

INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY: APPLIED BUSINESS AND EDUCATION RESEARCH

2025, Vol. 6, No. 5, 2164 – 2175

<http://dx.doi.org/10.11594/ijmaber.06.05.03>

Research Article

Status, Challenges and Opportunities of Distribution among Beverage Products

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Article history:

Submission 04 April 2025

Revised 30 April 2025

Accepted 23 May 2025

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ABSTRACT

This study examined the status, challenges, and opportunities for beverage product distribution in Dipolog and Dapitan, Zamboanga del Norte. The study involved 30 merchants and distributors and employed a mixed-methods approach of research, which included quantitative surveys and in-depth interviews. It investigated their characteristics (size, type, and years of operation), sales performance, and distribution status.

The study revealed that the retailer/distributors categorized by business size into micro (50.0%), small (20.0%), and medium (30.0%). The majority of distributors are retailers (60.0%), followed by direct distributors (20.0%), indirect distributors, and wholesalers (10.0% each). A significant portion of distributors has been in business for 5 years or less (60.0%). Sales status revealed that distributors generally agree on the frequency of sales, volume-based discounts, and the availability of credit purchases. However, there is disagreement regarding the rapidity of sales and the use of promotional activities. Challenges identified include product returns, non-collection of receivables, product expiration, and delays due to increased demand, while geographical location was less of a concern. In contrast, distributors strongly agree on several opportunities, including the potential for increased sales volume, heightened product demand, establishment of new retail stores, creation of employment, and financial stability. Despite facing various challenges, distributors are optimistic about their growth prospects.

Generally, the result of the study indicates a positive outlook towards sales, with an average weighted mean of 3.35, reflecting agreement with the current sales status, challenges, and opportunities. Key challenges include market saturation, competition, and logistical issues, while opportunities highlight significant growth potential and stability. The study will be the tool in improving and constructing policies on how to improved, navigate and protect the

How to cite:

Andias, A. B. (2025). Status, Challenges and Opportunities of Distribution among Beverage Products. *International Journal of Multidisciplinary: Applied Business and Education Research*. 6(5), 2164 – 2175. doi: 10.11594/ijmaber.06.05.03

small and medium enterprises particularly the distributors of beverage products so that they will sustain and survived in the saturated market and the law makers able to protect them in their operation. Also to the future researchers able to gauge the result of their study in the future and the result of this study this present time. Further the study will help boost local distributors' economic activity, produce revenue for local government entities lastly it will support local employment creation.

Keywords: *Status, Challenges, Opportunities, Distribution, Beverage Products*

Introduction

According to Clark (2017), "Challenges for the food and Beverage Industry" on the Status in the Sales and Distribution of Beverage Products, states that F&B companies has key challenges that must be addressed to protect and enhance market share and satisfy society's growing expectations for sustainability. Beverage safety was the first challenge, followed by regulatory compliance, supply chain management, water stewardship, food packaging, data consolidation, and supply chain management. Large inventories of packaged, shelf-stable beverage function best with this type of distribution network. As result of their cheaper shipping and storage costs, these beverages attract better margins. They require less expensive technology to prevent waste because they are less likely to spoil and damaged during shipping. Large crates and boxes also used to transport packaged items, (Clark, 2017)

Food and drink manufacturing industry is very broad but can be defined as the preparation of food and drink products ready for sale and consumption. It involves the sourcing of ingredients, processing, preservation and packaging. It also includes product research design, taste testing and marketing. Aberdeen Group finds food & beverage (F&B) enterprises to be "asset intensive" at the mercy of global commodity markets, and face both low margins and high demand variability. Given these industry characteristics, companies must find new ways to achieve operational excellence" (Clark, 2017).

