

**MARKETING CHANNEL LEVELS AND SALES  
PERFORMANCE IN THE AGRIBUSINESS INDUSTRY  
IN UGANDA: A CASE STUDY OF UHURU FRUIT JUICE  
COMPANY**

**By**

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## **Declaration**

I Mercy Aryanyijuka, hereby declare that this dissertation is my original work and has never been submitted to any University or institution of higher learning for any academic award and where other peoples' work has been used, due acknowledgement has been made.

Signature..... Date.....

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### **Approval**

I certify that this dissertation has been prepared under my supervision and I give my approval for the work to be examined for the attainment of the degree of master of Business Administration of Nkumba University.

Signature..... Date.....

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### **List of Acronyms**

B.Sc.	:	Bachelor of Science
GDP	:	Gross Domestic Product
E-commerce	:	Electronic Commerce
FMCG	:	Fast Moving Consumer Goods
M.Sc	:	Master of Science

## **Definition of Operating Terms**

**Marketing channel level:** A marketing channel level refers to the intermediary in marketing distribution channel between the producer/manufacturer and the end consumer.

**Sales:** The term sales refers to transactions between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money

**Sales performance:** Sales performance is a combination of sales effectiveness - the ability of a company's sales professionals to win at each stage of the customer's buying process, and ultimately earn the business on the right terms and in the right timeframe and sales efficiency - the speed at which each task in the sales process is performed.

**Zero channel level:** A Zero channel level is a direct marketing channel where there is no intermediary and the producer sells directly to the consumer.

**One channel level:** A One channel level has one intermediary who are known as retailers and are between a manufacturer and consumer.

**Two channel level:** The Two channel level has both the retailer and wholesalers between the manufacturer and consumer respectively.

**Sales capacity:** This is the maximum level of output that a company can sustain to make a product or provide a service.

**Customer satisfaction:** Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. It measures how well the expectations of a customer concerning a product or service provided by your company have been met.

**Turnover:** Turnover is an accounting term that calculates how quickly a business collects cash from accounts receivable or how fast the company sells its inventory.

## **Abstract**

The aim of the study was to establish how marketing channel levels affect sales performance of the agribusiness industry of Uganda, taking the case of Uhuru Fruit Juice Company. The objectives of the study were; (1) to examine how Zero Level marketing channel has affected the sales capacity in Uhuru Fruit Juice company. (2) to establish how One Level marketing channel has affected the customer satisfaction in Uhuru Fruit Juice company. (3) to assess how Two-level marketing Channel has influenced turnover in Uhuru Fruit Juice Company. It was a mixed study classification that used both the quantitative and qualitative approaches. It adopted a cross-sectional research design that helped in establishing the relationship between marketing channel levels and sales performance in Uhuru Fruit Juice Company. Data were collected through documentary review, interviewing and focus group discussions. Self-administered questionnaires and interview guides were used as the main data collection instruments. A total number of 65 respondents participated in this study. The study findings revealed that many respondents believed that marketing channel levels are significantly and positively associated with sales performance, where  $r=389^{**}$  ( $P<0.01$ ) as shown by the results in table 7.4. The researcher recommends that more attention is needed in establishing more sales outlets so that many customers can eventually get enough access to Uhuru fruit juice products.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the study

In this study, Marketing Channel Levels and Sales Performance in Agribusiness Industry in Uganda, the researcher explored how Uhuru Fruit Juice Company managed its marketing channels, and how these channels affected its sales performance. The researcher affirms that this study is important since it spawned the needed knowledge on marketing channels (as the independent variable) and sales performance (as the dependent variable), especially in Uganda's agribusiness industry. Uhuru Fruit Juice Company was chosen as a case study because it is an agribusiness innovation incubator for banana sector value-chain development which aims at up-scaling innovations to improve marketing value chains with emphasis on capacity building for increased production, and marketing of banana and its value-added products among other objectives.

Mehta, Rosenbloom and Anderson (2010) define a marketing channel as an array of exchange relationships that create customer value in the acquisition, consumption, and disposition of products and services. They add that this definition implies that exchange relationships emerge from market needs as a way of serving market needs. Channel members must come to the marketplace well equipped to address changing market needs and wants. According to Sai-Lakshmi (2014), marketing channels are a set of interdependent organizations involved in the process of making a product or service available for use or consumption. A major focus of channels of distribution is delivery and it is only through distribution that public and private goods and services can be made available for use or consumption. The emergence and arrangement of a wide variety of distribution-oriented institutions and agencies, typically called intermediaries because they stand between productions on the one hand and consumption on the other can be explained in the following terms: Intermediaries can improve the efficiency of the process, they help in the proper arrangement of routes of transactions, they help in the searching process, they help in the sorting process.

According to Aditya and Debarka (2017), a marketing channel level refers to the intermediary in marketing distribution channel between the producer/manufacturer and the

end consumer. Each layer of distribution intermediaries that performs some work in bringing the product to its final consumer is a channel level. The number of channel levels between the producer and consumer could be 0,1,2,3 or more. A zero level channel is a direct marketing channel where there is no intermediary and the producer sells directly to the consumer. For example; direct mails, and telemarketing. A one level channel has one intermediary, typically a retailer between a manufacturer and consumer. Similarly a 2 level channel and a 3 level channel have 2 and 3 intermediaries respectively.

The term sales refers to transactions between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money (Hutt & Speh, 2013). Sales performance is a combination of sales effectiveness - the ability of a company's sales professionals to win at each stage of the customer's buying process, and ultimately earn the business on the right terms and in the right timeframe and sales efficiency - the speed at which each task in the sales process is performed (Farris et al., 2010; Treace, 2012; Rogers, 2014; Dean, 2015).

The dependent variable in this study is sales performance and it includes customer satisfaction, sales capacity, win/loss ratio and turnover. According to Sallows (2017), sales performance is simply how efficient and effective your sales team is at generating sales revenue. The simplest method of measuring sales performance is to consider how much you invest in your sales function and what you get in return, in terms of sales revenue. This is otherwise known as your sales Return On Investment or (ROI). Sales performance is the measurement of the number of sales that an employee makes for a business. It helps more people hit quota more often by focusing on tools and processes to help the individual sales and channel personnel (Sallows, 2017).

Any company that sells products to customers uses a form of sales performance measurement to evaluate an employee's quality of work and help pinpoint development areas (McLelland, 2017). Sales performance uses raw data concerning the number of customers a sales associate speaks to compared with the number of actual sales. By reviewing the sales performance of an employee, a sales performance manager can determine his strengths and weaknesses. Sales performance can indicate the rate of customer loyalty to the business or a specific employee. Customer loyalty refers to customers who regularly purchase products from the business and refer other customers to the store. Enhancing sales performance can automatically enhance



the number of loyal customers. Meeting monthly sales quotas is another aspect of sales performance. Setting monthly goals for each employee based on her past selling records can help determine if she is sharpening her sales techniques or falling behind. Sales performance can also indicate whether a department is overstaffed. By comparing the sales numbers based on the monetary amount spent on staffing, managers can determine ideal staffing levels.

According to Amara (2012), sales performance is defined as the process of overseeing and training employees to advance their sales skills, processes, and results. Making sure your sellers are motivated, trained and are in the right territories is critical to your success and every company should be focused on doing just that. Sales Performance marries the traditional discipline of sales management with a more rigorous, focused and metrics-driven approach to optimize resources and improve sales performance (Amara, 2012). Ultimately, this leads to generating repeatable and predictable revenue. A key objective of the sales performance is to educate and motivate salespeople to set goals and satisfy customers. It looks at the number of sales made versus the number of customers an employee comes in contact with (McLelland, 2017).

The firm's sales performance could be measured by various concepts, such as sales per employee, value of export, total assets and operation profit ratio (Amara, 2012). The ability of an organization to survive and succeed is influenced by various factors, some of which can and some of which cannot be controlled (Van-Loo & De-Grip, 2012). Therefore, the performance of an organization is a function of the controllable and uncontrollable variables (Kim and Lim, 2008).

According to Siebert (2009), agribusiness is the business of agricultural production. It includes the production, processing, and supply of agricultural goods that range from lettuce to corn syrup. Companies may focus on things like cut flowers, fresh vegetables, or by-products of farming such as fuels derived from farm waste. Agribusiness also encompasses farming equipment, machinery, chemicals, suppliers, and personnel. Several things characterize agribusiness, differentiating it very distinctively from family farming. The first is the scale, which is typically quite large. The second is considerable vertical and horizontal integration. Agribusiness is also distinguished by being run like a true business, with administrators rather than farmers at the helm of companies in the agriculture business.

The independent variable in this study is the marketing channel levels which play a role in making the good available to the end consumer (Aditya & Debarka, 2017). According to Sai-Lakshmi (2014), a properly designed distribution channel helps a company achieve good sales performance which enables it gain a sustainable competitive advantage. Channel structures vary depending on the customer.

According to Neha (2017), agribusiness plays a vital role in economic development, contributing a major portion of GDP, employment, and foreign exchange earnings in many developing countries. This is particularly true in Africa, where agriculture accounts for 25 percent of the continent's GDP, and 70 percent of employment. Despite its importance, Sub-Saharan Africa's agribusiness sector faces numerous challenges. In many countries, most crops are produced by small-sized farms with limited mechanization and capacity, leading to poor yields. Fragmented markets, price controls, and poor infrastructure also hamper production. Many of the agricultural products produced in the region, such as maize, rice, and palm oil, are not competitive globally or have low profit margins. This means that Sub-Saharan Africa is ill equipped to meet its food requirements, which are set to double in the next 30 years or even sooner. To address these challenges, the International Finance Corporation supports projects across the food supply chain, including processing, logistics, and distribution. The goal is to develop an efficient and competitive private agribusiness sector. Achieving this will have a strong impact on reducing poverty and improving lives, since most of Sub-Saharan Africa's poor live in rural areas that depend on agriculture.

The agricultural sector is dominant in Uganda's economy and the importance of agriculture in Uganda's economy outweighs all other sectors (industrial and service sectors) put together (Ojambo, 2014). Uganda is able to rely on agriculture due to the country's excellent access to waterways, fertile soils, and, (relative to many other African nations) its regular rainfall, although it does still suffer from intermittent droughts (Ismail, 2016). Uganda's key agricultural products can be divided into cash crops, food crops, and horticultural produce. The most important cash crops are coffee, tea, cotton, tobacco, and cocoa (Ntale, 2016). In Uganda there are many agribusinesses and of which is Uhuru fruit juice company.

According to Ntale (2016), Uhuru Fruit Juice Company is an agribusiness company that produces and distributes Uhuru fruit juice. The company aims at improving entrepreneurial skills, marketing value chains with emphasis on capacity building for increased production,

development of Small and Medium Enterprises (SME's), training in entrepreneurship and agribusiness. This is achieved through training and mentoring, identification and/or development of viable research innovations and linkage to agribusiness, information generation and dissemination, community mobilization and market linkages, setting up a consortium comprising membership from Universities, Research Institutions, Private Sector Companies and Government Support Agencies.

### **1.2 Statement of the Problem**

Much as many industries such as the agriculture industry are growing steadily in Uganda (Ntale, 2016), recent studies indicate that sales of agricultural products have declined over the past 3 years which could for instance be attributed to the choice of marketing channel levels. Uhuru Fruit Juice Company, which is the company under focus may not be an exception as noted by Ntale in the New Vision (2016) that there is a decline in sales capacity, increasing customer dissatisfaction and low sales turnover. This is consequently causing customers to shift to competitors and thus affects the company's sales performance. In this study, the researcher carried out an investigation on how marketing channel levels affect sales performance of Uhuru Fruit Juice Company.

### **1.3 Purpose of the Study**

The purpose of this study was to establish how marketing channel levels affect sales performance of the agribusiness industry of Uganda using the case of Uhuru Fruit Juice Company.

### **1.4 Objectives of the Study**

Specific objectives of the study were;

1. To examine how Zero Level marketing channel has affected the sales capacity in Uhuru fruit juice company.
2. To establish how One Level marketing channel has affected the customer satisfaction in Uhuru fruit juice company.
3. To assess how Two level marketing Channel has influenced sales turnover in Uhuru fruit juice company

## **1.5 Research Questions**

The research questions were;

1. How has Zero Level marketing channel affected the sales capacity of Uhuru fruit juice company?
2. How has One Level marketing channel affected customer satisfaction of Uhuru fruit juice company?
3. How has Two level marketing Channel influenced the sales turnover of Uhuru fruit juice company?

## **1.6 Hypotheses of the Study**

The hypotheses of the study were;

**H<sub>0</sub>:** Marketing channel levels do not significantly affected sales performance in Uhuru Fruit Juice Company.

**H<sub>a</sub>:** Marketing channel levels significantly affected sales performance in Uhuru Fruit Juice Company.

## **1.7 Scope of the Study**

### **1.7.1 Content Scope**

The study concentrated on how marketing channel levels which are Zero Level channel, One Level channel and Two-level Channel have affected customer satisfaction, sales capacity and turnover.

### **1.7.2 Geographical Scope**

The study population was drawn from the headquarters Uhuru Fruit Juice Company that are located along Hoima road, Nansana, Uganda. The company branch was chosen because it could easily be accessed by the researcher. Thus, the researcher was able to get all the required first-hand information (or primary data) about the problem that required to be studied.

### **1.7.3 Time scope**

This study considered marketing channels and the sales performance data of Uhuru Fruit Juice Company from 2014 to 2017. This time range was suitable for arriving at correct conclusions.

## **1.8 Significance of the Study**

The findings of this study can help Agribusinesses in Uganda, especially Uhuru Fruit Juice Company, to understand how effective marketing channels should be designed and administered, and how relevant technologies should be adopted by channel intermediaries to achieve optimal sales.

The study findings can be useful tool for managers of agribusinesses in formulating marketing channels that offer the best buying experience for customers, for instance, little or no waiting time, convenience and flexibility of buying.

The findings of the study can also help future researchers to widen and strengthen the knowledge base in this field and be able to explain various terminologies and jargons from the field of study. In addition, the findings of the study can be helpful for academic purposes because other researchers can use the information as their secondary source when carrying out an investigation from the related field.

