

DISTRIBUTION CHANNELS AND SALES VOLUME: A CASE STUDY
OF COCA COLA COMPANY

BY

NANYONDO BARBARA

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DECLARATION

I, NANYONDO BARBARA, declare that the content of this report is my original work and has never been submitted to any University for any award where the work of others have been cited, acknowledgements have been made.

Signature.....

Date.....02/07/2010

APPROVAL

This research dissertation is presented the school of Business and management,

Kampala International University, through approval

Supervisor

MR. GULEBYO MUZAMIR SAID

Signature.....*Asaid*.....

Date.....*02/07/10*.....

DEDICATION

I dedicate this work to the Almighty God, my father Mr. Ssemanda Matia and my mum Ms Nakiguli Allen for their parental love and care. To my brothers and sisters for their encouragement. Not for getting my dearest friends Aisha, Betty, Beatrice, Claire, Diana, Hairah, Hilda, Hadijah, Joyce, Prisca, Olivia, Anord, JohnSsekimpi, Mathew, Tom and many others for their encouragement during my study at Kampala International University.

May God reward you all abundantly.

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ABSTRACT

The study was to investigate the effects of distribution channels and sales volume; a case study of Coca cola in Wakiso district- Uganda. The study was guided by the following objectives; to examine the factors that affect sales volume, to determine the distribution channels needed to improve on sales volume, to examine the effects of distribution channels on sales volume.

The findings indicated that the factors that affect sales volume are quality, price, quantity, beliefs, economic situation, and packaging.

The distribution channels needed to improve on sales volume are moderate prices, modifying and designing the packaging, and impressive color.

The effects of distribution channels on sales volume are positive and negative; high prices, late delivering of products, competitive advantage and image of the company.

The research concluded that distribution channels have effects on sales volume for products which are indicated either positive or negative such as moderate prices, impressive colors used, image of the company, designing and packaging of the product and competitive advantage.

The study recommended that the top management, marketers/distributors should develop new strategies basing on those factors such as setting moderate price which will be appreciated by all consumers, improve on quality of the product modify and design new a packaging as well as put an impressive and attractive colour to the products hence leading to high sales volume in the company.

The people concerned in the company should produce products implemented on those positive effects and improve on the negative ones.

CHAPTER ONE

1.0 INTRODUCTION

This chapter looked at back ground of the study, problem statement, and purpose of the study, objectives of the study, research questions, and significance of the study and conceptual from work.

1.1 Background of the study.

Many times producers want to make sales but consumers may not be easily reached because procures and their agents are far away from the consumers. This has a great impact on the volume of sales of Coca Cola Company. This research therefore aimed at investigating the effects of distribution channels on sales volumes of coca cola Company in Namanve Wakiso district Uganda.

1.2 Problem statement

Organizations wishing to survive in today's competitive world have good sale to survive and thrive, and one way organizations can to get good sales to get competitive advantage from its rivals is to satisfy the needs of its customers, given its associated innumerable benefits such it leads to have a big market share, expansion of the business, improves availability of funds among others (Kotler, 1999).

Unfortunately, however, sales volume at Coca cola has been reported to be low Jennifer, (2009), with most of the outlets recording low sales. Failure to have good sales leads to several undesirable outcomes such as loss of market share to competitors creates a bad company image, limited availability of funds among others. Further coca cola's competitors have aggressively embraced on the idea to get the best sales from their production, which puts Coca cola's survival at risk. Specially, the study shall look at the effects of distribution channels on sales volume,

factors that affect sales volume, the distribution channels needed to improve on sales volume.

1.3 Purposes of the study

The research was to establish the effect of distribution channels on sale volume a case study coca cola company.

1.4 Objectives of the study

- I. To determine the effects of the distribution channels on sales volume in coca cola wakiso.
- II. To examine the factors that affect sales volume in Coca Cola wakiso.
- III. To determine the distribution channels needed by sales volume in coca cola wakiso.

1.5 Research questions

- (i) What are the effects of the distribution channels on sales volume in coca cola wakiso?
- (ii) What factors affect sales volume towards a product in coca cola wakiso?
- (iii) What channels of distribution needed by sales volume in coca cola wakiso?