Across the value chain, various internal and external pressures will continue challenging F&B companies to increase operational efficiency, performance and resilience. Fortunately, those that

respond proactively can dramatically reduce costs. Beyond the near-term gain in profits, F&B companies that go beyond the competition can position themselves for long-term success, sustainability and industry recognition. (Mulk, 2013). For F&B companies, key challenges that must be addressed to protect and enhance market share and meet society is increasing expectations for sustainability. These challenges highlighted by individual sessions, an industry roundtable on Food & Beverage, and one-on-one discussions. (Clark, 2017).

In terms of a local community's financial stability of retail, trade is important. It encourages the growth of income, employment, and tax collections. By providing inputs for these businesses and satisfying the demands of its workers' consumers, it supports the area's industrial base. Additionally, the local retail trade sector might draw business from out-of-town customers if it offers products and services that are unavailable elsewhere. Beverage distributors could want to increase the space in their distribution facilities as urban areas' limits and populations grow. As a result, they could have to open additional locations or make better use of their current hubs. This study quantifies the transportation expenses related to rising demand in order to identify new warehouse locations for effective logistical activities. Alternative venues might found in existing urban areas or in newly created industrial parks that have established by cities (Bakosi et al, (2006),

Service routes for distributors created to handle orders from shops, pubs, and eateries. The routes' order changes according to the season. In order to adapt to seasonal demand changes, a number of routes are used. Time limitations

within which they must deliver client orders place restrictions on the vehicles serving the routes. The load capacity as determined by package sizes places restrictions on the vehicles (Mulk, 2013). Beverage distributors and resellers could want to increase the space in their distribution establishments as urban areas' limits its distribution and populations grow increase the demand. As a result, they could have to open additional locations or make better use of their current hubs. This study quantifies the transportation expenses related to rising demand in order to identify new warehouse locations for effective logistical activities. Alternative venues might found in existing metropolitan areas or in newly created business areas that established by the locality, (Aaker, 2019),

Theoretical/Conceptual Consideration

The study anchored on the concept of Mulk (2013) in his study entitled "Distribution Challenges and Workable Solutions". Believes that a strong distribution network can give businesses a competitive edge. Distribution channels are the paths that goods take from product manufacturers and producers to final customers. They serve as conduits for the movement of goods, information, and wealth. Most manufacturers employ method of distribution to get their products to consumers however, other distributors did not interact directly with customers. According to Bakosi et al, (2016), it is believes that a strong distribution network can provide companies an advantage over the competition. The routes that products traverse from product manufacturers and producers to ultimate consumers known as distribution channels. They act as channels for the flow of income, information, and goods. The majority of manufacturers use a distribution strategy to get their goods to consumers; however, some distributors did not deal directly with consumers but toe the resellers.

Distribution channel takes many planning, and financial resources to establish and keeping it up. The cost of managing partners and distribution margins could make up a sizeable amount of overall marketing expenses. An efficient channel can give businesses a strategic advantage. Consequently, managing channels

and design are essential elements of a company's competitiveness. Since they employ a sizable workforce and are essential to the unobstructed accessibility of food and other goods to clients throughout the socioeconomic spectrum, channels are also significant from the perspective of public policy (Bakosi et al, 2016),

There are various buying and selling entities between a manufacturer and a consumer, as shown by the concept of levels. Manufacturers sell to franchised exclusive dealers in the automotive sector, who then sell to end users. Channel of distribution consist of Indirect Distribution Selling, Direct Distribution Selling, Wholesaling and Retailing those are channel of distribution known to us. The amount of outlets within a particular geographic area referred to as density. When there are fewer outlets, the distribution is more exclusive; when there are more outlets, the distribution is more intensive. The quantity of various sorts of outlets referred to as variety. The use of novel channels referred to as novelty, (Aaker (2019),

According to Aaker (2020), Companies that don't offer their products directly to customers use the indirect distribution channel. Due to their presence in the supply chain, suppliers and manufacturers frequently employ indirect channels. With the advent of the Internet, direct distribution routes are now increasingly common. The main indirect channels a business may utilize to sell its goods in the marketplace are distributors, wholesalers, and retailers. In order to gain the most market share, businesses choose the indirect channel that best fits their product. This enables them to concentrate on manufacturing their goods.