## **1.9 Arrangement of the Dissertation**

This dissertation has been structured in eight chapters, and chapter one is the introduction that is composed of the; background to the study, statement of the problem, and objectives of the study among others. Chapter two is the study literature and is composed of the literature survey, literature review and conceptual framework. Chapter three is the methodology of the study. Chapter four is about the background information of the respondents. Chapter five is composed of the presentation, analysis and discussion of the findings for objective one, which is to examine how Zero Level marketing channel has affected the sales capacity in Uhuru Fruit Juice company. Chapter six is about the findings for objective two, which is to establish how One Level marketing channel has affected the customer satisfaction in Uhuru Fruit Juice company. chapter seven is about the findings of objective three, which is to assess how Two-level marketing Channel has influenced turnover in Uhuru Fruit Juice company. Chapter eight is the harmonization of marketing channel level and sales performance in Uhuru Fruit Juice company. Then chapter nine is about the summary of the findings, conclusion and recommendations.

## **CHAPTER TWO**

### **STUDY LITERATURE**

#### **2.1 Introduction**

This chapter provides previous studies and the theoretical framework that was used in these studies. The objective of the chapter is to concentrate on the linkage of the relevant findings, mainly on the marketing channel levels and sales performance so as to realize the gap in the literature. This chapter covers three aspects namely, literature survey, literature review and conceptual framework.

#### **2.2 Literature Survey**

No study on marketing channel levels has been carried out at Uhuru Fruit Juice company but several studies have been carried out agro banana in Uganda some of which done been reviewed below. A number of empirical studies, which are also related to this research, were reviewed. Information on where the studies were conducted, the sampling issues, the key findings and observed weaknesses in the studies are also discussed. The relevance of empirical studies reviewed was based on the research objectives and variables within.

Most of the literature survey on channel design was from studies in a context of industrial or consumer products (Kansal, 2011). In all the studies reviewed, it was clear that companies differ in how they distribute their products to the consumer. Much as there was some literature available, most of it was dating more than ten years ago, implying that channel design had received little attention by marketing researchers in recent years. With limited field studies on channel design, it is not easy to know if a firm can freely choose a channel or only adapt to it, and the consequences of a given channel design on sales performance.

A study was carried out by Kerwegi (2016) to establish the relationship between agribusiness incentive and youth employment in Northern Uganda, taking the case of Gulu district. The study used a case study design adopting both qualitative and quantitative approaches and a sample size of 137 respondents was selected using stratified random sampling, purposive sampling and simple random sampling. One of the objectives that guided the study was; to investigate the effect of agricultural infrastructure on youth employment.

The major findings of the study reveal that there was a significant relationship observed between agricultural infrastructure and youth employment where agricultural infrastructure was seen to be a predictor of youth employment. The study concluded that agricultural infrastructure as a dimension of agribusiness incentives determines youth employment in the district. The study recommended that the management of the district should make efforts to ensure that the required agricultural infrastructure is available so as to promote youth employment. The stakeholders in the agricultural sector should develop strategies in line with the study variable relationships to enhance youth employment in local governments.

The study only identified gaps in agricultural infrastructure that limit access to markets and market places, which is a factor that supports incentives for youth employment but did not consider how marketing channel levels (Zero Level channel, One Level channel and Two level Channel) affect sales performance (whose variables are customer satisfaction, sales capacity and turnover) which may also be factors that supports incentives for youth employment. Therefore, this current study established how marketing channel levels affect sales performance of the agribusiness industry of Uganda using the case of Uhuru fruit juice company.

Bashasha et al. (2004) carried out a study about strengthening farm-agribusiness linkages in Uganda. The study used case study designs adopting both qualitative and quantitative approaches. The main purpose of the study was to get an insight into current farm-agribusiness linking arrangements. This included identifying and analysing successful linkages highlighting different methods and practices as well as exploring key factors that have led to successful partnerships. The country study also contained a brief agribusiness sector overview.

Successful farm-agribusiness linkage arrangements were selected in the horticultural, dairy, rice and traditional cash crop sector. Uganda took a more sectoral approach but in general linkages found were weak and informal in nature. The coffee, horticultural and dairy sectors were chosen (Bashasha et al., 2004).

The study concluded that currently farm-agribusiness linkages in the coffee, dairy and horticulture sub-sectors in Uganda are organized in a complex manner. Many of these linkages have been stimulated by the need to achieve efficiency and increase market power as a result of government policies of liberalization and privatization. The study also concluded

that in order to modernize Uganda's agriculture and hence reduce poverty, both the public and private sectors have a role to play. It is important that their roles are both coordinated and complementary. The private sector is responsible for the production, processing and marketing of agricultural products. The public sector should create a conducive environment by formulating appropriate policies, removing barriers at all levels, improving infrastructure and putting in place an appropriate legal and regulatory framework (Bashasha et al., 2004).

The study was only carried out on strengthening farm-agribusiness linkages in Uganda but did not consider how marketing channel levels (Zero Level channel, One Level channel and Two level Channel) affect sales performance. Therefore, this current study established how marketing channel levels affected sales performance of the agribusiness industry of Uganda using the case of Uhuru Fruit Juice Company.

### **2.3 Literature Review**

This section presents the literature related to the topic under study, which was sourced from text books, journals, articles and internet sources. The literature was necessary because it enabled the researcher to get ideas from the studies made by different previous researchers and applied them in this study. She also identified the gaps in the previous research studies made about marketing channels and sales performance in any organisations and filled them by this study.

#### **2.3.1 Marketing channel**

A channel is a passageway that allows the happening of certain processes (Lewis, 2008). Marketing is understood to be an exchange process (Bagozzi, 2009) and marketing channels help this exchange process to take place. Mehta et al (2010) define marketing channels as the set of external organizations that a firm uses to achieve its distribution objectives. A marketing channel can be defined as an array of exchange relationships that create customer value in the acquisition, consumption, and disposition of products and services (Duddy & Revzan, 2007). This definition implies that exchange relationships emerge from market needs as a way of serving market needs. Channel members must come to the marketplace well equipped to address changing market needs and wants (Duddy & Revzan, 2007).

The term marketing channel was first used to describe the existence of a trade channel bridging producers and users. Early writers compared marketing channels to paths through



which goods or materials could move from producers to users. This description makes it easy to understand how the term ‘middleman’ came into being as a way to explain product flows. Since then, a whole lot of other flows have been made possible by marketing channels (Bowersox & Bixby, 2012).

For marketing channels to succeed in a competitive marketplace, independent marketing organisations must pool individual resources to achieve collective goals through a connected system (Boone & Kurtz, 2012) In addition, this connected system must be flexible enough to accommodate changes in the environment (McCarthy, 2011). By combining their strengths, organisations hope to achieve global success which they would be unable to achieve individually. According to McCarthy (2011), there are four key elements of success in channels which are:

- i. **Pooled Resources:** A marketing channel operates as a team, sharing resources and risks to move products and resources from their point of origin to their point of final consumption.
- ii. **Collective Goals:** A sense of shared purpose helps unite organisations within marketing channels, particularly when the organisations sense a chance to win a critical competition for market share. While at times these connections are short in duration, they some- times last for decades.
- iii. **Connected System:** Organisations cannot exist without markets. All business competition emerges within marketing channels, and the success or failure of all individual enterprise is ultimately decided there. Channel members regulate the flows of goods and services in the marketplace. The degree to which channel members regulate these flows has never been more significant than it is today, and the influence of marketing channels is likely to grow every year into the foreseeable future.
- iv. **Flexibility:** Marketing channels must be flexible systems in order to be successful. Marketing channels are described as ecological systems because of the unique, ecological-like connections that exist among the participants within a marketing channel. The organisations and persons involved in channel flows must be ‘sufficiently connected to permit the system to operate as a whole, but the bond they share must be loose enough to allow for components to be replaced or added’.

Marketing Channels are set of interdependent organizations involved in the process of making a product or service available for use or consumption (Bowersox & Bixby, 2012). A major focus of channels of distribution is delivery. It is only through distribution that public and private goods and services can be made available for use or consumption. The emergence and arrangement of a wide variety of distribution oriented institutions and agencies, typically called intermediaries because they stand between productions on the one hand and consumption on the other can be explained in the following terms (Bagozzi, 2009):

- i. Intermediaries can improve the efficiency of the process.
- ii. They help in the proper arrangement of routes of transactions.
- iii. They help in the searching process.
- iv. They help in the sorting process.

### **2.3.2 Marketing channel levels**

According to Aditya and Debarka (2017), channel level refers to the intermediary in marketing distribution channel between the producer/manufacturer and the end consumer. Each layer of distribution intermediaries that performs some work in bringing the product to its final consumer is a channel level. Every channel level plays a role in making the good available to the end consumer. The number of channel levels between the producer and consumer could be 0,1,2,3 or more.

A zero level channel is a direct marketing channel where there is no intermediary and the producer sells directly to the consumer for example direct mails, telemarketing. A one level channel has one intermediary, typically a retailer between a manufacturer and consumer. Similarly a two level channel and a three level channel have 2 and 3 intermediaries respectively.

Marketing channel levels consist of consumer marketing channels or the industrial marketing channels (Hitesh, 2017). A factor common among both channel levels is that both include the producer as well as the end customer (Hitesh, 2017) and the levels include the following.

#### **i. Zero Level channel / Direct Marketing Channel**

A zero level channel, commonly known as direct marketing channel has no intermediary levels. Consists of a manufacturer directly selling to the end consumer (Agarwal, 2016). This

might mean door to door sales, direct mails or telemarketing. Dell online sales is a perfect example of a zero level channel marketing.

Another example of a zero level channel would be a factory outlet store. Many service providers like holiday companies, also market direct to consumers, bypassing a traditional retail intermediary, the travel agent (Agarwal, 2016). Therefore, when the distribution of the product is direct from the producer to the consumer or the user. This is also called direct selling.

**ii. One Level channel**

As the name suggests, the one level channel has an intermediary in between the producer and the consumer. In consumer markets, this is usually a retailer (Agarwal, 2016). An example of this can be insurance in which there is an insurance agent between the insurance company and the customer. Even E-commerce is an excellent one channel level example wherein the companies tie up directly with E-commerce portals and then sell in the market.

Thus, when the product is not sent directly from the producer to the consumer but the producer sells the product to the retailer who, in turn, sells to the consumer. This channel is also known as distribution through retailers (Agarwal, 2016).

**iii. Two level Channel**

Two level channel involves the movement of goods from the company to an intermediary, from the intermediary to another and then to customer. It encompasses two intermediary levels, a wholesaler and a retailer (Agarwal, 2016). This is also commonly known as “breaking the bulk” in FMCG market. A widely used two level marketing channel especially in the FMCG and the consumer durables industry which consists of a wholesaler and a retailer. So the goods go from company to distributor, distributor to retailer and retailer to consumer.

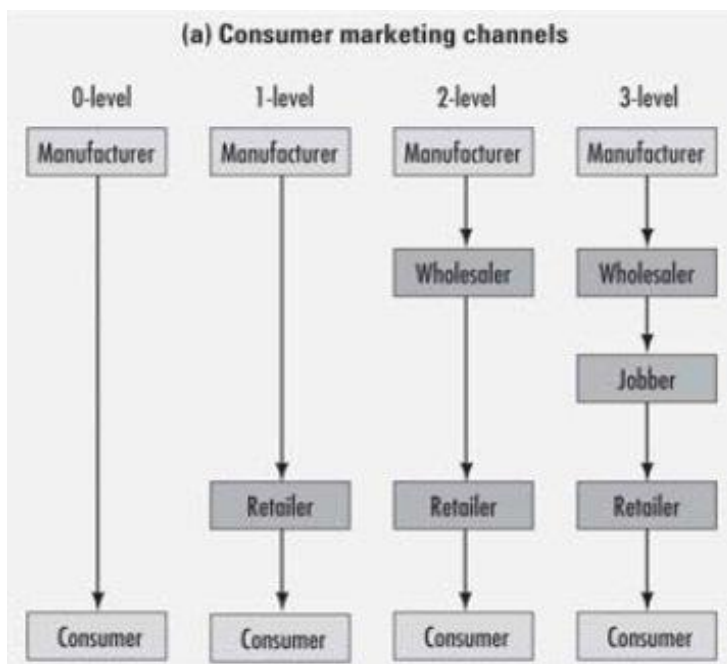
Thus, when there are two levels of different kinds of intermediaries between the producer and the consumer. In other words, under this channel, the manufacturer sells the product to the retailer and who finally sells to the consumer. This is also called as distribution through wholesalers and retailers (Agarwal, 2016).

**iv. Three level channel**

Again observed in both the FMCG and the consumer durables industry, the three level channel can combine the roles of a distributor on top of a dealer and a retailer. The distributor stocks the most and spreads it to dealers who in turn give it to retailers. It encompasses three intermediary levels – a wholesaler, a retailer and an agent (Agarwal, 2016).

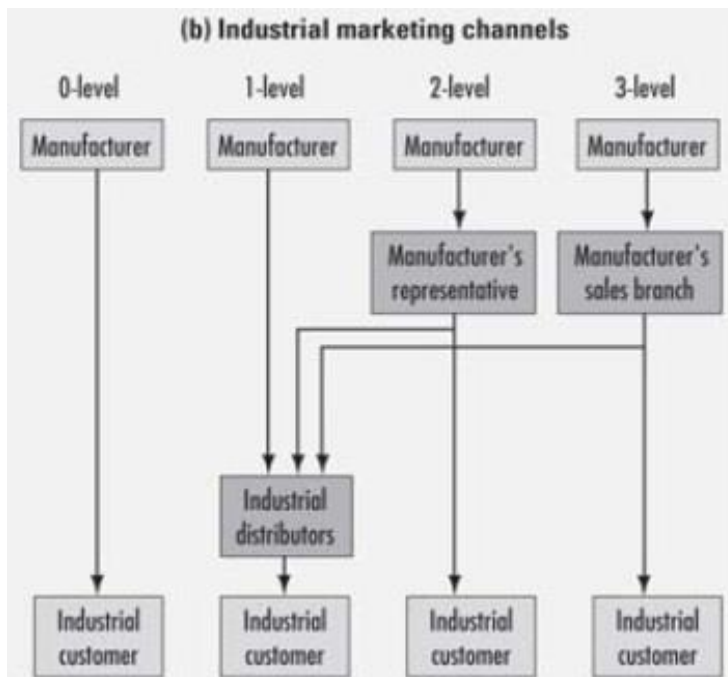
According to Hitesh (2017), these levels can be shown either as consumer marketing channels (as shown in figure 2.1) or as industrial marketing channels as (shown in figure 2.1).