1.6 Significance of the study

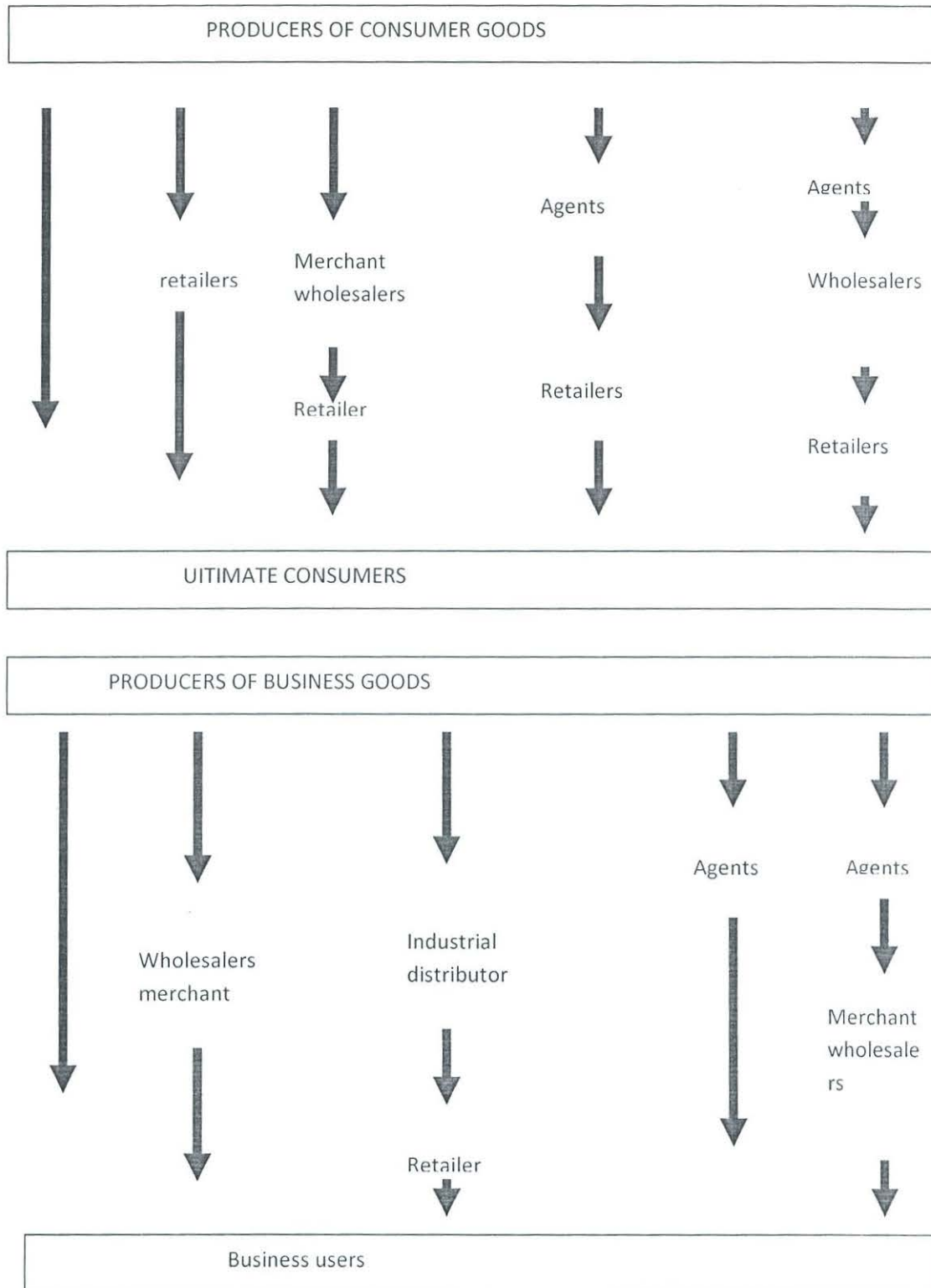
This study will provide a new knowledge to the researcher about the effects of the distribution channels on sales volume in Coca Cola Company.

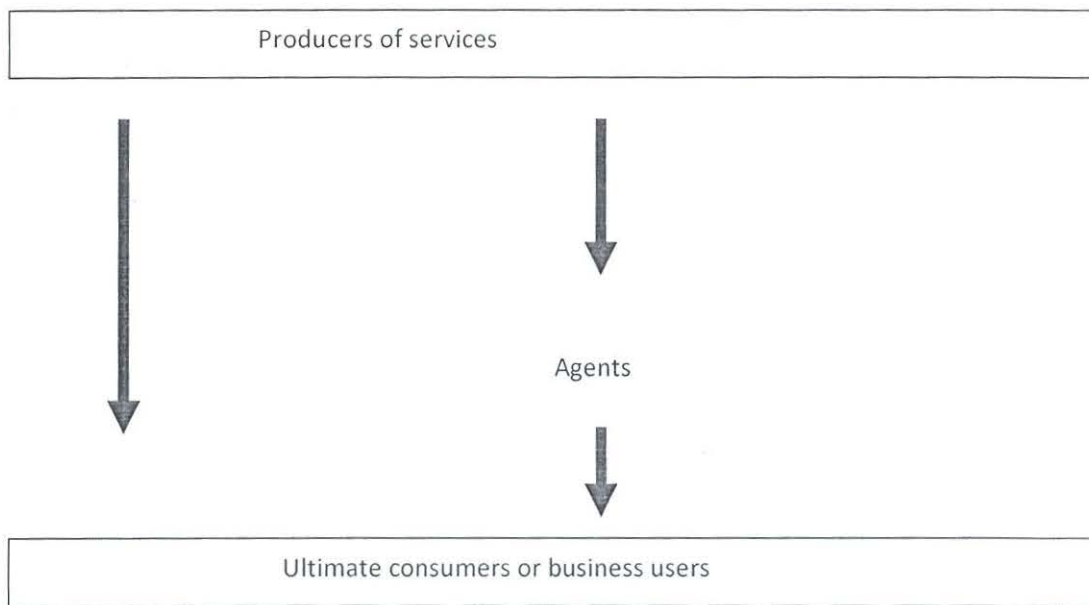
This study will facilitate coca cola Company with future reference about its location and back ground more especially in the absence of citizens. The study will equip the

clients with knowledge about the right distribution channels (s) through which their favorable products access them to generate their devised satisfaction.

The findings of this research will help the policy of marketers to know how to take decision after getting to know the effects of distribution channels on sales volume in Coca Cola Company.

1.7 Conceptual frame work.





The diagram explain the activity of distribution channels and how they affect the sales volume of the products as well as the producers and how to make decision on which type of distribution channels the producer should use to deliver their products to the potential consumers.

The distribution channels management usually focused on the manufacturer you need to know that are there two (2) types of decisions depending on the type channels whether it is consumer distribution channels to take with respect to channels issue in order to gain competitive advantages.