On the concept of Bakosi et al, (2006), corporation may sell its goods directly to customers using a direct distribution channel. Direct methods were not widely used many years ago, but the Internet has significantly boosted its use. Direct channel used by businesses who need to reduce expenses to eliminate intermediaries' markups on their products. Two forms of direct distribution channels include selling agents and online sales (Anderson et al., 2006). Working for the business, selling agents promote their goods to customers directly via

stores, mail orders, and other channels. Because it is accessible to consumers worldwide, the Internet makes for an easy distribution method.

According on the concept of McCabe (2009), Selling products or services to customers who intend to resell them or utilize them for commercial purposes referred to as wholesaling. Although wholesalers can do certain tasks more efficiently and affordably than manufacturers, companies utilize them. These duties include, but are not limited to, marketing and sales, bulk purchasing and construction, warehousing and shipping, financial risk-bearing information dissemination on marketing strategies, and consultation on management services. Similar to retailers, wholesalers must choose their target market, product lineup, and location for service promotion. The most prosperous wholesalers are those who tailor their offerings to the needs of their target market, realizing that doing so adds value to the channel, (Harris, 2010),

Selling goods and services to customers for their own or family usage known to as retailing. Retail stores include specialty shops like as bargain retailers and department stores sellers include businesses that offer services such as dentists, lodging, and hair salons as well as online sellers that the concept of Harris (2010), Retailers also offer services that make purchasing goods less dangerous and more enjoyable. They have salespeople on hand who may answer queries, possibly extend credits, and set up displays of products so that customers can examine what offered and make an informed decision. Retailers may also offer a variety of added services, such as personal shopping, and delivery, that raise the value of their offerings to customers.

Objectives of the Study

The purpose of this study is to determine the status, challenges, and opportunities for beverage product in their sales and distribution in selected retailers/distributors in Dipolog and Dapitan City, as well as to profile of beverage product distributors in terms of size, type, and years in doing business. Describe the

current status, including the difficulties and opportunities. Finally, determine the distribution of beverage products based on their condition, issues, and opportunities.

Significance of the Study

Boost local distributors' economic activity in the area

Produce revenue for local government entities.

Support local employment creation

Literature Review

According to trend in Food and Beverage Retail Sales, the local community's financial stability depends largely on retail business. It encourages the growth of income, employment, and tax collections. By providing inputs for these businesses and satisfying the demands of its workers' consumers, it supports the area's industrial sector. Additionally, the local retail trade sector might draw business from out-of-town customers if it offers products and services that are unavailable elsewhere. From a regional standpoint, a municipality's ability to boost retail sales comes at the expense of a decline in retail sales in another community, (Joselito K. Estrada and Albert J. Allen 2013)

Challenges for food & beverage Industry for thier sales and distribution of beverage products states that companies has key challenges that must be addressed to protect and enhance market share and meet society's increasing expectations for sustainability. The distribution network works best for large inventories of shelf-stable, packaged food and beverage. These types of command higher margins since shipping and storage costs are lower. They are less prone to spoilage and damage during shipping, so expensive equipment to prevent waste is not required. Packaged goods also distributed in large crates and boxes, so they generally do not require as much careful handling, (SumantaSarkar, 2017)

According to Clark (2017) employing modern communication and tracking equipment is one efficient technique to achieve scheduling and route optimization. By streamlining communications and enabling partners to make im-

mediate adjustments to their scheduled deliveries, new technologies help distributors be more responsive to supplier and vendor demands. To optimize delivery timetables, some distributors may even think about giving discounts that reflect the inventory they are seeking to sell in a certain region. Developing more collaborative solutions: Transparency and prompt action are necessary for collaboration to be successful among a range of stakeholders. Everybody involved in the supply chain will be better equipped to meet customer needs on time by implementing efficient communication tools that will enable a smoother transaction of goods between producers, warehouses, and retailers.