**Figure 2.1: Consumer marketing channels**



*Source: Hitesh (2017)*

**Figure 2.2: Industrial marketing channels**



*Source: Hitesh (2017)*

In the three level channel, Hitesh (2017) gives an example of Ice cream market. Because of the manufacturing levels required, Ice cream markets have C&F agents who stock the ice cream in refrigerated cold rooms. These ice creams are then transported to local distributors who also have refrigerated cold rooms. The distributors then transport to local dealers who will have 10-12 small freezers. And finally it is transported to the retailer who will have 1-2 freezer of each company (Hitesh, 2017).

### **2.3.3 Theoretical Review**

Understanding the theory behind creating and maintaining these marketing channels gives some control over how the marketplace can be approached, and how quickly products can move to customers (Vibhash & Lakshmi, 2008). The theory behind marketing channels also enables sellers to learn how to time their marketing so that they do not offer products that have not arrived in the customers' areas yet (da Silva, 2008). Marketing channels can be defined as the set of external organizations that a firm uses to achieve its distribution objectives (Metha et al., 2010). Essentially, a channel is the route, path, or conduit through which products or things of value flow, as they move from the manufacturer to the ultimate user of the product (Metha et al., 2010). Actors in the marketing channels include; agents,

wholesalers, and retailers. By performing a variety of distribution tasks, marketing channels play a significant role in the flow of products from producers to consumers, and on company profitability (Coughlan et al., 2005). Like other areas of business, marketing channels require careful administration, as superior channel management policies and strategies help a firm attain a differential advantage. Marketing channel management refers to the process of analyzing, planning, organizing, and controlling a firm's marketing channels (Stern et al 2006).

As discussed in numerous articles and textbooks, it comprises seven decision areas: (1) formulating channel strategy, (2) designing marketing channels, (3) selecting channel members, (4) motivating channel members, (5) coordinating channel strategy with channel members, (6) assessing channel member performance and (7) managing channel conflict. All seven areas are critical to superior market performance and long-term customer loyalty (Mehta et al 2010). Manufacturers differ on how they distribute their products to the consumer, with some preferring shorter channels and others longer ones, depending on the context of the buyers. Some of them distribute intensively (using a lot of intermediaries) or exclusively (directly to the consumer). A channel is not easily selected; there are some constraints such as the availability of good middlemen, traditional channel patterns, product characteristics, company finances, competitive strategies, and the customer dispersion question. Several theories have been advanced to explain / predict marketing channel dynamics and their management. These include, but are not limited to; Coalition theory, Bargaining theory, Theory of power and conflict in marketing channels and Theory of distribution channels.

The Coalition theory explains that weaker (smaller) channel members are prone to dominance by more powerful channel entities. Channel members may band together in an attempt to decrease conflict among themselves, or to protect themselves against more dominant power figures in the channel of distribution. This theory indicates that, with increased power, marketing flows are controlled and therefore goal attainment (sales performance in this case) is more likely to occur. The Bargaining theory states that a critical factor in channel relationships between manufacturers and retailers is the relative bargaining power of both parties. Bargaining the terms of trade in a marketing channel consists of a manufacturer that produces the product and a retail intermediary that takes a market action (such as setting the retail price) and sells the product to the consumer market. Relationships between

manufacturers and their retailers often hinge on the importance of negotiation and its effects on each party's share of the pie, as well as on channel coordination parties. Lastly, the theory of distribution channels states that each company in the channel must charge enough to pay expenses and leave a profit (Bucklin, 2006). According to this theory, knowing where you are in the channel helps you understand your costs and 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 that you incur less expense at the start of a channel.

The dynamics within the marketing channels are dependent on the power of each intermediary; therefore the researcher used the Bargaining theory as the guiding theory for the study.

### **2.3.4 The Multichannel Marketing Maturity Model**

Multichannel marketing in its simplest form refers to the delivery of a brand/ campaign message via more than one touch point 'experience' to influence a target audience's behaviour (Cabral, 2013). According to Forrester (2013), multichannel marketing has four levels of increasing multichannel maturity:

#### **i. Channel entropy**

Non-integrated channel operations are the baseline of the multichannel maturity model and marketers in this category independently manage customer interactions within each channel. They may have multiple teams executing programs in the same channel. The business logic behind the customer engagement strategy is different in each channel. Companies operating at this stage maintain independent channel-specific data stores and no true cross-channel capabilities exist across the enterprise.

#### **ii. Channel independence**

Managed channel operation is the next stage in the maturity model and marketers in this category manage customer engagement independently within each channel.

#### **iii. Multichannel integration**

Integrated, cross-channel visibility characterises the third stage of maturity. Marketers operating at this level have a single view of customer data, interactions, and transactions

across multiple channels, in near-real time. The integrated view of the customer's multichannel interactions enables marketers to execute cross-channel campaigns and analyse the results. However, this integration is at the data level, not the process level. Customers can, and usually do, have different experiences in different channels.

#### iv. **Multichannel engagement**

Holistic cross-channel customer engagement is the practice of the most mature multichannel marketers. Marketers operating at this level have a single view of customer data, interactions, and transactions across multiple channels. Processes are consistent across channel and user interfaces. Customer engagement in each channel is aware, and informed by offers and interactions in other channels. Customers expect and receive consistent, reliable interactions with the company.

The multichannel engagement stage is the ultimate point where the customer experience is optimised across integrated channels. This means deploying communications which encourage the best way to trigger a call to action; keeping the experience seamless and interlaced with the prospect's behaviour, thus making elements such as content, design a mere part of this experience.

#### **2.3.5 Sales Performance**

The term *sales* refers to transactions between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money (Hutt & Speh, 2013). According to Dean (2015), no matter what industry, every manufacturer / supplier must improve sales performance, reduce the cost of selling, and ensure their survival. By analyzing sales performance, managers can make changes so as to optimize sales going forward (Farris et al., 2010). According to literature, sales performance is a combination of *sales effectiveness* - the ability of a company's sales professionals to "win" at each stage of the customer's buying process, and ultimately earn the business on the right terms and in the right timeframe and *sales efficiency* - the speed at which each task in the sales process is performed (Farris et al., 2010; Treace, 2012; Rogers, 2014; Dean, 2015).

Farris et al (2010) posits that sales effectiveness is not just a sales function issue; it's a company issue, as it requires deep collaboration between sales and marketing to understand what's working and not working, and continuous improvement of the knowledge, messages,



skills, and strategies that sales people apply as they work sales opportunities. On the side of sales efficiency, companies need to examine their sales process for weaknesses, so as to maintain favourable speeds at which each task in the sales process is performed (Treace, 2012). For example, if intermediaries are spending too much time on some tasks, the company might automate those tasks so as to allow sales representatives to spend more time selling (Treace, 2012). According to Cournoyer (2014), marketing channels put partner representatives in the best possible position to sell. He suggests tips to consider to in optimizing sales performance; Provide resources that communicate your message, create a common sales toolkit for partners so that you're doing everything possible to enable them to communicate your value proposition and accelerate sales growth; 2) Modularize your packaging for each stage of the buying process. Packaging stock into smaller, more manageable 'chunks' or 'bits' makes moving of stock more practical for channel partners at the time and place they choose; 3) Keep the lines of communication frequent and open. Alexander (2013) advises that the producer should call each of channel partners on a regular basis so as to offer any assistance that may be needed; 4) Get on board with social media. According to Offenberger (2011) it is important to network with channel partners through social networks like Facebook, LinkedIn, Twitter and others. Social networks enable more authentic, personal and regular interactions, leading to positive partner interactions and more partner sales (Offenberger, 2011); and 5) Measure the relationship early.

James (2011) explains that there are two reasons to measure. First, the key to the channel relationship is trust, which means that you need to be flexible in making adjustments that improve performance. That's only possible if you know what's happening. Second, when a channel partner is not performing (that is. consuming more resources than the revenue they create), you need to know quickly so that you can either fix the problem or cut the partner from your programs.

### **2.3.6 Sales Capacity**

According to Kelchner (2017), capacity is the maximum level of output that a company can sustain to make a product or provide a service. An organizational capability is a company's ability to manage resources, such as employees, effectively to gain an advantage over competitors. The company's organizational capabilities must focus on the business's ability to meet customer demand. In addition, organizational capabilities must be unique to the organization to prevent replication by competitors. Organizational capabilities are anything a

company does well that improves business and differentiates the business in the market. Developing and cultivating organizational capabilities can help small business owners gain an advantage in a competitive environment by focusing on the areas where they excel.

Kelchner (2017) also asserts that good customer relationships ensure the continued growth and competitiveness in the market. The relationship between the organization and its customers is an organizational capability that affects sales, reputation and loyalty for future business. Maintaining existing relationships with customers as well as developing new ones ensures the company will grow and thrive in the future. A lean manufacturing environment is an organizational capability that focuses on the voice of the customer and meeting demand. This organizational capability improves the relationship with the customer for the business.

According to Drucker (2015), what gets measured, gets managed. For sales management, a key element that gets measured is sales capacity. A company's sales capacity is the answer they obtain from the following equation: the number of sales reps they have on the team, multiplied by the number of weekly hours that their team works per year, multiplied by the percentage of time spent selling and finally multiplied by the closing ratio of their team (typically about 30%).

### **2.3.7 Sales Turnover**

The amount received in sales for a stated period. A cycle of purchase, sale, and replacement of a stock of goods. In human resources context, the number of persons hired within a period to replace those leaving or dropped from a workforce (Lee et al, 2008). Movement (as of goods or people) into, through, and out of a place.

Turnover is an accounting term that calculates how quickly a business collects cash from accounts receivable or how fast the company sells its inventory. In the investment industry, turnover represents the percentage of a portfolio that is sold in a particular month or year. A quick turnover rate generates more commissions for trades placed by a broker (Goldberg, 2017)

According to Goldberg (2017), when it comes to any business model whose primary value offering is providing products and/or services to paying customers, there is one universal truth: no matter how great your project or service is, your business will inevitably fail if you have an inefficient sales process. Whether the sales process inefficiency lies in preparedness

and training, teamwork, motivation, organization and use of sales data, or communications with the sales staff and other departments of the company, these issues have to be addressed if you ever want your business to grow and thrive.

According to Moreno (2017), companies with successful sales organizations know that sales productivity is about being both efficient and effective. The Power of Enablement, Bridging the Sales Productivity Gap, a recent report from Forbes Insights and Brainshark. The report is based on a survey of 216 U.S. based executives. Four out of the top five sales productivity challenges deal with effectiveness of sales reps on boarding new sales reps, cutting time to close first deals for new reps, shortening the sales cycle, increasing percentage of reps who reach quota, according to the Forbes Insights and Brainshark survey. Top performers have already identified these impactful areas and are less likely to have critical issues there. They have also found ways to speed up the process outside of core selling activities and identified how to make reps more efficient. Top-tier companies know that many factors work together to drive efficiency and effectiveness within a sales team. That means that there are many things that compete for attention, as management considers how to apportion limited budgets and finds ways to simplify and streamline the selling process. Technology is part of the answer, and an aspect that requires a thoughtful approach.

### **2.3.8 Customer Satisfaction**

Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty (Kucukosmanoglu & Sensoy, 2010). Customer satisfaction data are among the most frequently collected indicators of market perceptions. Their principal use is twofold:

1. Within organizations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services.
2. Although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future. Much research has focused on the relationship between customer satisfaction and retention. Studies indicate that the ramifications of satisfaction are most strongly realized at the extremes.

According to Farris et al (2010), customer satisfaction measures how well the expectations of a customer concerning a product or service provided by your company have been met.

