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Keywords: *distribution, electronics channels, challenges.*

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Section 1

I. Introduction

a) Background of the Study

Distribution (or place) is one of the four elements of the marketing mix. It is the process of making a product or service available for the consumer or business user who needs it. This can be done directly by the producer or service provider, or using indirect channels with distributors or intermediaries.

Decisions about distribution need to be taken in line with a company's overall strategic vision and mission. Developing a coherent distribution plan is a central component of strategic planning. At the strategic level, there are three broad approaches to distribution, namely mass, selective or exclusive distribution. The number and type of intermediaries selected mainly depend on the strategic approach. The overall distribution channel should add value to the consumer.

Furthermore, it is fundamentally concerned with ensuring that products reach target customers in the most direct and cost-efficient manner. In the case of services, distribution is principally concerned with access. Although distribution, as a concept, is relatively simple, in practice distribution management may involve a diverse range of activities and disciplines including: detailed logistics, transportation, warehousing, storage, inventory management as well as channel management including selection of channel members and rewarding distributors.

Electronic distribution is a type of distribution that uses purely electronic media. It is often interpreted as the buying or selling of services or goods over a public network without the physical media; this is usually done by downloading from the Internet to the consumer's electronic device.

E-distribution is an important component of e-commerce. There are many benefits for businesses in adopting e-distribution, the biggest benefit of which is the direct nature of the transaction (business to consumer or B2C). Consumers are assured that they are dealing with real and genuine producers or manufacturers. Another advantage is the market reach capability, which is extensive. There is less need for manpower as the seller has direct communication with the buyer. All orders can be immediately acted upon, and considerable overhead can be greatly reduced. The seller has more control in e-distribution, allowing a customer order to be delivered on time. Moreover, e-distribution can reduce or eliminate lead times and possible shortages. With the reduction in overhead, businesses can realize big profits; the payment system in e-distribution is also largely efficient and secure.

However, there are some disadvantages associated to e-distribution. For consumers, the distribution cost is often directly passed on to them. Targeted promotions could get more sales, which, at times, not help with the real needs of the consumer. Also, with the decreased interpersonal and social contacts, there is much decision making involved on the consumer side. Furthermore, not all consumers can be reached by e-distribution.

Before to designing a distribution system, the planner needs to determine what the distribution channel is to achieve in broad terms. The overall approach to distributing products or services depends on several factors including the type of product, especially perish ability, the market served, the geographic scope of operations and the firm's overall mission and vision. The process of setting out a broad

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statement of the aims and objectives of a distribution channel is a strategic level decision.

Strategically, there are three approaches to distribution:

- Mass distribution (also known as *intensive distribution*): When products are destined for a mass market, the marketer will seek out intermediaries that appeal to a broad market base. For example, snack foods and drinks are sold via a wide variety of outlets including supermarkets, convenience stores, vending machines, cafeterias and others. The choice of distribution outlet is skewed towards those than can deliver mass markets in a cost efficient manner.
- Selective distribution*:* A manufacturer may choose to restrict the number of outlets handling a product. For example, a manufacturer of premium electrical goods may choose to deal with department stores and independent outlets that can provide added value service level required to support the product. Dr Scholl orthopedic sandals, for example, only sell their product through pharmacies because this type of intermediary supports the desired *therapeutic* positioning of the product. Some of the prestige brands of cosmetics and skincare, such as Estee Lauder, Jurlique and Clinique, insist that sales staff are trained to use the product range. The manufacturer will only allow trained clinicians to sell their products.
- Exclusive distribution*:* In an exclusive distribution approach, a manufacturer chooses to deal with one intermediary or one type of intermediary. The advantage of an exclusive approach is that the manufacturer retains greater control over the distribution process. In exclusive arrangements, the distributor is expected to work closely with the manufacturer and add value to the product through service level, after sales care or client support services. Another definition of exclusive arrangement is an agreement between a supplier and a retailer granting the retailer exclusive rights within a specific geographic area to carry the supplier's product.