Channel Designs; here the producers should understand how many intermediaries are needed depending on the type of market, number of competing intermediaries' open or close nature of channel and number of competing channels.

Channel management Decision; Here business people need to consider how can they manage the relationship between the management and the different

intermediaries so that a competitive advantages can be achieved when and what type of contracts are needed, what kinds of rewards needed how can they build their trust between their channel members.

This guides the producers to decide which type of distribution channels to use to research their sales volume.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter looks at factors that affect sales volume towards a product, channels of distribution needed to improve on sales volume, effects of distribution channels on sales volume and Relationship between distribution channels and sales volume.

2.1 Factors that affects the sales volume

Evolution of the likely impact on profit and sales of different trade items has the following factors such as price or cost of sales, also sellers or price analysis

In case your sales volume have enhanced selling pack, you can increase your sales volumes by making your products available all possible sales channels both in your domestic market and internationally

The enhanced selling part enables you to examine your indirect sales through sales both traditional travel agencies online travel agencies and simplify online process of distributing tour packages. Our auto-mated distribution solutions and streamline process for your retailers and resale's, reducing their booking time and alienating paper-based processes and errors. This means that you can increase your sales volume while reducing call centre costs; we also produce solutions to examine direct sales through different channels of distribution. ([http.ww.ezinearticle.com](http://www.ezinearticle.com)).

Product quality is one of the factors since is one of the marketer's major positioning tools. Quality has two dimensions levels and consistency.

In developing a product, the marketer or producer must first choose a quality level that will support the products position in the target market. Here product quality means the ability of a product to perform its functions. It includes the products overall durability, reliability, precision, ease of operation, repair and other valued attributes. Although some of these attributes can be measured objectively from a marketing point of view, quality should be measured in terms of sales volume. Companies really try to offer the highest possible quality level –few customers want such as refrigerator, Rolex watch. But companies choose a quality level that matches target market needs and the quality of competing products.

Above the quality level, high quality also can mean consistently delivering the targeted level of sales volume. In this sense, quality means the “absence of defects or variation” all companies should strive for high levels of quality consistency. To some companies improving quality means using better control to reduce defects that reduces the sales volume (McCarthy and Perrault, 2005).

Product features is also one of the factors and product can be offered with varying features. Features are competitive tools for differentiating the company's products from competition products. Being the first producer to produce a need and valued new features is the one of the most effective ways to compete. Some companies are very innovative in adding new features and decide which ones to add to its products so that do not affect the sales volume towards that very product. The business person should periodically survey or ask the buyers that are the best users of the product or services and ask them these questions how do you like the product? Which specific features of the product do you like most? Which features could we add to improve the product? How much would you pay to each feature?

The answers will provide the business person with a rich list of features ideas, so that the company will agree to come up towards the product does not affect the sales volume .

(Schiff and Kanuk, 2000).

Branding, which can be defined as a name term, sign, symbol or design or a combination of these intended to identify the products or services of one seller or a group of sellers and to differentiate them from those of competitors.

Consumers view a brand as an important part of a product, and branding can add value to a product. For example most consumers would perceive that clothes sold in shops are of high quality and expensive. But some clothes sold in down towns or markets are of lower quality and cheaper, even if they were identical. Branding has become a major issue in product strategy; on the other hand, developing a branded product requires a great deal of long-term marketing investment especially for advertising, promotion and packaging. Manufacturers often find it easier and less expensive simply to make the product and let others do the brand building. A large amount of the world's clothing's, consumer electronics and computers, but these products are sold under non-Taiwanese case brand names Taiwanese manufacturers have taken this course. They make on the other hand must manufacturers eventually learn that the power lies with the companies that control the brand names.

Powerful brand names have consumers franchise- they command strong consumer loyalty. A sufficient number of customers demand those brands and refuse substitutes even if the substitutes are offered at lower prices. Companies that developed brands with strong consumers franchise are insulated from competitive

promotional strategies there for branding the product is very important because it has a great impact on changes of sales volume towards invest heavily to create strong national or even global reorganization for the brand names (Kotler and Armstrong, 1999).

Packaging is another factor which may also affect the sales volume towards the company's products, if the company does not consider it when developing the products, because it carries image of product that is to be offered in the market. Packaging can be defined as the activities of designing and producing the containers or wrapped for a product.

In past times, packaging decisions were based primarily on cost and a production factor, the primary function of the package was to contain and protect the product. In recent times, however numerous factors name made packaging an important marketing tool. An increase in self services means that packages now must perform many sales tasks from

Attracting attention for describing the product, for marketing sale companies are realizing the power of good packaging to create instant sales volume towards a product. For example in an average supermarket, which stocks 15000 to 17000 then the typical shopper passes by some 300 in terms per minutes and 3 percent of all purchase are made on impulse. In this highly competitive environment, the package may be the seller's last chance to influence buyers. It has become a five-second commercial". The compel so up. Company estimates that the average chopper socks it is familiar red and white earn 76 times a year, creating the equivalent of 26 million with of advertising innovative packaging can give a company an advantage over competitors.

In making packaging decisions, the company also must need growing environment at concerns about packaging and make decisions that serve society's interests as well as immediate customer and company objectives (Kotler and Armstrong, 1999).

According to Kotler and Armstrong (1999) a labels by definition is a part of the product that carries information about and the seller. A label is sometimes known as a trade mark because it is a brand name that had been adopted by the seller. The company should consider labeling when developing their product because it also affects the sales volume towards the company. Labels may range from simple tags attached to product to complex graphics that are part of the package. They perform several functions, and the seller has to decide which ones to use. At the very least, the label identifies the product, such as the name Sunkist-stamped on arranges, the label might also grade the product according to the needs of different consumers.