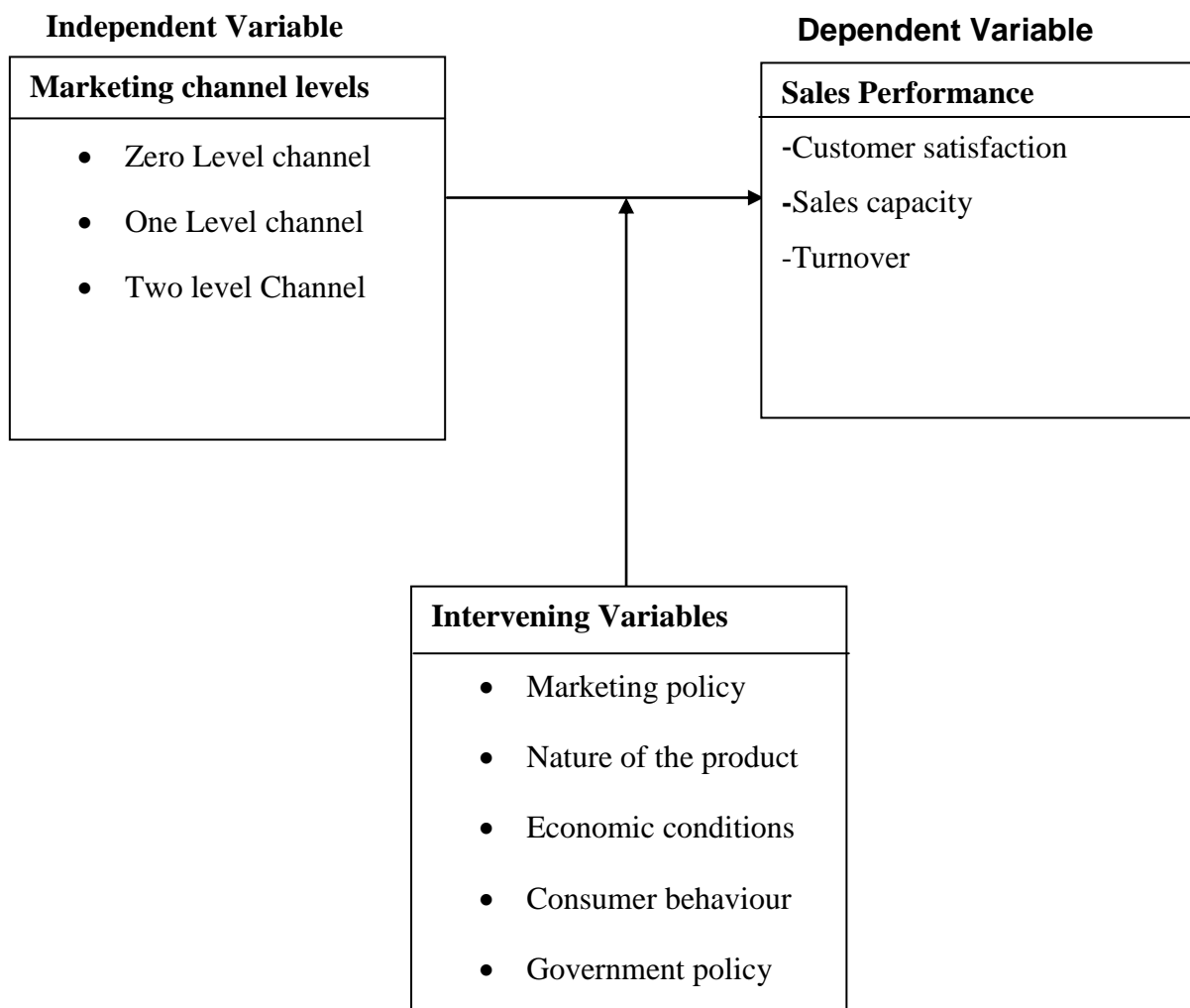
Customer satisfaction is an abstract concept and involves such factors as the quality of the product, the quality of the service provided, the atmosphere of the location where the product or service is purchased, and the price of the product or service. Businesses often use customer satisfaction surveys to gauge customer satisfaction. These surveys are used to gather information about customer satisfaction. Typical areas addressed in the surveys include:

- i. Quality of product
- ii. Value of product relative to price - a function of quality and price
- iii. Time issues, such as product availability, availability of sales assistance, time waiting at checkout, and delivery time
- iv. Atmosphere of store, such as cleanliness, organization, and enjoyable shopping environment
- v. Service personnel issues, such as politeness, attentiveness, and helpfulness
- vi. Convenience, such as location, parking, and hours of operation

## **2.4 Conceptual Framework**

In this dissertation, the problem statement was cast within the context of a *conceptual* framework (Fraenkel & Wallen, 2011). A description of this framework contributes to the dissertation in at least two ways because it identifies research variables, and clarifies relationships among the variables. The conceptual framework of this study has been conceptualised in the diagram below.

**Figure 2.3: Conceptual Framework diagram**



*Source: Variables adopted with modifications from (Iyer & Villas-Boas, 2008).*

Figure 2.3 shows the dependent variables that a researcher is interested in. The changes to the dependent variable are what the researcher is trying to measure with all their fancy techniques (Crossman, 2017). In this study, dependent variables are the characteristics of sales performance in terms of customer satisfaction, turnover and sales capacity. The researcher tried to measure the level of sales performance as influenced by the different marketing channel levels such as zero, one, two and three level channels which are the independent variables. Therefore, an independent variable is a variable believed to affect the dependent variable (Crossman, 2017). Thus these are the variable that the researcher, manipulated to see if they make the dependent variables change. To reiterate, the independent variable is the thing over which the researcher has control and is manipulating (Crossman, 2017).

In this study, the intervening variables which include; marketing policy, nature of product, economic conditions and consumer behaviour are caused by the independent variables, and they are themselves the causes of the dependent variables. An intervening variable is something that impacts the relationship between an independent and a dependent variable (Crossman, 2017). For example, there might be an observed positive or negative correlation between marketing channel levels and sales performance, such that customers that buy Uhuru fruit juice products from different channel levels such as zero and one levels tend to get satisfied with the company's products and services.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research design, study population, sample size and selection, data collection methods, data collection instruments, validity and reliability, procedure of data collection, data management and analysis and measurement of variables.

#### **3.2 Research design**

This section focuses on the research approach, research strategy, research duration and research classification.

##### **3.2.1 Research approach**

The study adopted a research philosophy, positivism which adheres to the view that only factual knowledge gained through interviewing, including measurement, is trustworthy (Collins, 2010). In positivism studies, the role of the researcher was limited to data collection and interpretation through objective approach and the research findings were usually observable and quantifiable (Crowther & Lancaster, 2008). Positivism depends on quantifiable observations that lead themselves to statistical analysis (Crowther & Lancaster, 2008).

##### **3.2.2 Research strategy**

The researcher used a case study research strategy that excelled at bringing the researcher to an understanding of a complex issue or object and helped her extend experience and add strength to what was already known through previous research. It emphasized detailed contextual analysis of a limited number of events or conditions and their relationships. (Yin (2014) defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence were used.

### 3.2.3 Research duration

The study was cross-sectional since it was an observational study that analyzed data from a population, or a representative subset, at a specific point in time. Thus, data was collected at a defined time (Crowther & Lancaster, 2008).

### 3.2.4 Research Classification

Before the researcher began to conduct the study, she decided on a specific type of research, and this was concerned with the purpose of doing the research (Saunders & Thornhill, 2013). Thus, the purpose of this research was to explore a new topic; marketing channel levels and sales performance in agribusiness industry in Uganda. In this current study, the researcher used mixed study classification that used both the quantitative and qualitative approaches.

### 3.3 Study population

The target population contains members of a group that a researcher was interested in studying (Shahrokh & Dougherty, 2014) and the results of the study were generalized to this population, because they all had significant traits in common. This study was conducted on a target population of two hundred and forty-nine (249) people (see table 3.1 below). The target population was selected because it was central and pivotal to the topic under study and because of that, the researcher was in position to obtain the relevant information to the study.

### 3.4 Sample size

According to Mugenda (2003), it was not always or necessary possible to study the whole targeted population therefore the researcher used a specific method to scientifically arrive on an appropriate sample size to be used in the study.

At least 30% of the total population is representative (Shahrokh & Dougherty, 2014). Thus, seventy-nine (79) of the accessible population was enough for the sample size. The sample size was adequate enough to generate unbiased results and its distribution is shown in the table below.

**Table 3.1: Distribution of the study population, sample size & Sampling methods used.**

<b>Population category</b>	<b>Population</b>	<b>Percentage (%)</b>	<b>Sample Size</b>	<b>Sampling technique</b>
Staff at the factory	22	30/100*22	9	Purposive



Wholesaler	28	30/100*28	9	Purposive
Retailer	54	30/100*54	18	Purposive
Consumer	145	30/100*145	43	Simple random
<b>Total</b>	<b>249</b>		<b>79</b>	

*Source: Primary data (2017)*

### **3.5 Sampling Techniques**

Purposive sampling was used to select staff of Uhuru fruit juice company as well as their agents and distributors. Purposive is a non-probability sampling technique that enabled the researcher to select respondents based on who had the required information; that is key informants (Sekaran, 2003). This enabled the researcher to select the respondents basing on their ability to provide relevant and dependable information. This sampling method was used because it was expected to enable the researcher to obtain real facts on the study under investigation since only respondents who with information on the study topic under investigation were purposely sampled.

Simple random sampling technique was used to collect information from vendors of the Uhuru fruit juice products. This technique had high generalizability of findings; hence it was suitable for a large study population (Mugenda & Mugenda, 2003). The researcher allocated a number to every agent of the accessible population, placed the numbers in a container then picked numbers at random. The subjects corresponding to the numbers picked were included in the sample (Mugenda and Mugenda, 2003).

Convenience sampling (also known as availability sampling) was a specific type of non-probability sampling method that relied on data collection from population members who were conveniently available to participate in study (Saunders et al, 2012). In this type of sampling, the researcher used the first available primary data source for the research without additional requirements. In other words, in this sampling method, the researcher got participants wherever she could find them and typically wherever was convenient. In convenience sampling no inclusion criteria identified prior to the selection of subjects (Saunders et al, 2012). All subjects were invited to participate.

### **3.6 Data collection Procedure**

The researcher an introductory letter from the Dean School of Business Administration, Nkumba University which was presented to all respondents when requesting for information.

### **3.7 Data collection Methods**

The researcher applied on primary and secondary data collection methods to collect data (Sekaran, 2003) from Uhuru fruit juice company. The methods that were employed include documentary review, interviewing and focus group discussion and questionnaire survey. These methods complemented each other as each methodical weakness was supplemented by the other, like documentary review with interview.

#### **3.7.1 Interviewing**

The primary data in this study was gathered through semi-structured interviews with staff at different marketing channel levels. Data collection involved interview method. Interview method refers to the method of data collection through verbal interaction, face-to-face and by telephone (Mugenda & Mugenda, 1999; Sekaran, 2000; Amin, 2005). The common way of collecting qualitative data was by conducting interviews because it enabled the researcher to acquire loads of insightful data in a very short time. It was also possible in this method to ask follow-up questions if the answers from the respondents would not be enough (Bryman, 2002). Furthermore, semi-structured interviews allowed the researcher to interview the respondent more times if necessary (Bryman, 2002). This data collecting method was also appropriate for collecting the empirical findings as it would give the study deeper information and wider angles about the subject straight from the source (Jacobsen, 2002). Using this method, the researcher, therefore, adapted the question to the situation.

All interviews were conducted face-to-face using an interview guide which was easy and all responses from the interviewees were written down, although the interviews varied from channel to channel due to the time availability. The people that were interviewed included the Managing Director, Sales manager, Production Manager, and channel members.

#### **3.7.2 Focus group discussion**

A focus group was a small, but demographically diverse group of people whose reactions were studied especially in market research in guided or open discussions about a new product or something else to determine the reactions that can be expected from a larger population

(Collis & Hussey, 2013). It is a form of qualitative research consisting of interviews in which a group of people were asked about their perceptions, opinions, beliefs, and attitudes towards Uhuru fruit juice products, services, concepts, advertisements, ideas, marketing or packaging. Questions were asked in an interactive group setting where participants were free to talk with other group members. During this process, the researcher took notes and recorded the vital points she was getting from the group. The researcher had to select members of the focus group carefully for effective and authoritative responses.

According to Colucci (2007), a focus group is an interview, conducted by a trained moderator among a small group of respondents. The interview is conducted in an informal and natural way where respondents are free to give views from any aspect. The moderator used a discussion guide that was prepared in advance of the focus group to guide the discussion. Participants were recruited on the basis of similar demographics, psychographics, buying attitudes, or behaviours.

Group discussion produced data and insights that were less accessible without interaction found in a group setting, listening to others' verbalized experiences stimulates memories, ideas, and experiences in participants (Greenbaum, 2010). This is also known as the group effect where group members engage in a kind of 'chaining' or 'cascading' effect; talk links to, or tumbles out of, the topics and expressions preceding it (Lindlof & Taylor, 2022). Group members discovered a common language to describe similar experiences. This enabled the capture of a form of native language or vernacular speech to understand the situation. Two (2) focus groups of customers each with seven (7) members provided an opportunity for disclosure among similar others in a setting where participants were validated (Marshall & Gretchen, 2009).

### **3.7.3 Documentary Review**

This method involved obtaining of information by carefully studying written documents, or visual information from sources called documents. These include; textbooks, journals, reports, research reports, write ups, articles and concept papers. It was a critical examination of public or private recorded information related to the issue under investigation. It was used to get unobtrusive information at the pleasure of the researcher than interrupting him. Documentation helped to obtain the language and words of the informants, access data at researcher's own convenience, obtain thoughtful data, in that the informants have the

attention to compiling them. This enabled back up information collected by the use of other tools employed in the field.

Documentary review method refers to the analysis of documents that contain information about the phenomenon under study (Bailey, 1994). Payne and Payne (2004) describe the documentary review method as the technique used to categorize, investigate, interpret and identify the limitations of other methods like findings in previous studies. Data collection involved review of documents to gather secondary data that was used in the study. Documents that were reviewed included journals and reports of NFA.

### **3.8 Data collection instruments**

Data collection instruments for the study included focus group discussion guide, interview guide and self-administered questionnaires. The instruments enabled translation of the research objectives into specific questions the responses to which were expected to provide data required to achieve the research objectives. The instruments were used to triangulate information that provide descriptions of characteristics of individuals, institutions or other phenomena under study.

#### **3.8.1 Interview Guide**

Primary data was collected using the interview guide (appendix B) to guide the researcher in conducting interviews. The guide was used for non-directive and in-depth interviews that enabled the researcher to probe (Eyles, 1989) to obtain required information. The guide consisted of questions that were categorized under the objectives of the study. It also served as a suggestive reference and prompter. It helped in focusing attention on salient issues relating to the study that were used to collect data from the respondents like the Managing Director of Uhuru fruit juice company.

#### **3.8.2 Self-administered questionnaires**

A questionnaire is a set of systematically structured questions used to obtain information. Its main function is measurement (Oppenheim, 2006). It is the main data collection instrument in surveys and yields quantitative data. Due to provision for open-endedness, a questionnaire can generate qualitative and exploratory data (Dornyei, 2001). They also standardize questions so that the same questions are asked in the same way to different respondents

(Mugenda & Mugenda, 2003). A questionnaire is a written set of questions that was used to obtain information about the study objectives from the selected respondents (Amin, 2005). These included the staff at Uhuru Fruit Juice Company and their customers. A questionnaire (appendix A) was used to collect data from the respondents. A questionnaire was used because it helped to investigate motives and feelings in Likert scaling. The questionnaire had closed-ended questions divided into sections that represented the different variables of the study.

### **3.8.3 Focus Group Discussion Guide**

To help in the focus group discussion, a guide was used (as appended at C) to collect data from both the staff at Uhuru Fruit Juice Company and their customers.