Summary of strategic approaches to distribution

Approach	Definition
Intensive distribution	The producer's products are stocked in the majority of outlets.This strategy is common for mass-produced products such as basic supplies, snack foods, magazines and soft drink beverages.
Selective distribution	The producer relies on a few intermediaries to carry their product. This strategy is commonly observed for more specialised goods that are carried through specialist dealers, for example, brands of craft tools, or large appliances.
Exclusive distribution	The producer selects only very few intermediaries. Exclusive distribution occurs where the seller agrees to allow a single retailer the right to sell the manufacturer's products. This strategy is typical of luxury goods retailers such as Gucci.

Push vs.Pull strategy

In consumer markets, another key strategic level decision is whether to use a push or pull strategy. In a push strategy, the marketer uses intensive advertising and incentives aimed at distributors, especially retailers and wholesalers, with the expectation that they will stock the product or brand, and that consumers will purchase it when they see it in stores. In contrast, in a *pull strategy*, the marketer promotes the product directly to consumers hoping that they will pressure retailers to stock the product or brand, thereby pulling it through the distribution channel. The choice of a push or pull strategy has important implications for advertising and promotion. In a push strategy the promotional mix would consist of trade advertising and sales calls while the advertising media would normally be weighted towards trade magazines, exhibitions and trade shows while a pull strategy would make more extensive use consumer advertising and sales promotions while the media mix would be weighted towards mass-market media such as newspapers, magazines, television, social media and radio.

The realization process of a marketing strategy of a company lies not only in achieving specific production goals and a proper communication with recipients during realization of the promotion phase. Its constant and very important factor is to provide finished products to customers. A basic condition for achieving goals setout in the trade is that the finished product meets the needs of the consumer, in particular it has a suitable form and it is delivered at the right time and place. To be compliment with this requirement means to take action and implement the elements included in the marketing-mix, which is the distribution of goods — one of the processes of market support, containing within itself all the decisions and actions related to the manufacturer's communication with end customers. Intermediaries create marketing distribution channel.

Distribution channels can also be defined as marketing channels or market channels. A distribution channel is a group of depended on each other organization units, which are taking part in process of flow of products or services from producers to buyers.

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The functional aspect of the distribution channel is seen as a way to connecting and ordering of agencies and intermediaries through which one or more streams are flowing

Most important streams in distribution channels are:

1. Physical movement of completed products or services;
2. Actual transfer of ownership laws among participants of the channel;
3. Information about potential buyers, competition and demand;
4. Promotion;
5. Payments of invoices;
6. Negotiations;
7. Realization of orders;
8. risk
9. Shipping, transportation and storage of goods.

Some of these streams (the ownership rights, promotion, negotiation, risk, product) flow to buyers, other (market information, payments, negotiations and contracts) to the producers. All of these flows are inevitable and the responsibility for each of them lies upon at least one organizational unit.

b) Statement of the Problem

Distribution of products takes place by means of a marketing channel, also known as a distribution channel. A marketing channel is the people, organizations, and activities necessary to transfer the ownership of goods from the point of production to the point of consumption. It is the way products get to the end-user, the consumer. This is mostly accomplished through merchant retailers or wholesalers or, in the international context, by importers. In certain specialist markets, agents or brokers may become involved in the marketing channel. At E-distribution, involvement of these intermediaries are totally eliminated (disintermediation), it's business to consumer (B2C), thus this method or strategy of distribution comes with it various benefits but at the same time pose serious challenges, this, the study tries to investigate.

c) Objective of the Study

The core purpose of the study is to investigate on the challenges of distribution by electronic channels, other sub-objectives entails;

1. To assess the *relationship between psychological identification with online communities and values.*
2. To find the *relationship between conveniences and value.*

d) Research Questions

1. What are the benefits of e-distribution channels to producers?
2. To what extent does e-distribution affects producer to consumer relationship?

e) Research Hypotheses

The following null hypotheses will be tested at a significant level of 0.05

H_{01}: There is no significant relationship between psychological identification with online communities and values.

f) Justification

This study will be of great impact to companies as it will stand as a reference material on the benefits and challenges facing the use of electronic channels in distribution of products.