The label might describe several things about product who made it, where it was made, it is contents, how it is be used and how to use it safely. Finely the label might promote the product through attractive graphics. A well labeled product can influence many consumers from buying and make consumption over it. Labels can mislead consumers, fail to describe important ingredients, or fail to include needed safety warnings so the manufacturers must ensure that their labels contain all the required information so that it does not mislead consumer and at the end of the day to affect the sales volume towards the products.

Product design of a product also affect the sales volume which may give a space to your competitors to win the market shares, sc this is another way to add consumer value through distinctive product design some companies have reputations for

outstanding designs, such as based in audio equipments, and other medical equipments in many companies, however lack "design touch" their product designs.

Designs can be one of the most powerful competitive weapons in company's marketing shares or capacity. Design is a longer concept than style simply describes the appearance of a product. Style can be eye catching. A sensational style may grab attention, but it does not necessarily make the product perform better. For example a clothe may look great but very un comfortable, un like style, design is more than skin deep it is good to the very heart of product. Good design contributes to product usefulness as well as it looks. A good designer consider appearance but also creates products that are only, in expensive to use and services simple and economical to produce and distributes. Good product design can attract attention, improve product performance, cut product costs and give the product a strong competitive advantage in the target market.

A poor product design will automatically affect the sales volume towards the company's products (Kotler and Armstrong, 1999).

Color is critical variable in our modern market, this factor also effect the sales volume, so marketer and business people should also consider this factor before introducing their products in the market .Because we see that the same color had different cultures, for example consider the color blue in Holland, it represents death, in sudden or shows coldness, in India, it means parity, Asia by promising white teeth. In that. Part of the world chewing betel nuts is considered to cite habit and, consequently brownish red teeth are viewed as a status symbol. Thus peps dent's slogan "you will evader were the yellow went" could not help to sell the product or is critical that the colors of product convey the proper measuring in the countries.

In which they are marketed so as to control the effect of the sales volume in the company (Schiffman and Kanuk, 2000).

2.2 Distribution channels needed to improve sales volume sale volume.

According to Kotler and Armstrong (1999) distribution channels is asset of interdependent organization involved in the process of making product or services available for use or consumption by the consumer or business user. Or according to McCarthy and Peculante transaction between producer and final users. A distribution channels moves goods from producers to consumers, It over comes the major time, place, and possession gaps that separate goods and services from those who would use them. Members of the marketing channel perform many key function. Some help to complete transactions such as: Information contact, matching, negotiation, physical distribution, financing and risk taking

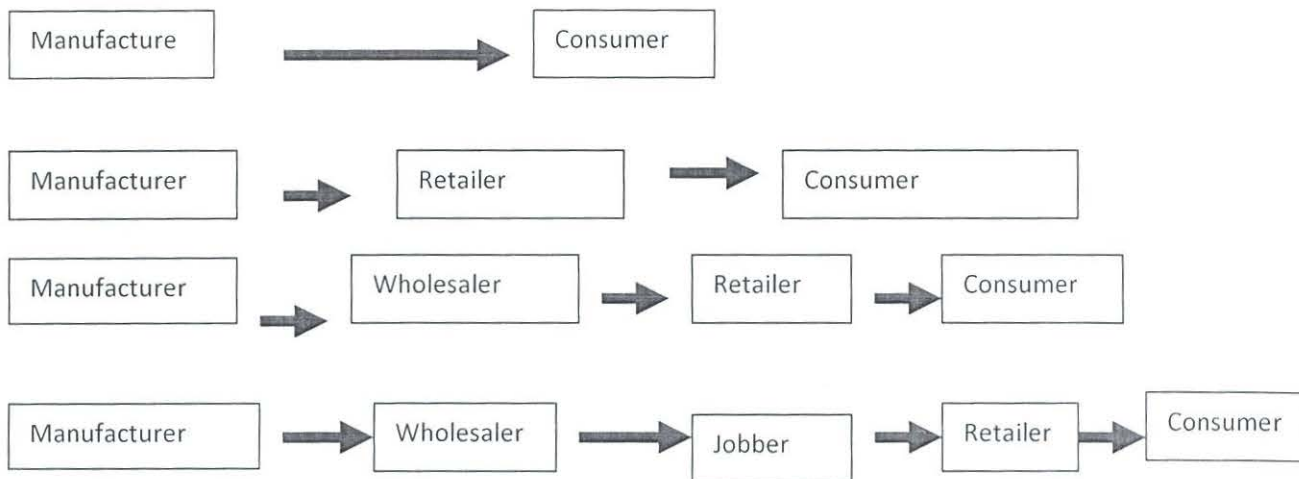
Distribution channels can be described by the number of channels involved.

Each layer of marketing intermediaries that performs some work in bringing the product and its ownership closer to the final buyer is channel level.

Because the producer and the final consumer both perform some work, they are part of very channels, we use number of intermediary levels to indicate the length of channels, there are two types of levels of channels that can reach consumer that are; direct marketing channel, this is the level that has no intermediary level;

It consists of a company selling directly to consumer and the second level is indirect marketing channels this is the level which contains one intermediary level. In consumer markets, this level is typically a retailer (Kotler and Armstrong, 1999).

Diagram showing how marketing intermediaries can reduce the number of channels transaction to producers and consumers.



The source : (Kotler and Armstrong, 1999).