According to Le Hong (2005), understanding demand is one of the greatest challenges, insufficient or inaccurate demand estimates can be fatal. Distributors want reliable reports that explain the sources of demand. More importantly, demand information must be readily accessible throughout the organization so that managers and supply chain partners can use it for quickly and strategically make decisions. On the other hand, managing inventory and costs is important because the food and beverage industry is highly time-sensitive, with many products needing to ship and arrive in stores by a specific date or else they are useless. Distributors need a highly visible and functional solution to manage and continuously monitor inventory data. Additionally, this kind of system aids in reducing inventory costs and enabling managers to move time-sensitive goods efficiently.

A century ago, if a person wanted to buy groceries, they had to visit several stores to get everything they needed: a bakery for bread, a creamery for cream, a butcher for meat, and so on. This is according to a report titled "Primer on Food and Beverage Distribution" relating to the Problems of beverage product sales and distribution. These functions centered in a contemporary grocery store that could supply all the food and produce that customers needed in a single stop as distribution networks got more sophisticated. Consumers were able to save a lot of time as result of this, which provided value, (Onyango, M. C. 2014).

According to the cliché that change is the only constant, the grocery industry is always evolving to satisfy the demands of consumers for more value. Even though Americans spend more time working than they did 50 years ago, fresh food is still decisive. The emergence of e-Commerce is also altering how consumers browse for goods. These elements work together to create an opportunity for food businesses to add value by offering services and goods that help consumers spend less time shopping for and preparing food, (Mattsson, K and Wallenberg L, 2003).

Method Used

This study used a combined approach of research, both quantitative and qualitative, with in-depth interviews with beverage product owners. The quantitative method employed a standardized survey questionnaire to describe the current state, challenges, and future possibilities of beverage product sales and distribution in Dipolog and Dapitan City. This included gathering data on how respondents regarded the status, challenges, and future prospects in beverage sales and distribution, with the researcher asking structured interview guide questions to each respondent individually.

Methodology

The study used a combination of quantitative and qualitative research methods to investigate the status, problems, and future prospects for the sales and distribution of beverage products in selected retailers/distributors in Dipolog and Dapitan City, as well as to determine the size profile of beverage product distributors. This included gathering information on respondents' impressions of the status, challenges, and opportunities for beverage product sales and distribution in Dipolog and Dapitan City, as well as the characteristics of distributors who offer beverage products to these cities directly and indirectly.

Results and Discussion

A large number of businesses in the city engage in the retail, distribution, and wholesale of beverage products, as it is the hub for commerce in the province. Businesses and services

that cater to customer fulfillment are definitely in demand nowadays. SMEs in the distribution sector assert that they "provide their clientele with good services, Businesses contribute to the overall economic growth by producing goods and services, which leads to higher productivity. Economic growth is often measured by GDP, and businesses are the engines that drive its growth. Businesses generate wealth not only for the owners but also for investors, shareholders, and stakeholders. They

attract investments, contribute to stock markets, and create opportunities for personal and institutional wealth. Businesses contribute significantly to government revenue through corporate taxes, income taxes, and sales taxes. These funds are used to finance public goods and services.

Profile of the beverage product distributors in terms of size, type and years of existence.

Table 1. Profile of the beverage product distributors in terms of size, type and years of existence

| Size of Business | As to capitalization) | Frequency | Percentage |
|-------------------------|------------------------------|------------------|-------------------|
| Micro | 1 million and below | 15 | 50.0% |
| Small | 2 million to 3 million | 6 | 20.0% |
| Medium | 3 million and above | 9 | 30.0% |
| Total | | 30 | 100.0% |

| Types of Distributor | Frequency | Percentage |
|-----------------------------|------------------|-------------------|
| Direct Distributor | 6 | 20.0% |
| Indirect Distributor | 3 | 10.0% |
| Wholesaler | 3 | 10.0% |
| Retailer | 18 | 60.0% |
| Total | 30 | 100 % |

| Years of Existence | Frequency | Percentage |
|---------------------------|------------------|-------------------|
| 5 years and Below | 18 | 60.0% |
| 6 – 10 years | 6 | 20.0% |
| 11 – 20 years | 3 | 10.0% |
| 21 and above | 3 | 10.0% |
| Total | 30 | 100.0% |

