’s products is very low. This sometimes makes them reduce the level of inventory carried and switch for other competitive products. Channel members complained of transportation problems which distorts timely delivery of the product to their warehouse and stores, and invariably led to additional cost, damage and sometimes loss in transit. Also companies find it difficult to regulate sales margin of the channel members. This has gone a long way to affect the lack of price uniformity of the products. Hence the channel members took advantage of the brand loyalty of consumers and exploit them. The bureaucracies and excessive costs generated by the activities of middle men which were not checked by the company gave the consumers the opinion that distribution channels are not performing to their full capacity but it must be pointed out that the consumers gave credence to companies that the channels used are not too cumbersome and can be managed if the company choose to do so.

## 5.3 Recommendations

These recommendations have been proposed as measures if taken:

- Distribution Channel modification must be performed periodically because of the ever changing market environment like increased activities of competitors, changes in demand, customer preferences and taste.
- The household companies should be actively involved in directing and co-coordinating the distribution channel members in established channels. The activities of the channel members should be monitored, which means the movement of the products are monitored as well.
- The company should avoid being partial to some customers as against other. All distribution efforts have the end result of attracting customers to return for a repeat purchase.
- Distribution channel should be given same trade discount all over as this can easily affect market price of the same type of products.

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