## **3.9 Validity and Reliability of Instruments**

In order to make sure that quality and relevant data was collected, the research instruments were tested for validity and reliability as follows:

### **3.9.1 Validity**

Validity refers to the extent to which questions in an instrument accurately measure the variables therein (Hair et al., 2003). In other words, validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda, 1999). The questionnaire was subjected to expert face validity and theoretical content validity tests. A Content Validity Index (CVI) was an indication of the degree to which the instrument corresponds to the concept it was designed to measure. Amin (2005) recommends minimum CVI of 0.7 which was employed. Therefore, the researcher analyzed the results of the content validity of the scale. The items that had CVI over 0.7 remained and the rest were discarded. The remaining items were modified, based on the experts' opinions. By discarding those items of the scale that were not related to the domain of study the number of items (questionnaires) decreased from 67 to 65.

Validity was also measured by both content and face validity. To establish validity qualitatively, the instruments were given to two experts (supervisors) to evaluate the relevance of each item in the instrument to the objectives and rate each item on the scale of Strongly Disagree (1), Disagree (2), Not Sure (3), Agree (4) and Strongly Agree (5).

### **3.9.2 Reliability**

Reliability refers to the degree to which a set of variables were consistent with what they were intended to measure (Amin, 2005). When the items on an instrument were not scored right versus wrong, Cronbach's alpha was used to measure the internal consistency which was the case with attitude instruments that used Likert scale (Barifaijo, Basheka & Oonyu, 2010). Mugenda, (2003) stresses that a coefficient ( $r$ ) of 0.80 or more implied that there was a high degree of reliability of the data and that's what the researcher adopted.

### **3.10 Data Processing**

The data collected was edited, coded and later quantitative data was processed into frequency tables using Statistical Package for Social Scientists (SPSS) computer program. Quantitative data was presented in form of descriptive statistics using mean and standard deviations for each of the variables used in the study. Qualitative data was organized under appropriate themes to facilitate data analysis.

### **3.11 Data Analysis**

Correlation and regression technique were used to measure the relationships between the variables of the study. The correlation techniques were based on Pearson's coefficient (+ or – to show the direction of the relationship between the variables) and significance tested at 99% and 95% confidence levels based on two tailed correlation and significant more than or equals to 0.05. A positive correlation indicates a direct positive relationship between the variables while a negative correlation indicates an inverse relationship between the two variables. The regression analysis used the adjusted  $R^2$  values and significance values to determine the magnitude of the influence of the independent variables on the dependent variable (Amin, 2005).

Qualitative data analyses for the study objectives involved analysis of themes of interview data. Once the themes are established, data was evaluated and analyzed to determine consistency, credibility and usefulness of the information to support the qualitative data requirements for the study as suggested by Sekranan (2003).

### **3.12 Ethical Considerations**

The researcher asked for permission from Uhuru fruit juice company management before collecting data. The researcher presented an introduction letter from the University indicating that the study was purely for academic purposes. The researcher observed ethical values

during the study. For instances, she introduced and identified herself and honestly presented to respondents the aims and objectives of the study. She also ensured that respondents voluntarily agreed to participate in the study. The researcher ensured that items in the questionnaire and interview guide were constructed carefully so as to evoke the right responses and not to dig into the private lives of respondents outside the scope of the study.

## **CHAPTER FOUR**

### **BACKGROUND INFORMATION ABOUT THE RESPONDENTS AND MARKETING POLICY OF UHURU FRUIT JUICE COMPANY**

#### **4.1 Introduction**

This chapter presents the findings relating to the response rate, background information about the respondents for this study and the company under study.

#### **4.2 Response rate**

In this study, the sample size was seventy-nine (79) respondents. Out of the seventy-nine, four (4) channel members and a focus group of eight (8) customers were interviewed. Sixty-seven (67) questionnaires were administered to the respondents (9 staff at the factory, 7 wholesalers, 16 retailers and 35 customers) and 65 of them were successfully filled and returned by the respondents. Therefore, the response rate of the questionnaires was 97%. only 2 (3%) questionnaires were not returned.

Out of the 65 filled and returned questionnaires, 30 questionnaires were answered by channel members (9 staff at the factory, 7 wholesalers, 16 retailers) and 35 other questionnaires were answered by customers.

#### **4.3 Background characteristics of the respondents**

The background characteristics of the respondents included gender, age, education qualification, longevity in selling or using the products of the company.

##### **4.3.1 Gender of the respondents**

The study requested the respondents to indicate their gender and their responses were as presented in the table below.



**Table 4.1: Gender of the respondents**

Gender	Respondent	Frequency	Total Frequency	Percentage (%)
Male	Staff at factory	3	44	67.7
	Wholesalers	5		
	Retailers	10		
	Customers	26		
Female	Staff at factory	2	21	32.3
	Wholesalers	3		
	Retailers	7		
	Customers	9		
<b>Total</b>			<b>65</b>	<b>100</b>

*Source: Primary data (2018)*

Findings from table 4.1 reveal that 3 staff members at the factory, 5 wholesalers, 10 retailers, and 26 customers, summing up to 44 (67.7%) were male while 2 staff members at the factory 3 wholesalers, 7 retailers, and 9 customers, summing up to 21 (32.3%) of the respondents were female. This implies that both gender compositions deal in or have been using products from Uhuru fruit juice company.

#### **4.3.2 Age of the respondents**

The study also investigated the age of the respondents, and the findings were as shown in table 4.2 below.

**Table 4.2: Age of the respondents**

Age	Frequency	Percent (%)	Cumulative Percent (%)
20-25 Years	10	15.4	15.4
25-30 Years	18	27.7	43.1
30-35 Years	22	33.8	76.9
35-40 Years	6	9.2	86.2

Above 40 Years	9	13.8	100.0
<b>Total</b>	<b>65</b>	<b>100</b>	

*Source: Primary data (2018)*

According to table 4.2, the study reveals that most of the respondents 22 (33.8%) were aged between 30-35 years of age. Whereas the frequency of 18 (27.7%), 10 (15.4%), 9 (13.8%) and 6 (13.8%) comprise of those who were between 25-30 years, 20-25 years, above 40 years and 35-40 years respectively. This implies that, the majority 22 (33.8%) of the respondents were youthful because of the high level of unemployment in the persons who could start by setting up small income generating activities to sustain their welfare, hence help in fighting unemployment that is hitting the majority of youths in the country.

#### **4.3.3 Highest Education qualification**

Table 4.3 presents findings on the respondents' education qualification.

**Table 4.3: Highest Education qualification**

<b>Education Qualification</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent (%)</b>
Masters	4	6.2	6.2
Degree	24	36.9	43.1
Diploma	14	21.5	64.6
Certificate	20	30.8	95.4
None	3	4.6	100.0
<b>Total</b>	<b>65</b>	<b>100.0</b>	

*Source: Primary data (2018)*

Findings from table 4.3 reveal that, majority of the respondents are relatively educated with 24 (36.9%) having a degree, 20 (30.8%) having a certificate, probably O' level and A' level completers. 14 (21.5%) were diploma holders and 4 (6.2%) had masters holders while only 3 (5.5%) of the respondents were uneducated. This implied that the majority 24 (36.9%) of the

respondents were educated and could easily read and write and properly fill the questionnaires.

#### 4.3.4 Longevity in the business

The study also established how long the intermediaries had been involved in procuring and selling fruit juice products of Uhuru Fruit Juice Company, and the results got from 30 respondents (that is channel members that include; the 5 staff members at the factory, 8 wholesalers, 17 retailers) were as shown in the table below.

**Table 4.4: Longevity in the business**

<b>Longevity</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent (%)</b>
Less than 1 year	6	20.0	20.0
1-5 years	8	26.7	46.7
5-10 years	7	23.3	70.0
10-15 years	7	23.3	93.3
Above 15 years	2	6.7	100.0
<b>Total</b>	<b>30</b>	<b>100.0</b>	

*Source: Primary data (2018)*

Table 4.4 above shows that 8 (26.7%) of the respondents had been in the business for 1-5 years, (20.0%) had less than 1 year, 2 (6.7%) had been in business for more than 15 years while 7 (23.3%) had been in the business for both 5-10 years and 10-15 years. Therefore, it is evident that majority of the respondents had been in the business for quite a reasonable period of 5-10 years. This may indicate that a good number of consumers have been using the company's products and for the wholesalers, retailers and agents, the business may be a major employer and a source of living to the majority of them.

#### 4.3.5 Length of using the company products

The study also established the time that the customers have taken while using the products of the company and the results got from 35 customer respondents are as shown in the table below.

**Table 4.5: The period that the customers have taken while using the company products**

Longevity	Frequency	Percent (%)	Cumulative Percent (%)
1-5 years	12	34.3	34.3
5-10 years	11	31.4	65.7
10-15 years	7	20.0	85.7
Above 15 years	5	14.3	100.0
<b>Total</b>	<b>35</b>	<b>100</b>	

*Source: Primary data (2018)*

From table 4.5 above 12 (34.3%) of the customers had used the products for 1-5 years yet 11 (31.4%) had used them for 5-10 years, 7 (20%) had used them for 10-15 years and lastly 5 (14.3%) of the respondents had used the products for above 15 years. Therefore, from the findings above, it is evident that majority of the respondents as indicated by the frequency of 12 (34.3%) had used the products for the period of 1-5 years.

#### 4.3.6 From whom the customers most frequently buy the company's products

The study also established the business centres from whom the customers frequently buy the products, and the results got from the 35 customers are as shown in the table below.

**Table 4.6: Who the customers buy the products from**

Individual category	Frequency	Percent (%)	Cumulative Percent (%)
Wholesaler	9	25.7	25.7
Retailer	21	60.0	71.4
Staff at the factory	5	14.3	100.0
<b>Total</b>	<b>35</b>	<b>100</b>	

*Source: Primary data (2018)*

From table 4.6 above, the findings revealed that, majority 21 (60.0%) of the customers frequently buy the products from the retailers, while 9 (25.7%) buy from wholesalers and the staff at the factory.

#### 4.4 Background information about the Marketing policy of the company

The results covered under this background were basically obtained from the basic respondents from the company and the intermediaries. The aspects covered and the results thereon are presented, analyzed and interpreted under the following sections.

##### 4.4.1 Availability of the marketing policy

The sought to establish whether there is a marketing policy in Uhuru fruit juice company, and the results got from 30 respondents (that is channel members that include; the 5 staff members at the factory, 8 wholesalers, 17 retailers) were as shown in the table below.

**Table 4.7: Availability of a marketing policy**

Option	Frequency	Percent (%)	Cumulative Percent (%)
Yes	22	73.3	73.3
No	8	26.7	100.0
<b>Total</b>	<b>30</b>	<b>100</b>	

*Source: Primary data (2018)*

From table 4.7, the findings reveal that, the majority of the respondents, that is 22 (73.3%), confirmed the availability of a marketing policy in the company. While the ones that said no are 8 (26.7%) only. This implies that the company always informed their customers about the availability of Uhuru fruit juice products.

##### 4.1.2 The marketing policy brings out the issue of market channel levels

The study also wanted to establish whether the policy brings out the issue of market channel levels in Uhuru fruit juice company, and the results got from 30 respondents (that is channel members that include; the 5 staff members at the factory, 8 wholesalers, 17 retailers) were as shown in the table below.

**Table 4.8: The marketing policy brings out the issue of market channel levels**

Option	Frequency	Percent (%)	Cumulative Percent (%)
Yes	22	73.3	73.3
No	8	26.7	100.0
<b>Total</b>	<b>30</b>	<b>100</b>	

*Source: Primary data (2018)*

From table 4.8, the findings revealed that, the majority of the respondents, that is 16 (80%), still assured the researcher that the marketing policy brings out the issue of the market channel levels in the company. While the ones that said no are 4 (20%) only. This implies that the company could attract customers to buy from different marketing channel levels.

#### **4.1.3 The marketing channel lines used in Uhuru fruit juice company**

The study also wanted to establish the marketing channel levels used in Uhuru fruit juice company, and the results got from 30 respondents (that is channel members that include; the 5 staff members at the factory, 8 wholesalers, 17 retailers) were as shown in the table below.

**Table 4.9: The marketing channel levels used**

<b>Option</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent (%)</b>
Zero level marketing channel level	6	20.0	20.0
One level marketing channel level	7	23.3	43.3
Two level marketing channel level	17	56.7	90.0
<b>Total</b>	<b>30</b>	<b>100%</b>	

*Source: Primary data (2018)*

From table 4.9, the findings reveal that, the respondents who confirmed that the company uses Zero level marketing channel level are 6 (20%), while those that chose one level marketing channel level are 7 (23.3%) and those that chose two level marketing channel level are 17 (56.7%). Therefore, the majority of the respondents assured the researcher that the company mostly uses the two-level marketing channel level.

#### **4.1.4 The company's market channel levels policy is effective**

The sought to establish whether the company's market channel levels policy is effective, and the results got from 30 respondents (that is channel members that include; the 5 staff members at the factory, 8 wholesalers, 17 retailers) were as shown in the table below.

**Table 4.10: The company's market channel levels policy is effective**

<b>Option</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent (%)</b>
Yes	21	70.0	70.0
No	9	30.0	
<b>Total</b>	<b>30</b>	<b>100.0</b>	

*Source: Primary data (2018)*

From table 4.10, the findings revealed that the majority of the respondents, that is 16 (80%), assured the researcher that the company's market channel levels policy is effective. While the ones that said no are 4 (20%) only. This implies that the company could improve its sales performance.

## CHAPTER FIVE

### ZERO LEVEL MARKETING CHANNEL AND SALES CAPACITY AT UHURU FRUIT JUICE COMPANY

#### 5.1 Introduction

This chapter presents, analyses and interprets findings in respect of objective one of the study which was “to examine how Zero Level marketing channel has affected the sales capacity in Uhuru Fruit Juice Company”.

#### 5.2 Zero Level marketing channel and Uhuru Fruit Juice company’s sales capacity

To determine how the Zero Level marketing channel has affected the company’s sales capacity, channel members respondents (that is 5 staff members at the factory, 8 wholesalers, 17 retailers) asked a number of questions and reflected under appendix A section B and a descriptive analysis of responses has been done. The results are presented in the table below.