Section 2

II. Literature Review

a) Conceptual Frame Work

Business distribution channels are the avenues a business uses to sell or deliver its product or service. Distribution channels for sellers of products include brick-and-mortar stores, online stores, direct mail solicitations, catalogs, sales reps, wholesalers, distributors and direct response advertising. Distributing services is delivering core and supplementary service elements through selected physical and electronics channels. It involves decisions about where, when and how.

Electronic communication is defined as any type of communication using technology - like computer, phone or fax. There are basically 4 types of marketing channels: direct selling; selling through intermediaries; dual distribution; and reverse channels. While a distribution channel may seem endless at times, there are three main types of channels, all of which include the combination of a producer, wholesaler, retailer, and end consumer plan created by the management of a manufacturing business that specifies how the firm intends to transfer its products to intermediaries, retailers and end consumers.

i. *Classification of Distribution Channels*

Company decisions regarding the type of distribution channel are considered in two structural systems:

- Vertical and
- Horizontal.

In the vertical structure there are a number of dependencies between companies.

Several decisions about the quantities of different levels of a flow streams are made here. The horizontal structure determines the number and type of intermediaries on specific levels.

In distribution channel a number of intermediaries are important who participate in the transfer of goods and property rights to it from the producer to the final client.

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Each of these participants becomes another level in the distribution channel and their number determines the length of the channel.

The vertical structure of distribution channels and its length is defined for example by following determinants:

1. Expectations of final customer;
2. Features of a product;
3. The financial capacity of an enterpirse that is making the decision;
4. Organizational and legal conditions for distribution. [6, p.35].

An enterprise, which is cooperating of intermediaries, faces a choice of one of the three systems with different levels of surveillance powers to the channel by the company:

1. Corporate,
2. Contract,
3. Conventional.

A corporate system is being used by organizational units during phases of creation and development. In this case the producer is an owner of the channel system, which relies only on him. It is a vertically-oriented system in which the producer is obliged to provide financial and human capital.

A contract system is a quite new concept in Nigeria. Its most popular form is called franchises, which is one of the fastest growing sectors of distribution. It can be divided into:

1. Product trade-name franchising;
2. Business format franchising. [1, p.159]

The first approach is mostly focused on distribution of a product where a given company is given rights to sale goods or services in a particular segment of a market using trade name (eg. car dealers).

The second type of franchising is based on the right to offer products under contract on a particular market with proper commercial forms, including sales, service and quality control. In this system all the time franchiser has control over the entire distribution channel.

The last option is the most popular in Nigeria - conventional system which is based on the foundation of working with independent intermediaries (wholesalers, retailers, agents, brokers). The most important advantage, that determines the choice of this system, is specialization of producers and dealers in specific sectors of a market chain. In this system important becomes the development of a third contractor (third party operations), which are companies that are specialized in a distribution, while offering a range of services and trade support for other participants in the channel. However in this case a company must be prepared for losing control over distribution channel.

Among vertically integrated channels administrated channel can be also distinguished. In this solution all organizational units that create the channel remain independent in their operation, however one specific company is keeping regulatory function for all units.

Channels can be also divided according to deals where people are assigned in accordance to their responsibility of buy-sell deals and product channels that are formed by members involved in the movement of products from producers to end users.

Other channels that needs to be mentioned are the negotiation channel, the flow of property rights channel, the channel of physical movement of goods and the cash flow channel. [2, p.27]

Channel width is the number of intermediaries and institutions located in different levels of the channel as a result of a decision on coverage of market with products and services. Channel width depends on the intensity strategy chosen by the company. As a result of this decision marketing channels can be divided into narrow, with a small number of intermediaries or wide in which the products or services are offered by the largest possible number of agents at each level.

A width of a channel dependent on many factors. The biggest attention is paid to the characteristics of products, customers behavior associated with relationship and loyalty to the brand. An oversight over chosen channel and marketing strategy is also relevant.

Indirect Channels

The direct channel consists of two levels: a producer and final customers. The producer contacts the buyers through their own employees, commercial services or media without intermediaries. These type of channel is applicable to the commodity market, capital goods, consumer goods, media use and the distribution of services.[5, p.26] . Manufacturers that are using this kind of channel retain full control over a disposal of products, the level of prices and services.