In the above figures, channel 1 is called "a direct- marketing channel," since it has no intermediary levels. In this case the manufacturer sells directly to consumers for example an outlet store companies .The remaining channels are indirect-marketing channels

Channel (2) contains one intermediary in consumer market, this is typically a retailer. The consumer get electronically goods market in the UK is typical of this arrangement whereby producers such as Sony, Panasonic canon etc... sell their goods directly to large retailers such as comet,Dixaons and curry's which then sell the goods to the final consumers

A channel (3) contains two intermediary levels. A wholesaler and retailers typically buy and store large quantities of several producers' goods and then breaks into the bulk deliveries for supply retailers with small quantities. For small with limited order quantities the use of wholesalers makes economic sense.

This arrangement tends to work best where the retail Channel is fragmented that is to say not dominated by a small number of large power full retailers who have an incentive to cut out the wholesaler.

A good example of this channel arrangement in the (UK) is the distribution of drugs.

From the economic systems point of view the role of marketing intermediaries is to transform the assortment of products by producers into the assortments wanted by consumers. Producers want broad assort of products in small quantities.

In the distribution channels, intermediaries buy the quantities of many producers and break them down into the smaller quantities and broader assortments wanted by consumers. Thus intermediaries play an important role in matching supply and demand.

From above explanation depending on types of products that are offered by the producers whether they are consumer markets products or business markets or product and depending on which type of distribution channels that is used by the products /seller to reach their level of sales, The sales will in create if the producers choose the right channels to use in distributing the products.

But in our dairy business transaction there are number of distribution channels that will be needed by the producers or consumers which are explained there of foreword since the channel serves to bridge the gap between the point of distribution and the point of consumption thereby creating time, and possession utilities (Kotler and Armstrong, 1999)

Producer- Agent – wholesaler- consumer

This is the longest channel of distribution in which three middlemen are needed. This is used when the producer wants to be fully relieved of the problem of distribution and thus hands over this entire output to the selling agents. The agents distribute the products among a few wholesales. Each whole seller distributes the products among a number of retailers who finally sell it to the ultimate consumers. This channel is suitable for wider distribution of various industrial products.

Producers-Agents-wholesalers-retailers-consumers

This is the most common traditional channels of distribution under it two middle men such as wholesalers and retailers are involved. Here, the producer sells this product to whole sale's, who in turn sell the product to the ultimate consumers. This channel is suitable for products line and propositional support of wholesalers. This is mostly used for the products with widely scattered market (<http://www.ezinsarticle.com>)

Producer- consumer; this is simplest and shortest channel I in which no middleman is involved and procurers directly sell their products to the consumers. It is fast and economical channel of distribution. Under it, the producer performs all the marketing activities and has full control over distribution. `

Producer may sell directly to consumers through door to door salesman, direct mail. Big firms adopt this channel to cut distribution costs and to sell industrial products of high vales commodities also sell directly to local consumers. (<http://www.businessknowledge.esource.com>).

Producer- Retailer-consumer: This channel of distribution involves only one middle man called the retailer". Under it, the producer sells his product to big retailers (or

retailers who buy goods in large quantities.) Who in turn sell to ultimate consumers? This channel relieves the manufacturer from the burden of selling the good himself and at the same time gives him control over the process of distribution. This is often suited for distribution of consumer's durables and products of high values. ([Http://www.businessknowledge resource .com](http://www.businessknowledge resource .com))

Therefore, producers have to choose the suitable and appropriate channel of distribution as well as the consumers have to choose the right and suitable channels for buying their products for consumption. The channels chosen by both of them should be flexible, effective and consistent with the declared marketing policies and programs of the firm ([Http://www.ezinearticle.com](http://www.ezinearticle.com))

2.3 Effects of distribution channels on sales volumes

Distribution channels have a great impact on the attitudes of sales volumes in our today's world. Because distribution channels play a great work in helping the organization to make sales of products as well as consumers to get easily the products they want without spending much time searching for them. Distribution channels since it is the producers and consumers, the producers should choose and use an appropriate channel to reach their potential sales volumes.

Due to rapidly changes of technology, many companies are becoming competitive on improving the quality of products and services they offer in the market they offer in the market by developing a suitable distribution channels that would not give problems in sales volumes products are sold. It is obvious that business must take care of their distribution channels by marketing sure there is no shortage in inventory and controlling the distribution channel member.

It is also important to consider the market penetration to make sure that produced out from the products sold (Reeder *et al*, 1998).

Choosing the suitable channels will bring positive effects to producer as well as the consumers while choosing unsuitable one will bring negative effects. Here below are some of effects of distribution channels on sales volume.

Franchise Distribution: Using this channel as a means reaching the sales volume it may have the positive effects to them, since it is an independent business managers are given the right to sell products or services in exchange for fees , so the consumer those who will be able to make exchange for easily will do that, another positive effect to producer is that it does not need to maintain store and empty work force, another effect is that since it can be opened in a relatively quickly time frame in numerous location so the consumers will be sure of getting the products/ services they want because they know that within certain period of time and certain place such kind of products can be obtained as well as the service which increase the sales volume, however, this channel has negative effects to the producers have to share their competitive advantages with the franchisees, so it so easy for consumer to get confused and join your competitor so you need to have some extra unique ideal as secret which will help you in future in which you not supposed to share it with your franchisee

So that you are able to protect them from joint your competitor, your competitors may use you franchisees to spire and monitor your transactions.