**Table 5.1: Descriptive statistics for Zero Level channel and the company’s sales capacity**

Statement	N	Min	Max	Mean	SD
The company uses Zero marketing channel to identify all of its customers	30	1	5	2.43	1.251
The company uses the channel to identify the customer needs and wants	30	1	5	2.60	1.380
The channel level is vital to determine how much to produce during a specific period	30	1	5	2.43	1.305
The company sells all its products available in stock in a short time	30	1	5	2.40	1.429
The company’s sales process represents a competitive advantage	30	1	5	2.43	1.331



The company retains their customers	30	1	5	2.57	1.431
The company uses the level to determine competitive prices for its products	30	1	5	2.23	1.251
The company needs more sales reps	30	1	5	2.43	1.251
<b>Average</b>				<b>2.44</b>	

*Source: Primary data (2018)*

A description of the results of the above table, their analysis and implications are as shown below. Most of the respondents agreed that the Zero Level channel has affected the company's sales capacity with a grand average mean of 2.44 on a scale of 1 to 5. Respondents confirmed that Uhuru Fruit Juice Company uses Zero marketing channel to identify all of its customers (mean of 2.43). The company uses the channel to identify the customer needs and wants (mean of 2.6). The channel level is vital to determine how much to produce during a specific period (mean of 2.43). The company sells all its products available in stock in a short time (mean of 2.4). The company's sales process represents a competitive advantage (mean of 2.43). The company retains their customers (mean of 2.57). The company uses the level to determine prices for its products (mean of 2.23), while the company also needs more sales reps (mean of 2.43). Therefore, according to the findings of the study in table 5.1, the researcher realized that it is evident that Zero Level channel has affected the company's sales capacity. This is in line with what the Managing Director said that;

*“...directly selling to customers limits the number of them from accessing our products every day because not every customer resides or works near or around our manufacturing plant. Thus, our sales capacity is greatly affected.”*

### **5.2.1 Zero channel level and identification of customer needs and wants**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers to identify customer needs and wants given the mean of 2.43 and a small standard deviation of 1.251, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-

channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.43 means that sometimes, the company does not effectively use the zero-marketing channel level to obtain appropriate information relating to the customer needs and wants.

### **5.2.2 Zero channel level and identification of customers**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers to identify customers given the mean of 2.60 and a small standard deviation of 1.380, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.60 means that sometimes, the company does not effectively use the zero-marketing channel level to obtain appropriate information relating to the customers.

### **5.2.3 Zero channel level and determination of how much to produce during a specific period**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers to determine how much to produce during a specific period given the mean of 2.43 and a small standard deviation of 1.305, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.43 means that sometimes, the company does not effectively use the zero-marketing channel level to determine how much to produce during a specific period.

### **5.2.4 Zero channel level and selling of its products available in stock**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers to sell all its available products in stock in a short time given the mean of 2.40 and a small standard deviation of 1.429, which reflects a small variation in response towards the disagreed responses. This means that by

using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.40 means that sometimes, the company does not effectively use the zero-marketing channel level to sell all its available products in stock in a short time.

### **5.2.5 Zero channel level and its competitive advantage**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the company's sales process to represent a competitive advantage given the mean of 2.43 and a small standard deviation of 1.331, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.43 means that sometimes, the company does not effectively use the zero-marketing channel level to represent a competitive advantage.

### **5.2.6 Zero channel level and customer retention**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers in order to retain them given the mean of 2.57 and a small standard deviation of 1.431, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.57 means that sometimes, the company does not effectively use the zero-marketing channel level to retain its customers.

### **5.2.7 Zero channel level and determination of competitive prices for its products**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers to determine competitive prices for its products given the mean of 2.23 and a small standard deviation of 1.251, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.23 means that sometimes, the

company does not effectively use the zero-marketing channel level to determine competitive prices for its products.

### **5.2.8 Zero channel level and the need for more sales staff**

The results in table 5.1 indicate that the majority of the respondents generally disagreed that the company used the direct interaction with its customers to determine whether it needs more sales staff given the mean of 2.43 and a small standard deviation of 1.251, which reflects a small variation in response towards the disagreed responses. This means that by using the zero-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.43 means that sometimes, the company does not effectively use the zero-marketing channel level to determine whether it needs more sales staff.

## CHAPTER SIX

### ONE LEVEL MARKETING CHANNEL AND CUSTOMER SATISFACTION

#### 6.1 Introduction

This chapter focuses on the results of the findings about how the One Level marketing channel has affected the company's customer satisfaction, which is objective two of this study. Several questions relating to the objective's variables were asked according to the respondents and the results are presented, analysed and interpreted under the sections below.

#### 6.2 How One Level channel has affected the company's customer satisfaction

##### 5.2 Zero Level marketing channel and Uhuru Fruit Juice company's sales capacity

To determine how the One Level channel has affected the company's customer satisfaction, channel members respondents asked a number of questions and reflected under appendix A section C and a descriptive analysis of responses has been done. The results are presented in the table below.

**Table 4.6.1: Descriptive statistics for One Level marketing channel and customer satisfaction**

<b>One Level channel</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
The use of retailers has helped the company to build customer satisfaction	30	1	5	2.70	1.317
The use of retailers has helped the company in providing its customers with sales compensation and benefits plans	30	1	5	2.20	1.270
Customers are loyal to our products	30	1	5	2.47	1.358
Customers have been recommending their friends to buy the company's products	30	1	5	2.60	1.276

Customers have been providing positive feedback about the quality of the company's products and services	30	1	5	2.40	1.303
Customers have been aware and satisfied with the company's products and services	30	1	5	2.63	1.326
Customers have always been coming again to buy the company's products because of their good quality	30	1	5	2.67	1.561
Customers always get after sales services	30	1	5	2.70	1.393
Customers hardly complain about the accessibility to the company's products	30	1	5	2.63	1.497
<b>Average</b>				<b>2.56</b>	

*Source: Primary data (2018)*

Most of the respondents also agreed that the One Level channel has affected the company's customer satisfaction with a grand average mean of 2.56 on a scale of 1 to 5. Respondents thus confirmed that the use of retailers has helped Uhuru fruit juice company to build customer satisfaction (mean of 2.70). The use of retailers has helped the company in providing its customers with sales compensation and benefits plans (mean of 2.2). Customers are royal to the company's Uhuru fruit juice products (mean of 2.47). Customers have been recommending their friends to buy the company's products (mean of 2.6). Customers have been providing positive feedback about the quality of the company's products and services (mean of 2.4). Customers have been aware and satisfied with the company's products and services (mean of 2.63). Customers have always been coming again to buy the company's products because of their good quality (mean of 2.67). Customers always get after sales services (mean of 2.63). And Customers hardly complain about the accessibility to company's products (mean of 2.63). This is inline with what a participant said that;

*“...to a small extent, customers are satisfied with reduced prices when they buy in wholesale. However, they are not satisfied with the distance and transport costs*

*involved to access the products. Thus, they usually prefer the products being distributed to nearer shops or outlets to them”*

### **6.2.1 One channel level and building customer satisfaction**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has helped them in building customer satisfaction given the mean of 2.7 and a small standard deviation of 1.317, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.7 means that sometimes, the company does not effectively use the one-marketing channel level to obtain appropriate information relating to building customer satisfaction.

### **6.2.2 One channel level and provision of sales compensation and benefits plans to customers**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has helped them in providing its customers with sales compensation and benefits plans given the mean of 2.2 and a small standard deviation of 1.127, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.2 means that sometimes, the company does not effectively use the one-marketing channel level to obtain appropriate information relating to providing its customers with sales compensation and benefits plans.

### **6.2.3 One channel level and customer royalty to company products**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has made their customers royal to their products given the mean of 2.47 and a small standard deviation of 1.358, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of

the company. However, a mean of 2.47 means that sometimes, the company does not effectively use the one-marketing channel level to obtain appropriate information relating to customer royalty to company products.

#### **6.2.4 One channel level and customers' recommendations to their friends**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the customers have been recommending their friends to buy the company's products given the mean of 2.7 and a small standard deviation of 1.317, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.43 means that sometimes, the customers do not recommend their friends to buy the company's products.

#### **6.2.5 One channel level and provision of positive feedback about the quality of products**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has helped customers provide positive feedback about the quality of the company's products and services given the mean of 2.4 and a small standard deviation of 1.303, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.4 means that sometimes, the company does not effectively use the one-marketing channel level to help customers provide positive feedback about the quality of the company's products and services.

#### **6.2.6 One channel level and customer awareness and satisfaction with the company's products and services**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has enabled customers be aware and satisfied with the company's products and services given the mean of 2.63 and a small standard deviation of 1.326, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer



satisfaction as well as the competitiveness of the company. However, a mean of 2.63 means that sometimes, the company does not effectively use the one-marketing channel level to enable customers be aware and satisfied with the company's products and services.

### **6.2.7 One channel level and buying the company's products because of their good quality**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has helped customers to always be coming again to buy the company's products because of their good quality given the mean of 2.67 and a small standard deviation of 1.561, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.67 means that sometimes, the company does not effectively use the one-marketing channel level to enable customers to always be coming again to buy the company's products because of their good quality

### **6.2.8 One channel level and after sales services**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has helped their customers to get after sales services given the mean of 2.7 and a small standard deviation of 1.393, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.7 means that sometimes, the company does not effectively use the one-marketing channel level to enable their customers to get after sales services.

### **6.2.9 One channel level and complaint about the accessibility to the company's products**

The results in table 6.1 indicate that the majority of the respondents generally disagreed that the company's use of retailers has helped their customers to get after sales services given the mean of 2.63 and a small standard deviation of 1.497, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various

customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.63 means that sometimes, the company does not effectively use the one-marketing channel level to enable their customers to get after sales services.

### 6.3 The customers' responses about their satisfaction with the company's products

The study sought to understand the customers' satisfaction with Uhuru Fruit Juice company's products by asking the selected customer respondents several questions. A descriptive statistical analysis of their responses is shown in the table below.

**Table 6.2: Descriptive statistics for Customer Satisfaction**

Statement for customer satisfaction	N	Min	Max	Mean	SD
I always get products and services of good quality	35	1	5	2.80	1.324
Am always aware and satisfied with products and services	35	1	5	2.74	1.442
I always use products from the company	35	1	5	2.66	1.413
I am willing to recommend the products of the company to my friends and other people	35	1	5	2.71	1.405
It is easy to contact representatives of the company	35	1	5	2.57	1.441
Complaints are always resolved effectively and in time if need be	35	1	5	2.60	1.439
I always wait for a short time to be served	35	1	5	2.77	1.395
I have high customer loyalty to the company	35	1	5	2.51	1.463
I always access the company's services 24 hours	35	1	5	2.77	1.308
I always get after sales services	35	1	5	2.89	1.451
I find it convenient to access the company products	35	1	5	2.57	1.441

The company stores are well organised and enjoyable to shop from	35	1	5	2.89	1.367
<b>Average</b>				<b>2.71</b>	

*Source: Primary data (2018)*

Most of the customers also agreed that they always get satisfied in using the products from Uhuru fruit juice company with a grand average mean of 2.71 on a scale of 1 to 5. The customers thus confirmed that they always get products and services of good quality (mean of 2.80). They are always aware and satisfied with products and services (mean of 2.74). They always use products from the company (mean of 2.66). They are always willing to recommend the products of the company to their friends and other people (mean of 2.71). It is always easy to contact representatives of the company (mean of 2.57). Complaints are always resolved effectively and in time if need be (mean of 2.60). They always wait for a short time to be served. They have some customer loyalty to the company (mean of 2.51). They always access the company's services 24 hours (mean of 2.77). They always get after sales services (mean of 2.89). They sometimes find it convenient to access the company products (mean of 2.57). And the customers also said that the company stores are well organised and enjoyable to shop from (mean of 2.89). This implies that most customers do not easily and conveniently access the company's products, which prompts the company to establish more sales outlets.

#### 6.4 The challenges faced by the customers in using the company's products

The study also established the most frequent challenges that the customers faced in using the company's products and the results are as shown in the table below.

**Table 6.3: The most frequent challenges faced by the customers in using the company's products**

<b>Challenge</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent (%)</b>
Limited product accessibility	28	80.0	80.0
Poor after sales services	6	17.1	97.1
Products are of poor quality	1	2.9	100.0
<b>Total</b>	<b>35</b>	<b>100.0</b>	

*Source: Primary data (2018)*

Table 6.3 shows that the majority 28 (80.0%) revealed that they face a challenge of limited product accessibility. The second largest group of customers, 6 (17.1%) said that there are poor after sales services. And lastly, only 1 (2.9%) of the customer respondents said that the products are of poor quality. Hence there is need to put much attention on providing solutions to these challenges, especially the challenge of limited product accessibility.

#### 6.5 Suggested solutions to the challenges faced by the customers in using the company's products

The study also established the solutions to the most frequent challenges that were faced by the customers in using the company's products and the results are as shown in the table below.

**Table 6.4: Suggested solutions to the most frequent challenges faced by the customers in using the company’s products**

<b>Solution</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent (%)</b>
Improve quality of the product	2	5.7	5.7
Establish more sales outlets	15	42.9	48.6
Reduce product prices	14	40.0	88.6
Provide more information about the products	4	11.4	100.0
<b>Total</b>	<b>35</b>	<b>100.0</b>	

*Source: Primary data (2018)*

Table 6.4 shows that the majority 15 (42.9%) of the customers revealed that the most solution to the challenges they faced in using the products of the company is to establish more sales outlets, 14 (40.0%) of the respondents said that the company needs to reduce product prices, 4 (11.4%) of the customers said that the company needs to provide more information about the products. And lastly, only 2 (6.7%) of the respondents said that the company needs to improve the quality of the product. Therefore, all these solutions especially, establishing more sales outlets and reducing product prices, can enable the company to retain the existing customers as well as attract more new customers to themselves.