It provides a fast flow of information about the expectations of customers, which automatically adjusts the offer. As a consequence, producers are charged of any distribution costs and the risk of selling at a fairly low penetration capabilities.

In direct distribution, there are no intermediary. Any exchange of information between a producer and a customer is via mail, catalogs, radio, television, press, phone or computer. Orders are made via mail or telephone. The execution of orders is done by mail or order is delivered directly to the client.

Any introduction to the distribution channel of an intermediate cell, regardless of the number of levels, change a direct channel into an indirect channel. Those intermediaries can be a natural or legal persons who

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take over ownership rights to the product or service from the producer and give them to a final customer.

According to their participation in the transfer of ownership rights intermediaries can be divided into dealers and agents. The first of them are wholesalers, retailers and other organizational units that assume ownership of the products. Agents consist of agents and brokers who do not buy products and have no ownership rights to them. They are involved in shifting ownership from the producer to the final purchaser, conducting sale and purchase transactions.

An intermediary in the distribution channel may be responsible for transactional functions (negotiating contracts, dealing in sale and purchase, transfer of ownership, takeover risk) [2, p.36], logistics functions (procurement, supply, storage, selection, and transportation) and support functions (gathering information about a particular market segment, demand analysis, financing transactions).

This type of channel is primarily use in the consumer elective goods market (narrow and short channels) as well as everyday purchases and services market (short channels). It is being used relatively rarely on the market of industrial goods, in particular with investment products, raw materials and a range of supply goods.

Door-to-door delivery: There are no intermediaries. Any exchange of information between a producer and a customer is via mail, catalogs, radio, television, press, phone or computer. Orders are made via mail or telephone. The execution of orders is done by mail or order is delivered directly to the client.

Any introduction to the distribution channel of an intermediate cell, regardless of the number of levels, change a direct channel into an indirect channel. Those intermediaries can be a natural or legal persons who take over ownership rights to the product or service from the producer and give them to a final customer.

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The intermediate distribution must also include network sales (network marketing, network). [2, p.40] This form of selling is being used in Nigeria by foreign companies selling their products to distributors who recruit more distributors and receive from them appropriate amount of their sales commission.

Placing an intermediary in the distribution channel brings to the manufacturer both benefits and losses. For manufacturers the most important factor is a chance for a greater market penetration, acquisition of new markets and reduction of the distribution costs. It is also important for the manufacturer that he is released from the product adaptation to the expectations of end users (bottling, packing) and from building its own sales network. However there are several disadvantages for this solution like there is a possibility of losing direct control over the channel, not fulfilling responsibilities by the intermediary, extension in the period of payment for products and the danger of all kinds of conflicts in the channel. The relationship between producer and final customer in the intermediate distribution.

The choice of distribution channel depends on macroeconomic conditions (the economic situation, the purchasing power and the ability to exchange currency, the number, demography and culture of the population, the population density, the maximum size of the market) [4, p.217], technological trends and law regulations (rules and standards, obligations and prohibitions).

ii. *Electronic Distribution Channels*

With the growth of B2C (business-to-consumer) model a new type of intermediary has become available: an electronic distribution channel - the Internet. In electronic distribution channels the flow of streams is being realized in two dimensions: electronic and physical. A split of streams between these two dimensions depends on the type of products sold, channel participants and their technological capabilities and resources. [5, p.218]

In the electronic sales following forms of sales can be distinguished:

1. The B2C (business-to-consumer)— It is a relationship between the company and the final customer; it includes: preparation of offers, preparation and confirmation of orders, payments, realization of the transaction;
2. The B2B (business-to-business)— It is a relationship between companies and it includes: preparation of offers, preparation and confirmation of orders, payments, realization of the transaction;

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3. The B2A (business-to-administration) — It is a relationship between businesses and public (government);
4. The C2C (consumer-to-consumer) — Transactions between consumers.

The growth of an electronic distribution is strengthen by its global reach, reduction of m

- Consistent delivery for standardized services.
- Low cost.
- Customer convenience.
- Wide distribution.
- Customer choice.
- Quick customer feedback.

iii. *E-Distribution Challenges*

Main disadvantages of this type of distribution are increased costs of transportation of ordered goods and a delayed date of payment.