Table 1. shows the distributor respondents' profile based on the size of their businesses. According to the table, fifteen (15) distributors, or 50.0%, were micro distributors, which are those with capitalizations of one million pesos or less and fewer than nine (9) employees. It can be described in terms of the amount of equity capital, the size of assets, and the number of workers. Six (6) or 20.0 percent, on the other hand, were small-sized distributors, capitalizing between 2 and 3 million pesos and employing between 10 and more people. Typically privately held companies, partnerships, or sole proprietorships with lower yearly revenue and/or personnel counts than typical businesses. Business are defined as "small" in

terms of being able to apply for government support and qualify for preferential tax policy varies depending on the country and industry. On the other hand nine (9) or 30.0 percent were medium size distributors with a 3 million and above pesos of capitalization and has one hundred (100) to one hundred ninety-nine (199) employees.

Regarding the types of distributors and their profiles as distributors. According to the data, six distributors, or 20.0% of the total, are direct distributors, meaning they offer their goods directly to customers. The percentages for indirect distributors and wholesalers were three (3) and ten percent, respectively. Whereas wholesaling encompasses all

beverage product-selling operations related to selling goods or services for resale or commercial usage, indirect distributors are those who do not sell drinks products directly to consumers. Among the distributors, eighteen (18) out of thirty (30) or sixty percent were classified as retailers. This indicates that the majority of distributors were thought of as retailers.

Direct Distributors the manufacturer or producer sells products directly to the end consumer without involving any intermediaries. A company sell its products through its own website or physical store. While Indirect Distributors involves intermediaries or third parties who help move the product from the manufacturer to the end consumer. These intermediaries can include wholesalers, retailers, agents, and distributors. Manufacturer selling products to a wholesaler, who then sells them to retailers, who eventually sell to consumers. On the other hand Wholesaler buys products in bulk from manufacturers and sells them in smaller quantities to retailers or other businesses, often at discounted prices. Wholesalers typically do not sell directly to the end consumer which purchases large quantities of goods from manufacturers and sells them in bulk to retailers or businesses. Lastly the retailer is a business or individual that sells products directly to the end consumer. Retailers purchase products from wholesalers or directly from manufacturers and sell them in smaller quantities, usually in physical stores or online products from wholesalers or manufacturers and sells them to individual, (Clark (2017)

According to the years of existence of the distributor respondents' profile. As can be seen from the table, eighteen (18) or 60.0% of the distributor respondents had only been in business for five years or less. Two (2) distributor respondents had three (3) frequency distributions, or 10% of each, with years of business existence ranging from 11 to 20 years and from 21 to more years, respectively. Twenty percent, or six (6) distributor respondents, having been in business for six to eleven years. This indicates that 18 out of 30 distributors, or 60% of the respondents, had been in business for no more than 5 years; these distributors may categorized as newly formed or organized.

A key component of financial management that is vital to the prosperity and expansion of businesses is capitalization. It describes the procedure for obtaining revenue in order to finance the operations, initiatives, or investments of a business. A business with fewer than ten employees typically classified as small. However, the definition of small and medium-sized businesses varies widely depending on the industry, and some government agencies base their loan approval decisions on these definitions. Further distribution channels are essential to company since they guarantee effective product distribution, increase market penetration, and improve customer satisfaction. They oversee activities including inventory control, transportation, and warehousing to make it easier for commodities to get from producers to customers.