## CHAPTER SEVEN

### TWO LEVEL MARKETING CHANNEL AND COMPANY TURNOVER

#### 7.1 Introduction

This chapter focuses on the results of the findings about how the Two-Level marketing channel has affected the company's turnover as per objective three of the study.

#### 7.2 How Two level Channel has affected the company's turnover

To determine how the Two-Level channel has affected the company's turnover, the channel members respondents were asked some questions and a descriptive analysis of responses has been done. The results are presented in the table below.

**Table 7.1: Descriptive statistics for Two Level channel and the company's turnover**

Statement	N	Min	Max	Mean	SD
The use of wholesalers and retailers has helped Uhuru fruit juice company to identify all of its customers to have a good company image	30	1	5	2.97	1.520
The use of wholesalers and retailers has helped the company to make more sales each successive year.	30	1	5	3.87	1.167
The company has been selling its inventory in a short time	30	2	5	3.77	.971
The company has been easily receiving cash from sales transactions	30	1	5	3.70	1.208
The company has efficient selling processes	30	1	5	3.90	1.242
The company has been reliable in providing products and services of good quality through wholesalers and retailers	30	1	5	3.73	1.230
Wholesalers and retailers have been getting all business information and have been adequately	30	1	5	3.60	1.303

tracking the sales of the company's products					
The company has been getting positive feedback about their sales performance	30	1	5	3.77	1.278
<b>Average</b>				<b>3.7</b>	

*Source: Primary data (2018)*

Most of the respondents also agreed that the Two-Level channel has affected the affected the company's turnover. With a grand average mean of 3.7 on a scale of 1 to 5. Respondents thus confirmed that the use of wholesalers and retailers has helped Uhuru fruit juice company to identify all of its customers to have a good company image (mean of 2.97). The use of wholesalers and retailers has helped the company to make more sales each successive year (mean of 3.87). The company has been selling its inventory in a short time (mean of 3.77). The company has been easily receiving cash from sales transactions (mean of 3.70). The company has efficient selling processes (mean of 3.90). The company has been reliable in providing products and services of good quality through wholesalers and retailers (mean of 3.73). Wholesalers and retailers have been getting all business information and have been adequately tracking the sales of the company's products (mean of 3.6) and the company has been getting positive feedback about their sales performance (mean of 3.77). This is in line with what a participant said that;

*“the number of customers is increasing because of various distribution channels, that is manufacturer, wholesalers, and retailers, which enables many customers to access the products. However, there is a challenge of distribution costs, which makes the final prices of the products increased highly and thus limits the number of customers from buying the products over time”.*

### **7.2.1 Two channel level and identification of all customers to have a good company image**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru fruit juice company to identify all of its customers to have a good company image given the mean of 2.7 and a small standard

deviation of 1.317, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 2.7 means that sometimes, the effective use of wholesalers and retailers has helped Uhuru fruit juice company to identify all of its customers to have a good company image.

### **7.2.2 Two channel level and making of more sales each successive year**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru fruit juice company to make more sales each successive year given the mean of 3.87 and a small standard deviation of 1.167, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.87 means that sometimes, the effective use of wholesalers and retailers has helped the company to make more sales each successive year.

### **7.2.3 Two channel level and selling the company's inventory in a short time**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru fruit juice company in selling its inventory in a short time given the mean of 3.77 and a small standard deviation of .971, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.77 means that sometimes, the effective use of wholesalers and retailers has helped the company in selling its inventory in a short time.

### **7.2.4 Two channel level and easy receiving of cash from sales transactions**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru Fruit Juice Company in easily receiving cash from sales transactions given the mean of 3.7 and a small standard deviation of 1.208, which reflects a small variation in response towards the disagreed responses. This



means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.7 means that sometimes, the effective use of wholesalers and retailers has helped the company in easily receiving cash from sales transactions.

#### **7.2.5 Two channel level and efficient selling processes**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru Fruit Juice Company to have efficient selling processes given the mean of 3.9 and a small standard deviation of 1.242, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.9 means that sometimes, the effective use of wholesalers and retailers has helped the company to have efficient selling processes.

#### **7.2.6 Two channel level and reliability in providing products and services of good quality through wholesalers and retailers**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru fruit juice company to be reliable in providing products and services of good quality through wholesalers and retailers given the mean of 3.73 and a small standard deviation of 1.230, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.73 means that sometimes, the effective use of wholesalers and retailers has helped the company to be reliable in providing products and services of good quality through wholesalers and retailers.

#### **7.2.7 Two channel level and getting business information and tracking sales of company's products**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's wholesalers and retailers have been getting all business information and have

been adequately tracking the sales of the company's products given the mean of 3.6 and a small standard deviation of 1.303, which reflects a small variation in response towards the disagreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.6 means that sometimes, wholesalers and retailers have been getting all business information and have been adequately tracking the sales of the company's products.

### **7.2.8 Two channel level and getting positive feedback about company's sales performance**

The results in table 7.1 indicate that the majority of the respondents generally agreed that the company's use of wholesalers and retailers has helped Uhuru fruit juice company in getting positive feedback about their sales performance given the mean of 3.77 and a small standard deviation of 1.278, which reflects a small variation in response towards the agreed responses. This means that by using the one-channel level, the company is able to produce products that meet the quality specifications of the various customers, a practice that enhances customer satisfaction as well as the competitiveness of the company. However, a mean of 3.77 means that sometimes, the effective use of wholesalers and retailers has helped the company in getting positive feedback about their sales performance.

### **7.3 The challenges faced at different marketing channel levels**

The study also wanted to establish the challenges that the company faces in using marketing channel levels in marketing its products. And the results are as shown in the table below.

**Table 7.2: The challenges faced at different marketing channel levels**

<b>Challenge</b>	<b>Frequency</b>	<b>Percent (%)</b>
Low product demand	28	93.33
Hard to access customers	30	100.0
High distribution costs	20	66.7
Poor or no marketing channel policy	15	50.0
Complexity and cost to inventory management	6	20.0

Pressure from competitors	25	83.33
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*Source: Primary data (2018)*

Table 7.2 shows the challenges that the company faces in using marketing channel levels in marketing its products. All the channel members respondents 30 (100%) revealed that that it is hard to access customers, 28 (93.33%) revealed that they face a challenge of low product demand, 25 (83.33%) face a challenge of pressure from competitors, those that revealed that there are high distribution costs were 20 (66.7%), those that said that there is complexity and cost to inventory management were 6 (20%), and 15 (50%) revealed that there is poor or no marketing channel policy. Therefore, the majority 30 (100%) revealed to the researcher that there is low product demand, which implies that the company sometimes makes little sales and hence earns little revenue which prompts for opening new outlets so that they can easily access customers and increase on the sales.

#### **7.4 Suggested solutions to the challenges faced at different marketing channel levels**

The respondents also suggested a number of solutions to the challenges that the company faces in using marketing channel levels in marketing its products. And the results are as shown in the table below.

**Table 7.3: Suggested solutions to the challenges faced at different marketing channel levels**

<b>Solution</b>	<b>Frequency</b>	<b>Percent (%)</b>
Improve marketing channel policy	15	50.0
Improve on promotional strategies	28	93.33
Establish more sales outlets	30	100.0

*Source: Primary data (2018)*

Table 7.3 shows that all respondents 30 (100%) suggested that Uhuru Fruit Juice company needs to establish more sales outlets in order to access more customers. 28 (93.33%) of the respondents suggested that the company needs to improve on its promotional strategies. Lastly, 15 (50%) of the respondents suggested that the company needs to improve its marketing channel policy. This implies that if the company establishes more sales outlets,

they will access more customers which will enable the company to make more sales and earn more revenue hence maximizing profits for company growth.

### 7.5 Testing of the Hypotheses

The hypotheses of the study that the researcher tested include a null hypothesis, which is stated as “marketing channel levels have not significantly affected sales performance in the company (H0)” and an alternative hypothesis that is stated as “marketing channel levels have significantly affected sales performance in the company (Ha)”. Therefore, from this study, the researcher tested the hypotheses and the results are presented in the table below.

**Table 7.4: Pearson’s Correlation Coefficients for marketing channel levels and Sales Performance**

		Marketing channel levels
Sales performance	Pearson Correlation	0.389**
	Sig. (2-tailed)	0.01
	N	30

\*\* Correlation is significant at the 0.01 level (2-tailed).

*Source: Primary data (2018)*

The results in table 7.4 show that there was a significant and positive relationship between the marketing channel levels and sales performance,  $r=0.389^{**}$  ( $P<0.01$ ). This finding means that marketing channel levels are significantly and positively associated with sales performance.

The researcher also used hierarchical regression analysis to ascertain the percentage of variance of the company’s sales performance by the marketing channel levels and the results are presented in the table below.

**Table 7.5: Hierarchical multiple regression of the marketing channel levels and sales performance**

<b>Variables</b>	<b>Model</b>
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Marketing channel levels	0.389**
R Square	0.151
Adjusted R Square	0.147
Dependent Variable: Sales Performance	

\*\* Correlation is significant at the 0.01 level (2-tailed)

**Source: Primary data (2018)**

The hypothesis of the study was tested in model 3 by assessing the analytical power of market channel levels on the company's sales performance. The effect of market channel levels on sales performance was found to be significant and positive with  $\beta = 0.389$  ( $p < 0.01$ ). This finding meant that a unit improvement in marketing channel levels result into a 0.389 increase in sales performance. The variable of market channel levels alone was found to contribute to the change in the sales performance the company by 14.7%, as given by the adjusted R statistic. This finding confirmed that the marketing channel levels used in the company could significantly affect sales performance by 14.7% holding other variables constant.

## CHAPTER EIGHT

### HARMONIZING MARKETING CHANNEL LEVELS AND SALES PERFORMANCE IN UHURU FRUIT JUICE COMPANY

#### 8.1 Introduction

The chapter presents the findings of the study in relation to literature review so as to identify where Uhuru Fruit Juice Company has done well and where there are challenges, problems to which solutions can be suggested in view of available literature or best practices.

#### 8.2 Marketing channel levels and the company's sales performance

The study measured the empirical significance of marketing channel levels and sales performance of Uhuru Fruit Juice Company. It was realized that marketing channel levels are significantly and positively associated with sales performance, where  $r=0.389^{**}$  ( $P<0.01$ ) as shown by the results in table 7.4. This is similar to the study by Palmatier et al (2008), which revealed that when a company's marketing and sales channels realize their full potential, they always create a high and better performance organization than just boosting their revenue. The findings of the study also confirmed that the marketing channel levels used in the company could significantly affect sales performance by 14.7% holding other variables constant.

A significant positive relationship was also confirmed by the hypothesis of the study that was also tested by assessing the analytical power of market channel levels on the company's sales performance. The effect of market channel levels on sales performance was found to be significant and positive with  $\beta = 0.389$  ( $p < 0.01$ ). This finding thus meant that a unit improvement in marketing channel levels result into a 0.389 increase in sales performance.

In this current study, the respondents reveal that there were challenges that the company faced in using marketing channel levels to market its products as also highlighted by Morgan and Hunt (1994). For example, one of the customers said;

*"...it is hard to access customers, there is low product demand, there is a lot of pressure from competitors, there are high distribution costs, there is complexity and cost to inventory management and there is also poor marketing channel policy".*

The respondents reveal that the most solution to the challenges that the company faces in using marketing channel levels in marketing its products is to; establish more sales outlets, the company needs to improve on its promotional strategies and lastly, the respondents also said that the company needs to improve its marketing channel policy.

## CHAPTER NINE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 9.1 Introduction

This chapter presents the conclusions and recommendations of the study.

#### 9.2 Summary of Findings

In this current study, the hypothesis test results show that marketing channel levels are significantly and positively associated with sales performance, where  $r=389^{**}$  ( $P<0.01$ ). The first objective was to examine how Zero Level marketing channel has affected the sales capacity in Uhuru fruit Juice Company. Table 5.1 shows that most of the respondents agreed that the Zero Level channel has affected the company's sales capacity with a grand average mean of 2.44 on a scale of 1 to 5. They also confirmed that the company uses Zero marketing channel to identify all of its customers (mean of 2.43). The company uses the channel to identify the customer needs and wants (mean of 2.60). The channel level is vital to determine how much to produce during a specific period (mean of 2.43). The company sells all its products available in stock in a short time (mean of 2.40). The company's sales process represents a competitive advantage (mean of 2.43). The company retains their customers (mean of 2.57). The company uses the level to determine prices for its products (mean of 2.23), while the company also needs more sales reps (mean of 2.43). Therefore, according to the findings of the study in table 4.9, the researcher realized that it is evident that Zero Level channel has affected the company's sales capacity.

The second objective was to establish how One Level marketing channel has affected the customer satisfaction in Uhuru Fruit Juice Company. Table 6.1 shows that most of the respondents agreed that the One Level channel has affected the company's customer satisfaction with a grand average mean of 2.56 on a scale of 1 to 5. Respondents thus confirmed that the use of retailers has helped the company to build customer satisfaction (mean of 2.70). The use of retailers has helped the company in providing its customers with sales compensation and benefits plans (mean of 2.20). Customers are royal to the company's Uhuru fruit juice products (mean of 2.47). Customers have been recommending their friends to buy the company's products (mean of 2.60). Customers have been providing positive feedback about the quality of the company's products and services (mean of 2.40). Customers



have been aware and satisfied with the company's products and services (mean of 2.63). Customers have always been coming again to buy the company's products because of their good quality (mean of 2.67). Customers always get after sales services (mean of 2.70). And Customers hardly complain about the accessibility to company's products (mean of 2.63).

The third objective was to assess how Two-level marketing Channel has influenced turnover in Uhuru fruit Juice Company. Table 7.1 shows that most of the respondents also agreed that the Two-Level channel has affected the company's turnover. With a grand average mean of 3.7 on a scale of 1 to 5. Respondents confirmed that the use of wholesalers and retailers has helped Uhuru fruit Juice Company to identify all of its customers to have a good company image (mean of 2.97). The use of wholesalers and retailers has helped the company to make more sales each successive year (mean of 3.87). The company has been selling its inventory in a short time (mean of 3.77). The company has been easily receiving cash from sales transactions (mean of 3.70). The company has efficient selling processes (mean of 3.90). The company has been reliable in providing products and services of good quality through wholesalers and retailers (mean of 3.73). Wholesalers and retailers have been getting all business information and have been adequately tracking the sales of the company's products (mean of 3.6) and the company has been getting positive feedback about their sales performance (mean of 3.77).