The service principals face the following problems in distributing services through electronic channels:

- Customers are active and they must be enticed.
- Insufficient control of e-environment.
- Inability to customize with highly standardized electronic services.
- Inconsistency due to customer involvement.
- Changes needed in consumer behavior.
- Security concerns.
- Competition from widening geographies.

Customers are active not passive and must be enticed

Traditional advertising media such as magazines consider the customer a passive receiver of their messages. A customer reading an article is most likely to see the advertisement. But the user of the web is different. The aim of advertising should be to educate, entertain and entice the customer. By reading the marketer's information, customer must know the benefits of services clearly. So, "permission-based marketing" is a new method used to attract customers to websites. The services firm designs games, offers prizes, creates contests and sends customers to websites. This helps the advertisers build relationships with customers.

Lack of control of the electronic equipment

Electronic equipment are used in an unregulated medium. Care should be taken to separate the irrelevant, unwanted material from the useful content. For example, advertising for banking services should be separated from the numerous advertisements for '*balding concealment devices*' and '*quick weight loss programmes*'. In print media, the advertiser can request for right positioning. Such requests are not possible on the internet.

Price competition

It is difficult to compare features and price of services. But the internet makes it simple for customers to compare prices for a wide variety of services. For example, priceline.com allows customers to name their prices for a service such an airline ticket. So, customers at present, have the ability to bid on prices for services. Online services enable customers to download hundreds of service offerings along with particulars. So, the service providers encounter challenges in the form of price competition.

Inability to customize with highly standardized electronic devices

It is very difficult to customize the services by using highly standardized electronic services. When electronic media is present, customers cannot directly deal with the service provider and raise points for clarification. The reaction of the audience to the message presented by an electronic vehicle may not always be effective. People may talk among themselves, laugh and criticize. Only two-way video can control the behavior of receivers.

Inconsistency due to customer involvement

Electronic channels minimize the inconsistency from employees or providers of services. The customer produces the service himself using the technology. While doing so, if the technology is not user friendly, it may lead to errors or frustration. Using a website for example is not easy as it calls for familiarity with that technology. Moreover, the difficulty encountered by online services is that most customers do not have computers.

Changes are required in consumer behavior

When a consumer enters a retail store, he can be motivated easily to buy the service. It is because the behavior of customer can be studied and the customer interaction can be modified to instill confidence in him. But for a customer purchasing a service through electronic channels, the method of interaction is different.

While using electronic channel, considerable changes are required in some aspects – the willingness to search for information, the willingness to perform some aspect of the services themselves, the acceptance of different levels of service, etc. But effecting a behavioral change is not easy. So, service marketers should motivate customers by bringing about changes in the long established pattern of behavior.

Security concerns

Security of information is a key issue while using electronic channels. This is the major issue confronting the marketers who use electronic channels. Many customers are reluctant to give credit card numbers on the web and internet. Recently, Adam Cohen has outlined reasons for customer reluctance to use the internet.

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They are:

- Someone might steal your identity
- You may reveal information about yourself in cyber-space
- Personal information that we give to a website might be exploited
- You may enter your credit card number on a fake website
- A stranger may use your computer to spy on you
- You may have a cyber-stalker.

Global Competition

With the advent of electronic channels, services can be purchased from service firms located anywhere in the world. The fact that services could not be transported is no longer valid because of electronic channels. Virtually, all financial services can be bought from institutions in any area. Since customers have unlimited choice among the providers, services are not protected from competition.

b) Theoretical framework

The theory of distribution channels states that each company in the channel must charge enough to pay expenses and leave a profit. Knowing where you are in the channel helps you understand your costs and your mark-up needs. If you are near the end of the channel, you will pay the most for a product, because it has been marked up on its way to you. If you're near the beginning, you may be expected to charge what are commonly called wholesale prices, because your buyers understand you incur less expense at the start of a channel.

There are no set prices along the distribution channel. Each company may charge what the market will bear. If prices are too high in the middle of a channel, buyers may disappear, because they know they can't mark up the product or materials enough to make a profit when they sell them. At any stage, a company may offer a discount to attract buyers. If a company in the middle of the channel offers a discount directly to consumers, the rest of the channel is cut out because it cannot compete.