Table 2. Status of Sales of Beverage Product Distributors

| STATUS | Weighted Mean | Verbal Description |
|--|---------------|--------------------|
| 1. Frequency of sales | 3.20 | Agree |
| 2. Rapidity of sales | 2.53 | Disagree |
| 3. Discounts are given for volume purchase | 3.23 | Agree |
| 4. Promotional activities are employed | 1.87 | Disagree |
| 5. Credit purchases are accorded | 2.80 | Agree |
| Averaged Weighted Mean | 2.73 | Agree |

Legend: 4.21–5.00 – Strongly Agree; 3.41–4.20 – Agree; 2.61–3.40 – Neutral; 1.81–2.60 – Disagree; 1.00–1.80 – Strongly Disagree

Table 2 presents the status of sales among beverage product it clearly shows that the status of sales of beverage product described as "Agree" with an average weighted mean of 2.73. The indicator "Discounts are given for volume purchase" got the highest weighted mean of 3.23 and described as "Neutral". The indicator in "Promotional activities are employed" got the lowest weighted mean of 1.87 and described as "Disagree". Accordingly, distributors not engage in promotional activity since their products known already in the market.

Retailers execute more promotions than is necessary. It is not shocking, and parts of the reasoning are simple to comprehend like, Re-running promotions that seem to have been successful in the past is simple. It is common to

think that doing something is preferable to doing nothing. Regardless, supplier partners are always pushing for fresh campaigns. In the end, too many promotions result in an excessive amount of noise. Customers may become distracted by this from the things that are probably going to meet their demands. It adds uncertainty and complication for the business. In the worst case scenario, a lot of these promos won't increase sales above the baseline level to offset price decreases, leaving a loss. In order to raise sales, attract in clients, establish a positive brand image, and raise brand awareness, promotion is essential. It is essential component of encompassing marketing plan that supports companies in surviving in extremely competitive sector.

Table 3. Challenges encounter of Beverage Product Distributors

| CHALLENGES | Weighted Mean | Verbal Description |
|---|---------------|--------------------|
| 1. Geographical location of customers | 2.00 | Disagree |
| 2. Return of products | 3.07 | Agree |
| 3. Non-collection of receivables | 3.23 | Agree |
| 4. Expiration of products | 2.90 | Agree |
| 5. Delay in the sales of products due to increase in demand | 3.00 | Agree |
| Averaged Weighted Mean | 2.84 | Agree |

Legend: 4.21–5.00 – Strongly Agree; 3.41–4.20 – Agree; 2.61–3.40 – Neutral; 1.81–2.60 – Disagree; 1.00–1.80 – Strongly Disagree

Table 3 presents the challenges of distribution of beverage product. The table clearly shows that the problems of distribution of beverage product was described as "Agree" with an average weighted mean of 2.84. The indicator "Return of products" got the highest weighted mean of 3.07 and was described as "Agree". The indicator in "Geographical location of customers" got the lowest weighted mean of 2.00 and was described as "Disagree". Three (3) other indicators were described as "Agree" with a weighted mean of 2.93, 2.90 and 3.00

Many retailers have found it tough to make money to survive in the current economic climate. One of the main causes of this dispute is product returns, which are brought about in part by merchants' overestimate of the issue's

severity and in part by a lack of frameworks, other resources and rules. Importantly, product returns do not now leverage the notion of lean systems. Returns of products cause enormous environmental harm in addition to financial difficulties. Returns of merchandise, including goods that was damaged, out-of-date, or obsolete at any point in the forward or reverse supply chain, are very problematic for merchants financially and environmentally. Customers will subsequently suffer as a result of these having to raise product prices in order to offset their rising expenses. Although "free" returns encourage customers to place larger orders and make more returns, businesses find it difficult to handle the volume of returned goods in diverse conditions.