Most of the customers also agreed that they always get satisfied in using the products from Uhuru fruit Juice Company with a grand average mean of 2.71 on a scale of 1 to 5. The customers thus confirmed that they always get products and services of good quality (mean of 2.80). They are always aware and satisfied with products and services (mean of 2.74). They always use products from the company (mean of 2.66). They are always willing to recommend the products of the company to their friends and other people (mean of 2.71). It is always easy to contact representatives of the company (mean of 2.57). Complaints are always resolved effectively and in time if need be (mean of 2.60). They always wait for a short time to be served. They have some customer royalty to the company (mean of 2.51). They always access the company's services 24 hours (mean of 2.77). They always get after sales services (mean of 2.89). They sometimes find it convenient to access the company products (mean of 2.57). And the customers also said that the company stores are well organised and enjoyable to shop from (mean of 2.89).

### **9.3 Conclusion**

The study revealed a significant positive relationship between the marketing channel levels and sales performance of Uhuru Fruit Juice Company. Marketing channel levels were able to positively predict the sales performance of Uhuru fruit Juice Company. Most of the respondents agreed that the Zero Level channel has affected the company's sales capacity to a big extent because much as the company makes some sells, few customers can afford to directly access the company's products from the manufacturer. The majority of the respondents also agreed that the One Level channel has affected the company's customer satisfaction to a moderate extent because customers were being charged bigger prices much as a big number of them could access the products. The majority also agreed that the Two-Level channel has also affected the company's turnover to a less extent because customers could easily and conveniently access the company's products since there were many marketing channel levels (that is, manufacturers, wholesalers, retailers and then customers).

Additionally, there were some limitations in this study, most of the channel members revealed that it is hard to access customers. Likewise, customers revealed that it was hard for them to access the company's fruit juice products; there are poor after sales services and the products are of rather poor quality.

To a great extent, the study concluded that marketing channel levels are significantly and positively related to sales performance of Uhuru Fruit Juice Company, especially at one and two-level marketing channels whose mean was above average (that is 2.56 and 3.7 respectively). Therefore, the null hypothesis was rejected while the alternative accepted. To a less extent however, the study also revealed that the relationship between marketing channel levels and sales performance is only negative at zero level marketing channel since its mean was 2.44, which was below average. Thus, the null hypothesis can also be accepted.

### **9.4 Recommendations**

Based on the above findings, Uhuru fruit Juice Company should consider adopting the following recommendations so as to improve its marketing channels and sales performance. The company should establish more sales outlets for Uhuru Juice products in Uganda by encouraging or employing more marketing channel members so that many customers can easily access their products; apply more resources such as funding to marketing channel management. The company should also improve on its marketing strategies so that both the

retailors and wholesalers at different marketing channel levels and customers can be informed about the company products and get knowledge about the respective sales outlets. Talking with retailors or wholesalers and customers regularly can enable the company to identify the challenges that are associated with the sale of the products to customers, so that they can be resolved appropriately.

The company should adopt new measurements (such as auditing programs) of evaluating the performance of different agents, retailors or wholesalers at their respective marketing channel levels so as to know who its best sales performers are at each channel level. By monitoring product sales and total revenue at each channel level, Uhuru fruit Juice Company can identify and easily improve on under-performing agents at the respective levels and also motivate the top performing agents to even perform better. Monitoring the performance of agents, retailors or wholesalers can enable the company to address the existing challenges, thus improving their sales performance.

#### **9.5 Areas for further research**

This study covered only three types of marketing channel levels, that is, zero level marketing channel, one level marketing channel and two-level marketing channel in Uhuru Fruit Juice company. Future researchers can in the same organization or other organizations study about the three-level marketing channel.

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## Appendices

### Appendix A: Self-Administered Questionnaire

#### QUESTIONNAIRE FOR CHANNEL MEMBERS

Dear Respondent, My name is Mercy Aryanyijuka a student of Nkumba University pursuing MBA. I am conducting research on marketing channel levels and sales performance of Uhuru fruit juice company limited in Uganda. I kindly request you to spare some time and fill this questionnaire so that I can accomplish this task. I will keep this data confidential and use it strictly for academic purposes only. The questions require filling in short answers or ticking () the most appropriate options. I am grateful for your assistance.

#### SECTION A: GENERAL INFORMATION

1. Sex:

- a) Male                       b) Female

2. Age (in years):

- a) 20-25 years     b) 25-30 years     c) 30-35 years   
d) 35-40 years     e) above 40 years

3. Highest level of education attained so far:

- a) None     b) Certificate     c) Diploma     d) Degree   
e) Masters

4. Workplace location .....

5. How long have you been involved in selling / supporting sales of Uhuru fruit juice products?

- a) Less than 1 year     b) 1-5 years     c) 5-10 years     d) 10-15 years     e)   
Above 15 years

6. Who do you work as?

- a) Wholesaler     b) Retailer     c) Others.....

7. Uhuru fruit juice company has a marketing policy.

- a) Yes                       b) No

8. The policy clearly brings out the issue of market channel levels

- a) Yes                       b) No

9. The company uses the following marketing channel lines

- a) Zero level marketing channel level

- b) One level marketing channel level
- c) Two level marketing channel level
- d) Three level marketing channel level
- e) All the above marketing channel levels

10. The company's market channel levels policy is effective

- a) Yes
- b) No

**For sections B-D, please indicate to what degree you agree with each of the following statements by ticking one of the five alternatives below. Do not write your name.**

Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	2	3	4	5

**Section B: How Zero marketing channel has affected the Sales Capacity of Uhuru fruit juice company**

1.	Uhuru fruit juice company uses Zero marketing channel to identify all of its customers	1	2	3	4	5
2.	The company uses the channel to identify the customer needs and wants	1	2	3	4	5
3.	The channel level is vital to determine how much to produce during a specific period	1	2	3	4	5
4.	The company sells all its products available in stock in a short time	1	2	3	4	5
5.	The company's sales process represents a competitive advantage	1	2	3	4	5
6.	The company retains its customers	1	2	3	4	5
7.	The company uses the level to determine competitive prices for its products	1	2	3	4	5
8.	The company needs more sales staff	1	2	3	4	5

**Section C: How level one marketing channel level has affected customer satisfaction**

1.	The use of retailers has helped Uhuru fruit juice company to build customer satisfaction	1	2	3	4	5
2.	The use of retailers has helped the company in providing its customers with sales compensation and benefits plans	1	2	3	4	5
3.	Customers are loyal to the company's products	1	2	3	4	5
4.	Customers have been recommending their friends to buy the company's products	1	2	3	4	5
5.	Customers have been providing positive feedback about the quality of the company's products and services	1	2	3	4	5
6.	Customers have been aware and satisfied with the company's products and services	1	2	3	4	5
7.	Customers have always been coming again to buy the company's products because of their good quality	1	2	3	4	5
8.	Customers always get after sales services	1	2	3	4	5
9.	Customers hardly complain about the accessibility to the company's products	1	2	3	4	5

**Section D: How level two marketing channel level has affected the Turnover of Uhuru  
fruit juice company**

1.	The use of wholesalers and retailers has helped Uhuru fruit juice company to have a good company image	1	2	3	4	5
2.	The use of wholesalers and retailers has helped the company to make more sales each successive year.	1	2	3	4	5
3.	The company has been selling its inventory in a short time	1	2	3	4	5
4.	The company has been easily receiving cash from sales transactions	1	2	3	4	5
5.	The company has efficient selling processes	1	2	3	4	5
6.	The company has been reliable in providing products and services of good quality through wholesalers and retailers	1	2	3	4	5
7.	Wholesalers and retailers have been getting all business information and have been adequately tracking the sales of the company's products	1	2	3	4	5
8.	The company has been getting positive feedback about their sales performance	1	2	3	4	5

**Section E: Challenges faced by Uhuru fruit juice company in using marketing channel levels in marketing its products**

1. Challenges faced at different marketing channel levels (Tick any)

- a) Low product demand
- b) Hard to access customers
- c) High distribution costs
- d) Poor or no marketing channel policy
- e) Complexity and cost to inventory management
- f) Pressure from competitors
- g) Others.....  
.....  
.....  
.....

2. Solutions to the challenges

- a) Improve marketing channel policy
- b) Improve on promotional strategies
- c) Establish more sales outlets
- d) Others.....  
.....  
.....  
.....

Thank you!



## Appendix B: Questionnaire for Customer

Dear Respondent, my name is Mercy Aryanyijuka, an MBA student at Nkumba University. I am conducting research on marketing channel levels and sales performance of Uhuru fruit juice company Limited in Uganda. I kindly request you to spare some time and fill this questionnaire so that I can accomplish this task. I will keep this data confidential and use it strictly for academic purposes only. The questions require filling in short answers or ticking () the most appropriate options. I am grateful for your assistance.

### SECTION A: PERSONAL DATA

1. Sex:

a) Male                       b) Female

2. Age (in years):

1. 25-30 Years     b) 25-30 years                      c) 30-35 Years                       d) 35-40   
years                      e) Above 40 years

3. Highest level of education attained so far:

a) None     b) Primary     c) Secondary     Tertiary   
e) Other.....

4. Who do you buy Uhuru fruit juice products from?

a) Wholesaler     b) Retailer     c) Directly from the company its sales performers

5. For how long have you been using products from Uhuru fruit juice company?

a) 1-5 Years     b) 5-10 years     c) 10-15 Years     d) Above 15 years

6. Which type products have you been using?

a) Juices     b) Textiles     c) Others.....

**Section B: Customer Satisfaction in respect to products from Uhuru fruit juice company**

For this section, please indicate to what degree you agree with each of the following statements by ticking one of the five alternatives below. Do not write your name.

Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	2	3	4	5

1	I always get products and services of good quality	1	2	3	4	5
2	Am always aware and satisfied with products and services	1	2	3	4	5
3	I always use products from Uhuru fruit juice company	1	2	3	4	5
4	I am willing to recommend the products of the company to my friends and other people	1	2	3	4	5
5	It is easy to contact representatives of the company	1	2	3	4	5
6	Complaints are always resolved effectively and in time if need be	1	2	3	4	5
7	I always wait for a short time to be served	1	2	3	4	5
8	I have high customer loyalty to the company	1	2	3	4	5
9	I always access the company's services 24 hours	1	2	3	4	5
10	I always get after sales services	1	2	3	4	5
11	I find it convenient to access the company products	1	2	3	4	5
12	The company stores are well organised and enjoyable to shop from					

**Section C: Most frequent Challenges faced by Customers in using Uhuru fruit juice products**

1. Challenges faced by customers of Uhuru fruit juice company

a) Limited product accessibility

b) Poor after sales services

c) Products are of poor quality

d) Others.....  
.....  
.....  
.....  
.....  
.....  
.....

3. Solutions to the challenges

a) Improve quality of the product

b) Establish more sales outlets

c) Reduce product prices

d) Provide more information about the products

e) Others.....  
.....  
.....  
.....

Thank you!

## **Appendix C: Interview Guide**

Marketing channel levels and sales performance of Uhuru fruit juice company.

1. Who do you work as at Uhuru Fruit Juice company?
2. Do you have a marketing policy at Uhuru fruit juice company?
3. Does the policy cover marketing channels?
4. At what marketing channel levels do you distribute the Uhuru fruit juice company?
5. The marketing levels channel policy of the company is effective?
6. How has Zero Level marketing channel affected the sales capacity of Uhuru fruit juice company?
7. How has One Level marketing channel affected customer satisfaction of Uhuru fruit juice company
8. How has Two level marketing Channel affected the turnover of Uhuru fruit juice company?
9. How can Uhuru fruit juice company make distribution to its products and services more convenient?

Thank you!

## **Appendix D: Focus Group Discussion Guide**

Dear Respondent,

Please feel free to say anything that you feel is important to the discussion as per the topic.

All information is kept confidentially and handled professionally.

### **Introduction:**

**TOPIC:** “MARKETING CHANNEL LEVELS AND SALES PERFORMANCE IN AGRIBUSINESS INDUSTRY IN UGANDA: A CASE OF UHURU FRUIT JUICE COMPANY”.

1. Who do you work as at Uhuru Fruit Juice company?
2. Do you have a marketing policy at Uhuru fruit juice company?
3. Does the policy cover marketing channels?
4. At what marketing channel levels do you distribute the Uhuru fruit juice company?
5. The marketing levels channel policy of the company is effective?
6. How has Zero Level marketing channel affected the sales capacity of Uhuru fruit juice company?
7. How has One Level marketing channel affected customer satisfaction of Uhuru fruit juice company?
8. How has Two level marketing Channel affected the turnover of Uhuru fruit juice company?
9. How can Uhuru fruit juice company make distribution to its products and services more convenient?

**Thank you!**



# Nkumba University

CHARTERED SINCE 2006 BY THE GOVERNMENT OF UGANDA

## SCHOOL OF BUSINESS ADMINISTRATION

The mission of the University is to provide an environment that enables the cultivation of Competence, Confidence, Creativity, and Character, in the academic, professional and social interaction.

Date: 29 August 2017

TO WHOM IT MAY CONCERN

RE: MS ARYANYIJUKA MERCY

This is to introduce **MS ARYANYIJUKA MERCY** who is a student at Nkumba University pursuing a Masters of Arts in Business Administration.

As part of the requirements for the fulfilment of the award of a Masters Degree, she is required to undertake a research project in an area of interest and submit a report.

Her area of research is: **MARKETING CHANNEL LEVELS AND SALES PERFORMANCE IN AGRIBUSINESS INDUSTRY IN UGANDA**. A case study of Uham fruit juice Company.

The purpose of this letter is to kindly request you to accord her the necessary assistance.

Yours Sincerely,

  
Dr. E.B. Mugerwa

Dean

School of Business Administration

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