Relationship Commitment Theory: Propounded by Sharma and Patterson (1999)

This is a model showing the determinants of relationship commitment. The model consists of three factors such as communication effectiveness, technical quality and functional quality, all affected by trust in the relationship which in turns affect relationship commitment.

Trust: Trust is defined by the authors as the belief that the organization can be relied on to believe in such a way that the long-term interests of the buyer will be served (Sharma and Patterson, 1999). They further states that trust implies reliance on, or confidence in, the process or person. Hence, the greater is the level of trust, the stronger is the relationship commitment. The factor of trust was also looked at by Morgan and Hunt (1994) who argues that trust has a positive relation to the extent through which the firms share similar values. It further showed that a trust booster for firms was customers' satisfaction with past exchange with the firms.

Service Quality: According to Sharma and Petterson (1990) is divided into two main components, technical and functional quality. Technical quality is related to the actual outcomes or the core service as perceived by the customers is achieving the best return on investment for their customer at acceptable levels of risks is viewed. Functional quality on the other hand is rather than concerned with, what is delivered, deals with how he service or product is delivered. It is concerned with the interaction between the product is delivered. It is concerned with the interaction between the organization supplier) and the customer (receiver), and is assessed in a highly subjective manner. The authors further argue that trust had a great impact on how quality is delivered, both in terms of functional and technical quality.

Consequently, in relation to the study the greater the perceived technical quality, the stronger is the trust in the relationship, and the greater the perceived quality of the organization, the stronger is the level of trust in the relationship, also, the greater the quality is perceived, the stronger is the relationship commitment..

Communication Effectiveness: Is referred to the formal as well as the informal sharing of meaningful and timely information between an organization and a customer in an empathetic manner. The purpose of such is to educate and keep customers informed about their investments in a language that they can understand. In relation to the study, however, strong communication skills. New updates on current products are required to ensure that customers understand and thus become more confident in their ability to asses financial risks and outcomes. Effective communications also helps customers through the unavoidable ups and downs of business, thus, the greater is the communication effectiveness, and the stronger is the relationship to buy ideas from the firm.

c) Empirical review

Studies on the relationship between psychological identification with online communities and values

The rise of the Internet has led to the formation of network-based *virtual* communities. Some members have a strong psychological identification with online communities, and from which they may gain a sense of belonging and satisfaction. Jones, Hesterly, and Borgatti [1997] found that the social mechanism of the Internet is often superior to other forms of management, including controlled access, overall culture, collective

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punishments, and *credibility.* Further, the notion that psychological identification is intensified by website communities is the same as the concept of overall culture in the social mechanisms of network management as indicated by Jones et al. (1989)The stronger the centripetal force of website communities, the greater the website value for customers. Underwood, Bond, and Baer [2000], in their studies on the sport industry, described that customers' social identification with their teams might be strengthened by group experiences, history or traditions, physical equipment, and rituals. Hence, if customers have stronger psychological identifications with the website communities, the website will have greater value for the customers. Therefore, the following conclusion was inferred: Stronger customers' psychological identification with the website community will increase the customers' perceived value of the website.

Studies on the relationship between convenience and value

How e-commerce can attract consumers depends on its ability to save time and costs for consumers and allow consumers to view, compare, search, and ask questions. Pallab P (1996) .In addition, there are convenient and rapid functions, such as hyperlinks, that provide customers with higher added value without geographical or time limits. Hence, the more convenient services the website offers, the greater value it will have for customers. Therefore, we conclude that the greater convenience of services provided by a website will increase the customers' perceived value of the website.

Studies on the relationship between novelty and value

Amit and Zott [2001] described that the competition on the Internet emphasizes not only convenience and speed, but also novelty in contents, as crucial to competitive advantage and important for the Internet to create *customer value.* Hence, when there is a higher degree of novelty in the content offered by a website, there will be greater value for customers. Therefore, we conclude that a higher degree of novelty in the content provided by a website will increase the customers' perceived value of the website.