Table 4. Opportunities of Beverage Product Distributors

| OPPORTUNITIES | Weighted Mean | Verbal Description |
|---|---------------|-----------------------|
| 1. Increase in the volume of sales | 4.55 | Strongly Agree |
| 2. Increase in product demand | 4.48 | Strongly Agree |
| 3. Establishment of new retail and grocery stores | 4.45 | Strongly Agree |
| 4. Creation of employment opportunities | 4.66 | Strongly Agree |
| 5. Stability of financial capabilities | 4.31 | Strongly Agree |
| Averaged Weighted Mean | 4.49 | Strongly Agree |

Legend: 4.21–5.00 – Strongly Agree; 3.41–4.20 – Agree; 2.61–3.40 – Neutral; 1.81–2.60 – Disagree; 1.00–1.80 – Strongly Disagree

Table 4 presents the future prospect of distribution of beverage product. The table clearly shows that the future prospect of distribution of beverage product was described as “Strongly Agree” with an average weighted mean of 4.49. All indicators were described as ‘Strongly Agree’ with weighted means of 4.31, 4.55, 4.45, 4.48 and 4.66 respectively. The indicator “Creation of employment opportunities” got the highest weighted mean of 4.66 and the indicator “Stability of financial capabilities” got the lowest weighted mean of 4.31.

When there is financial instability, the absence of financial stability clearly illustrates the underlying worth of financial stability.

Businesses are hesitant to fund profitable ventures during these times, asset prices significantly diverge from their fundamental values, and payments could not arrive on schedule. A stock market crash or corporate hyperinflation might result from significant instability. It has the potential to seriously erode trust in the financial and economic system. Effective resource allocation, risk assessment and management, employment levels close to the natural rate of the economy, and the elimination of relative price movements of real or financial assets that could jeopardize monetary stability or employment levels are all characteristics of a stable financial system.

Table 5. Summary of Factors in Distribution of Beverage products

| SALES | Weighted Mean | Verbal Description |
|------------------------------|---------------|--------------------|
| 1. Status | 2.73 | Agree |
| 2. Challenges | 2.84 | Agree |
| 3. Opportunities | 4.49 | Strongly Agree |
| Overall Weighted Mean | 3.35 | Agree |

Legend: 4.21–5.00 – Strongly Agree; 3.41–4.20 – Agree; 2.61–3.40 – Neutral; 1.81–2.60 – Disagree; 1.00–1.80 – Strongly Disagree

Table 5. presents the summary of factors in the distribution of beverage product. The table clearly shows that the summary of factors in the distribution of beverage product was described as “Neutral” with an overall weighted mean of 3.35. The factor on future prospect got the highest average weighted mean of 4.49 and was described as “Strongly Agree”. The factor on challenges got an average weighted mean of 2.84 and was described as “Agree”. However, the factor in status got the lowest average weighted mean of 2.73 which was described as “Agree”.

Business opportunity and expansion depend on its future prospects. Business owners, entrepreneurs, and investors can realize their full potential and build a profitable company by seizing the appropriate possibilities. An individual or a corporation can take advantage of a business opportunity to grow their current operations, launch new products, and make money. Every industry frequently emerges because of things like new product development, shifting consumer preferences, skill shortages, market shifts, and even financial rewards. Finding business prospects to pursue is a good method of getting things started.

Table 6. Challenges encounter by the distributors of beverages products

| Challenges | Category | Theme |
|---------------------------------------|---------------------|----------------|
| 1 Having delay delivery from supplier | Saturated Market | Growing Market |
| 2 Overlapping of areas | | |
| 3 Competing among retailers | | |
| 4 Transferring of some valued client | | |
| 5 Rising of substitution products | Customers Pressures | |
| 6 Return of some Items | | |
| 7 Damage materials from clients | | |
| 8 Delayed collections of receivables | | |