The consumers can get information concerning products /services from these franchisees. Another negative effect is that you franchisees, so the sales will reduce

if the producers has chosen an unskilled franchisees then the products and services that is to be offered to consumers will also be poor ([Http//www-ktec.com](http://www.ktec.com)).

Using agents, brokers or sales representative this channel will give there producers competitive advantage by including the specialist people who will help the producers to deliver the products / services as they wanted by leaving all responsibility to these people, knowledgeable specialized agents that neither own nor take possession of the merchandise they sell, it has the negative effects it is also expensive to maintain it. Because it is affordable by the big companies but for the small business it is a bit hard to maintain those sale representatives and usually they main more than one product brand and may result in to conflict of interests and products (Davar, 1999).

Selling by phone and catalogs: using this channels is most used by big companies and well establishes one , this channel is cost effective and responses is reasonable under this channel you find out that producers the benefit because under this channel you find out that producers dealing with only consumers who are aware of his or her products in other words loyal consumers so it is cost effective and responses are obtained easily no much time to be spent waiting for the responses from consumers here the producers getting there feed back soon as possible from consumers in case of complaints from potential producers will receive them and work on them immediately however, it has the negative effect which may affect the image of the sales volume in a business ([http/ww.ktec.com](http://www.ktec.com))

Channels ownership: This channel you find a producer own his personal stores, then it can improve the efficiency by eliminating promotion and selling expenses that usually occur manufacture- wholesaler, retailer and it can give maximum control over the selection of products sold to the market but it is a negative effect to sales volume

since it is substantial over head costs to maintain stores employ work force sales some time may also decline to be got from the products in time.
(<http://www.ktec.com>)

Using Retailers: This channel is so interactive and it mostly used in our developing countries. It provides shopping convenience, local inventories, exchange service and repairs. So it helps the customers to buy highly while inspecting the products and services which in long run leads to high sales in the company. Also on the negative side the effect of internet and direct selling have taken the share of the retailer's sales volume (Davar and Davar, 1999)

Selling products through internet of channel: due to the rapidly increase of technology, this new technology has come in as channels of distribution but this on is mostly used by the manufactures who are dealing on-line, most of their translators are online such as selling.

Purchasing and even delivering activities on-line, this channel has a positive effect is that convenient where by producers do sell their products and service at only time to consumers which doesn't give consumers much trouble searching for product or service which also help in increasing the sale volume for the products though it convenient but still people fear to put their details online, which also affect the sales negatively (<http://www.ktec.com>)

In conclusion, according to (Kotler ,1997) he examined that there is big relationship between channels of distribution and sales volume and if producers do not consider these two things when developing the products will fall into big lose because the channel members need the channel which take short time during the process .

Explanatory in nature the data examined suggest that due to the exchange of technology, many companies are changing their means of distribution from traditional one to modern. Also we find that there are positive effects and negative effects of distribution of base producers and sales can get from the distribution channels.

CHAPTER THREE

3.0 Introduction

This chapter looked at research population sampling procedures; research instruments data collection procedures, data type and source treatment of data and limitations of the study.

3.1 Research Design

The researcher used descriptive research design to assess the relationship between distribution channels and sales volume. The design was preferred because it enabled the researcher to collect original data and population, because of limited time and resources. Stratified random sampling was used to choose the respondents to who ware include employees, clients of the company top management and distributors of the company.

3.2 Population of the study

The researcher used stratified random sampling techniques to come up with 100 respondents including the employees, clients, distributors and the top management of the company out of a total population of 1000 employees of Coca Cola Company.

Company that was from 20 distributors, 20 marketers, 20 finance, 20 accountants, 10 lower level workers and 10 top management of the company.

3.3 Sampling procedures

Descriptive random sampling was used to select 100 respondents out of 1000 employed from the departments of the company.

3.4 Research instructions

The researcher used made questionnaires, observation and oral interview methods to gather the data needed to state the affects of distribution channels on sales volume.

According to Jack and Norman (2000), a questionnaire is a set of questions to be answered by the subject of the study.

The advantages of using a questionnaires method is that it saves time, it is convenient to respondents and it is filled by the respondent during their own free time, it also reduces bias because of its systematic presentation and it enables the researcher to collect a wide variety of information from respondents, especially if open- ended question given the respondent write his or her ideas.

According to William and Gray (1982) a questionnaire is a set of questions to be answered by the subject of the study.

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Observation is the conscious examining of something under study by carefully, watching and noting what one sees or observes smells, hears to mention but few.

The main advantages is that the researcher is able together first hand information from the field as the researcher is able to observe things than just being told.

Observation method enables the researcher to get some information that cannot be revealed by the respondents which they think is confidential or sometimes respondents may not be articulate enough but the researcher can observe and understand what is going on. (Kakooza, 1999)

According to Kotler (2003), oral interview is conducting or research by asking oral questions by the researcher to the respondent and answers are recorded by the researcher or someone else the researcher has entrusted to carry out research.

Oral interview is preferred because of the following advantages:

The interviewer can clarify any question that is ambiguous and can also ask respondents to expand on answers that are particularly important, and it enables the researcher to read body expression of the respondents where a meaning can be reduced.

However, oral interview can clarify any question that is ambiguous and can also ask respondents to expand on answers that are particularly important, and it enables the researcher to read body expression of the respondents where a meaning can be deduced.

However, oral interview method had disadvantages which include; the presence of the researcher may inhibit from saying what really think, it takes much longer time to carry out research than when questionnaire is used, and it also allows flexibility to the respondents as it gives them to participate in the research which they could have missed

3.5 Research procedure

The researcher got an introductory letter from the director of the school of business and management of Kampala international university introduction the researcher to carry out research on the effects of distribution channels on sales in Coca-Cola Uganda. The introductory sought permission to interview people on the effects of distribution channels on sales volume in coca cola Uganda. An acceptance to carry out the research was got from the resident district commissioner Wakiso and marketing manager of Coca-Cola Uganda.