Section 3

III. Methodology

In this chapter, we discussed the following areas; research design, population of the study, sample size, sampling techniques, research instrument, validity and reliability of sampling instruments and method of data analysis.

a) Research Design

The research design adopted in this study was the survey. A survey involves gathering information from a sample through the use of a questionnaire. This method was chosen due to the structure of the study problem and its objectives. This design offers a quick, accurate and efficient way of securing information from a segment of people.

Moreover, a survey is generally perceived as authoritative among scholars and comparatively easy to understand and explain. Also, data collected through this method is standardized and allows for easy comparison.

b) Study Area

The area of study is MTN located at Claret Academy St, New Owerri, Owerri, Imo state of Nigeria. The choice of the company is because of its application of the undifferentiated marketing strategies and promoting images aim at benefiting the users that seeks the packages. Hence, they serve as true representative sample of the entire population companies.

c) Target Population, Sample Size, Sampling technique

The study's population consisted of customers of MTN in Owerri, Imo State. The study primarily focused on customers of MTN as the highest networking company in Nigeria. The study population is deemed to be inestimable because MTN is not ready to disclose its customers base on reasons best known to them. Hence, the number cannot be exactly defined.

Being an unknown population, the sample size will be obtained using the formula proposed by Walpole (1974) as follows;

$$n = \frac{z^{2a2}/2}{4e^2}$$

Where, n represents the sample size, $z^{2a2}/2$ is the value obtained from the standard normal distribution at 5% level of significance, $z^{2a2}/2 = 1.69$, $e = 0.05$

$$n = \frac{(1.69)^2}{4(0.0025)} = \frac{(1.69)^2}{0.01} = \frac{2.8561}{0.01} = 286$$

From the above computation, two hundred and eighty six (286) customers of MTN were served copies of the questionnaire. Seventy two (72) customers each using different MTN packages in Owerri Imo State of Nigeria will be involved in the study. The decision to allocate equal number of customers to each designed package by MTN was based on the equality of ratings as highest used package.

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The sampling technique adopted in this work is Walpole 1974 sampling technique, with cluster being preferred option and respondents seen with different packages of MTN will be administered with questionnaire. Moreover, for the purpose of this study, the Wetheral based MTN in Owerri, Imo state will be divided into five (5) clusters .

d) Data Collection

The main instrument that will be employed in collecting data for this work is the questionnaire. The questionnaire is divided into three (3) sections. Section one (1) has six items on personal data of the respondents. Section two (2) comprised 10 items, five each on the benefits of e-distribution channels and on the extent e-distribution channels affect producer to consumer relations. All statements in sections two and three were measured on a modified four (4) point rating scale of strongly disagree (SD), agree(A), disagree (D) and strongly agree (SA).

e) Data Analysis Process

Personal data of respondents will be analyzed using frequency count and simple percentages. A simple linear regression analysis will be employed to test the first, third and fourth hypotheses and Pearson Product Moment Correlation (PPMC) will be adopted to test the second hypotheses. All hypotheses will be tested at 0.05 level of significance.

f) Test of Hypothesis

The test of hypotheses will be done hypothesis by hypothesis; in order to test the hypothesis, the variables were identified as follows;

Research dimensions	Measured variables in dimensions
Psychological identification with online communities	• You frequently visit or browse this website when surfing the Web. • You have a pleasant experience shopping on this website. • As a member of the website, you feel greatly satisfied. • You take delight in sharing your experience and joy from this website with others. • At the mention of an e-commerce website, this is the website that first comes to your mind.
Convenience	• This website provides customers with the most timely shopping-related information. • This website has the most convenient steps and procedures for shopping. • This website offers the most convenient and secure payment methods. • Customers can rapidly and simply complete online transactions on this website. • This website provides customers with effective communication channels (e.g., • telephone or email) or indexing functions to enable them to troubleshoot problems quickly.
Novelty	• The products, services, or transaction mechanisms offered by this website are unique. • The products, services, or transaction mechanisms offered by this website are difficult for other websites to imitate. • This website often changes or innovates its products, services, or transaction mechanisms.
Transaction security	• The personal data and transaction-related information on this website will not be leaked. • You trust the security mechanism of this website. • You are assured about the payment methods on this website. • This website is not easily invaded by computer hackers. • The transaction security of this website is guaranteed. • Others are unable to know your personal-related data from this website. • This website keeps the personal data of its customers in strict confidence.
Relationship stability	• When surfing the Internet, you visit this website first. • You feel that the reputation of this website is trustworthy. • As long as this website maintains its existing services, you will not switch to other websites. • You will recommend this website to your relatives and friends.
Value	• You believe that the products or services offered on this website are good quality. • The products or services offered by this website meet your expectations • The products/services offered by this website are your best choices • The value brought to you by this website is higher than other e-commerce websites. • Shopping on this website is a pleasant experience.