Table 6. Reveals a range of difficulties that merchant is encounter, which grouped into two themes: "Saturated Market" and "Customer Pressures. The difficulties associated with this theme are a reflection of how crowded and competitive the retail industry is. This problem may indicate logistical problems or inefficiencies in the supply chain. For merchants vying for the same consumer base in a saturated market, prompt delivery is essential to preserving customer happiness and competitive advantage. To lessen these delays, retailers may need to expand the variety of suppliers they work with or put in place more reliable logistical systems. The difficulties noted highlight the complexity that merchants encounter in a market that is both competitive and customer-focused. A diversified strategy needed to address the problems: By establishing stronger ties with suppliers and implementing smarter logistics plans, you may increase delivery schedules and dependability. Evaluate market saturation and modify product offers and location as necessary. To keep important customers, create tailored services and loyalty programs. Simplify return procedures, take proactive measures to handle damages, and enhance cash flow by managing receivables more effectively. Retailers may better navigate the crowded market and efficiently handle consumer pressure by tackling these issues strategically, assuring their long-term success and competitiveness.

Dongsheng Zhou Ilan Vertinsky There have been two distinct phases in the development of market structure. The first phase begins with the firm's entrance. As the only seller in the market at this time, the firm makes monopoly profits. The arrival of a new company signifies

the start of the second phase, during which both businesses fight for clients. The decision-making process modeled as a three-stage game to make computation easier. In the first stage, the firm decides when and where to enter the market, considering the impact of its choices on firm 2's entry decisions and the price competition that will ensue once other firms enter. Firm 1 will make judgments on entry timing and location in an effort to maximize earnings

Findings

1. The majority of distributors classified as micro which has 15 or 50%, with half of the respondents belong to this category. Medium-sized distributors has 9 or 30% represent a smaller portion compared to micro and small size business which has 6 or 20% of the total respondents and the standard deviation of 4.58.
2. Retailers dominate the distribution landscape which has 18 or 60%, a significant focus on direct distributors or direct-to-consumer sales 6 or 20%. The proportion of indirect distributors and wholesalers is relatively small which has 10 or 10% with 7.14 standard deviation.
3. Majority of the distributors are relatively new, having been in business for 5 years or less which has 18 or 60%. This indicates a high turnover or a burgeoning industry with many recent entrants.
4. Distributors generally agree that sales occur frequently 3.20 and that volume discounts and credit purchases are common with 2.80. However, they disagree on the rapidity of sales of 2.53 and the use of promotional activities 1.87.

5. Major challenges include handling product returns, non-collection of receivables, product expiration, and delays due to increased demand. Geographical location is less of a concern among the beverage dealers
6. Strong belief among the distributors the potential for increased sales volume, product demand, new store establishments, employment creation, and financial stability.
7. Challenges include market saturation, competition, customer pressures, and logistical issues. These themes reflect both external market conditions and internal operational difficulties.

Conclusions

The evidence indicates that although firms encounter specific challenges like delays and location problems, the prospects viewed as being far more optimistic. The broad consensus regarding opportunities suggests optimism over future growth and prospects. Though less passionately than the opportunities, the sales environment typically seen as favorable, indicating a mixed but generally optimistic outlook on firm performance and development potential.

Recommendations

Based on the data gathered, here are some recommendations to address the identified challenges while leveraging the opportunities and improving sales:

1. The distributors/retailers explore options to optimize the distribution network. This could involve setting up additional distribution centers or collaborating with local logistics providers to reduce delivery times and costs.
2. Implement or enhance a healthy return management system. Train staff on proper handling and customer service techniques to reduce return rates and increase customer satisfaction. Consider reviewing and improving product quality and packaging to minimize returns.
3. Strengthen credit control measures. Introduce stricter credit checks for customers and establish clear policies for receivable

- management. Utilize automated invoicing and reminders to ensure timely collections.
4. Improve inventory management to reduce the chances of product expiration. Implement a first-in, first-out (FIFO) inventory system and closely monitor product turnover rates to minimize waste and ensure product freshness.
5. Innovate and diversify product offerings to stand out in a saturated market. Focus on niche markets or unique selling propositions to attract a loyal customer base Growing Market:

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