3.6 Sources of data

The researcher used data from two sources; primary field (using administered questionnaires, oral interviews and observation and secondary data was got from the review of university reports, manuals and other documents from libraries and internet sources.

3.7 Data analysis

The data collected was analyzed in the form of descriptive statistical methods which was included in tables, bar graphs, histograms, pie charts and percentages. Data processing and analysis was involved in the following.

3.7.1 Editing

The completed structured questionnaires were scrutinized in order to reduce error and omission. Each questionnaire was to undergo through study to clarify on the responses given in order to establish their eligibility and accuracy. Where data was be quantitative. It was organized in such a way that meaningful interpretations were deduced from such data during analysis stage.

3.7.2 Coding

Where questions were open ended data and responses were coded so as to categorize the responses exhaustively. This enabled the researcher to easily deduce the endings of the study and to interpret them appropriately so as to come up with adequate conclusions from the data collected.

3.7.3 Tabulation

The data was analyzed using the computer statistical package to show the numerical scores and percentage.

3.8 Validity and reliability

The researcher used checks such as use of different methods like questionnaires, oral interviews, and observation method to carry out the research.

The researcher tested the research instruments such as the questionnaires before actually using those instruments in the field. This made sure that the quality of the data collected by the questionnaire was of the high quality.

The researcher made sure that the respondents fully participate in the research by minimizing drop out rate. The researcher made sure that there was a good representation of the respondents across the age, gender and other characteristics in choosing sample population.

3.9 Limitations of the research

The researcher expected to accomplish the research successfully, but however, in the due course of research, some problems were anticipated.

The study faced financial constraint because the source of income was limited but the researcher tried to apply all available means and efforts so that to make sure the research is carried out findings were obtained.

Some of the respondents were not willing to share with the researcher some of the information they consider to be confidential to them but the research promised to keep the information got and confidential and only used for academic purpose.

Language barrier also caused a problem where some of the respondents could not express themselves well and some of the questions were misunderstood, but the researcher helped to interpret the questions to the respondents.

Limited literature on distribution channels and sales volumes in libraries around made the study to be restricted to use a few literature materials that researcher managed to access.

3.10 Data quality control

The researcher used quality checks such as the use of methodological triangulation that is the use of several research methodologies in the research.

The researcher also used the research instruments such as the questionnaires before actually taking questionnaires to the field to make sure that the quality of data collected by the questionnaire is of a great quality.

The researcher also ensured that the respondents fully participate in this research and dropout rates were fully minimized. The researcher also ensured that is good representation across age, gender and other variability were taken into consideration in choosing the sample population.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter looks at presentation of data through tables and interpretation of data, the research involves presentation and interpretation of collected primary data. The presentation is done in tables to make sure that the research biases are eliminated.

The number of questionnaires circulated to different group of respondents were 100 and were all completed returned to the researcher successfully. It continues in presenting the findings of the study by use of responses, frequencies and percentages in order to reach at the true findings.

4.1 Identifications and Classification of information

Table 1: 4.1 Classification of respondents according to their sex

Sex	Frequency	Percentage (%)
Female	60	60
Male	40	40
Total	100	100%

Source: Primary data

The findings show that, females were majority of the respondents, represented by 60% while minority of the respondents were males who were represented by 40%. Therefore, there should be special consideration for females while putting up the strategies of distribution channels on sales volume in Coca-Cola Uganda, there fore

the manufacturers, distributors, and the top management should design distribution channel which most preferred by females.

Table 2: 4.2 Classification of respondents according to their education background

Education background	Frequency	Percentage
Primary	15	15
Secondary	20	20
Diploma	25	25
Degree and above	40	40
Total	100	100%

Source: Primary data

The research findings revealed that majority of respondents were graduates with degrees and above represented by 40%. While minority were of primary level represented by 15%. So the findings of this research were of great importance because majority of the respondents were educated.

Table 3: 4.3 Classification of respondents according to the age bracket

Age of respondents(years)	Frequency	Percentage (%)
18-25	15	15
26-35	20	20
36-45	40	40
46-49	20	20
50 and above	5	5
Total	100	100%

Source: Primary data

The findings revealed that the majority of the respondents were of the age bracket of 36-45, represented by 40%, while minority of the respondents were of the age bracket 50and above represented by 5%. So the other respondent age also participated such as the age of 18-25, 26-35 and45-49 years, so the people design the distribution channel should put special attention to the age bracket 36-45.

Table 4: 4.4 Classification of category of respondents according to the departments

Respondents category	Frequency	Percentage (%)
Lower workers	10	10
Distributors	20	20
Top management	5	5
Accountants	20	20
Marketers	25	25
Finance	20	20
Total	100	100%

Source: primary data

The research revealed that, majority of the classification respondents represented by the departments where by marketers which had the largest number of respondents about 25 which are equivalent of 25% and top management was the lowest which had 5 respondents equivalent of 5%, this showed that different group of people participated in this research so the findings are of great value.

4.2 Meaning of sales volume

Table 5:4.5 Responses on the meaning of the term sales volume

Respondents category	frequency	Percentage (%)
Number of respondents who knew the meaning	60	60
Number of respondents who did not the meaning.	40	40
Total	100	100%

Source: primary data

The findings revealed that 60 respondents are equivalent of 60% of the total sample size they knew the meaning of the term sale volume and 40 respondents which are equivalent of 40% did not know the meaning of the term sales volume, so these people are needed to be sensitized.