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Trust	• You believe that this website is fairly reliable. • You believe that this website is trustworthy over the long-term. • You believe that this website is honest and tells no lies. • You believe that this website considers the interests of its customers. • You believe that this website enjoys a good reputation and credibility.
Loyalty	• Your time spent on this website accounts for a greater proportion of your total time online. • On this website, you enjoy visiting other websites of similar types. • Unless recommended by friends, you would not consider taking the initiative to visit or browse other similar websites. • You visit this website first when shopping online.

IV. Data Presentation, analysis and Findings

Test of Hypotheses

Hypothesis One

H_{01}: There is no significant relationship between psychological identification with online com munities and values.

Table 2: Result of PPMC correlation between psychological identification with online communities and values

	Psychological Identification with Online Communities	Values
Psychological Identification with Online Communities Correlation	1	.424**
Sig. (2 - tailed)		.000
N	264	264
Values	.424**	1
Sig. (2 - tailed)	.000	
N	264	264

** *Correlation is significant at the 0.05 level (2 -tailed)*

Table 2 shows a correlation (r) value of 0.424 which means that the independent variable is positively correlated with values. Because of the positive value of r, direction is the same. With a p-value of .000 which is less than the level of significance of 0.05 (2-tailed, the null hypothesis is rejected. The result indicates that there is a significant relationship between psychological identification with online communities and values.

Hypothesis Two

H_{02}: There is no significant relationship between conveniences and value.

Table 4: Result of PPMC correlation between MTN and consumer relationship

	Convenience	Value
Convenience- Pearson Correlation	1	.523**
Sig. (2 - tailed)		.000
N	264	264
Value	.523**	1
Sig. (2 - tailed)	.000	
N	264	264

** *Correlation is significant at the 0.05 level (2 -tailed)*

The correlation (r) value of 0.523 was obtained as shown in table 4. Since the p-value of 0.000 is less than the level of significance of 0.05, we therefore reject the null hypothesis and concluded that there is a positive significant relationship between Convenience and value.

a) Discussion of findings

Table 1 indicates that there is a significant relationship between psychological identification with online communities and values. This is in agreement with Jones, Hesterly, and Borgatti [1997] who found that the social mechanism of the Internet is often

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superior to other forms of management, including controlled access, overall culture, collective punishments, and *credibility*. Further, the notion that psychological identification is intensified by website communities is the same as the concept of overall culture in the social mechanisms of network management as indicated by Jones et al. (1989).

Also in table 2, a positive significant relationship exist between Convenience and value. Pallab (1996) asserts that in addition, there are convenient and rapid functions, such as hyperlinks, that provide customers with higher added value without geographical or time limits. Hence, the more convenient services the website offers, the greater value it will have for customers. Therefore, we conclude that the greater convenience of services provided by a website will increase the customers' perceived value of the website.

b) Conclusion and Recommendation

The best management of distribution channels is one of the factors providing the success of products sold by the company in the market. Also, a company should not forget about the appropriate upgrading of a product over time to meet the expectations of customers and to be desired by them. Noteworthy and not to be underestimated is an offered potential by the growth of networks and electronic commerce. It seems that the electronic channel of distribution will soon be one of the most popular forms of distribution channel in Nigeria, because it reduces expenses associated with the costs of distribution and sales, and if you look from the client perspective it shortens the time of a purchase of a specific product.

Electronic distribution channels also provide the company with a high level of computerization in the field of development, which is nowadays of great importance for the position and credibility in the market.

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