Table 6 4.6: Responses on whether sales volume has effect on the kind of product consumed by a person

Response Category	Frequency	Percentage (%)
Yes	70	70
No	30	30
Total	100	100%

Source: Primary data

Basing on the findings it was revealed that majority of respondents represented by 70% said that sales volume have effect on the kind of product consumed by a person and 30% of the respondents said no, that sales volume does not have effect on kind of product consumed by a person, this agrees with Kotler and Armstrong (1999) who said that a good product design can attract attention, improve product performance, cut production costs and give the product a competitive advantage in the target market and also a poor product design will automatically have effect on sales volume towards a product.

Table 7: 4.7 Response on the suggestions about the factors that affect sales volume towards a product

Factor Category	Quality	Packaging	Price	Economic situation	Beliefs	Colour	Total
Frequency	15	20	10	25	20	10	100
Percentage (%)	15	15	10	25	20	10	100%

Source: Primary data

Basing on the findings it was revealed that majority of respondents represented by 25% suggested that economic situation of a person or a country is one of the factors that affect sales volume towards a product, while minority of the respondents represented by 10% said two different factors which are price and colour of a product do matter to affect sales volume, though other respondents suggested other factors such as beliefs, packaging and quality of a product, This agrees with Schiff man and Kanuk (2000) who said that business people should consider economic situations and colour before introducing the products to the market because consumers have different cultures and standards in the society.

Table 7:4.8: Responses on the suggestion about strategies to improve on the factors of sales volume

Suggestion category	Improve on the quality	Moderate price	Modifying& Designing new packaging	Impressive colour	Total
Frequency	35	40	10	15	100
Percentage (%)	35	40	10	15	100%

Source: primary data

The findings revealed that, majority of respondents who were 40 which are equivalent of 40% suggested in order to improve on the factors that affects sales volume moderate price should be set up and minority of them who were 10 respondents who got 10% suggested that product should be modified and designed in a new packaging, though other suggestions were proposed such as improving on the quality and an impressive colour, this agrees with Mc Cathy and Perrault (2005 who said that all companies should strive for high levels of quality consistency so as to reduce defects that reduces sales volume.

4.3 The effects of the distribution channels on sales volume

Table 8: 4.9: Responses on whether distribution channels have effects on sales volume for a product

Response Category	Frequency	Percentage (%)
Yes	70	70
No	30	30
Total	100	100%

Source: Primary data

Basing on the findings it was revealed that majority of respondents represented by 70% said, yes distribution channels do have a greater effect on sales volume for a product, and 30% respondents said no, distribution channels do not have effect on sales volume for a product, this agree with Reeder et al (1998) who said that choosing the suitable channels will bring positive effects to the producer as well as consumers, while choosing unsuitable one will bring negative effects so, distribution channels plays a great work in helping the organisation to make sales for the products such as the use of internet as channel, phone and catalogues, channel ownership, and franchise distribution.

4.4 The distribution channels needed by sales volume

Table 9: 4.10: Responses on how the channels of distribution for a product supposed to be

Types of distribution channels	Manufacturer-consumer	Manufacturer-retailer-consumer	Manufacturer-wholesaler-retailer-consumer	Total
Frequency	25	45	30	100
Percentage%	25	45	30	100%

Source: Primary data

The research reveals that, large number of respondents who were 45 who got 45% wanted a type of distribution channel which passes through manufacturer, retailer and finally to consumer, because it seemed to be the cheapest channel to the due to their income level and small number of respondents who were 25 who had 25% and this agree with Kotler and Armstrong (1999) who said that there should be bridge between the point of production and the point of consumption there by creating time, place and utilities such as producers-retailers-consumers, producers-wholesalers-retailers-consumer producers-agents-wholesalers-retailers-consumers and producers-consumers.

4.5 The Relationship between the producers and sales volume through distribution channels

Table 10: 4.11: Responses on whether there is any relationship between distribution channels and sales volume

Response Category	Frequency	Percentage (%)
Yes	70	70
No	30	30
Total	100	100%

Source: Primary data

The finding revealed that 70 a number of respondents of the total sample size which are equivalent of 70% said, there was a relationship between distribution channels and sales volume. While minority of the respondents represented by 30% said that there is no relationship between distribution channels and sales volume. This agrees with Kotler (1997) who asserts that if the manufacturer does not consider these two things when developing the products will fall into a big lose because channel members need the channels which do take short time during the process.

CHAPTER FIVE

SUMMARY, CONCLUSION, RECOMMENDATIONS AND AREAS OF FUTURE RESEARCH

5.0 Introduction

This chapter looks at summary, conclusion, recommendations and areas of future research of findings that can be adopted and implement to over come the causes highlighted and further areas of research in line with study objectives and research question.

5.1 Summary of the findings

Factors that effects sales volume

The study revealed that factors that affect sales volume are economic situation, price, color, beliefs, packaging and designing the products.

Distribution channels needed by sales volume

The findings revealed that the channels needed to improve on sales volume are manufacturer-retailer-consumers, manufacturer-consumer, manufacturers-agents-wholesalers-retailers-consumers, and manufacturers-wholesalers-consumers and manufacturers-agents-consumers.

The Effects of distribution channels on sales volume

The findings revealed that the effects of distribution channels on sales volume were both positive and negative such as high price of product/service, late delivering of products and reasonable interactive and convenient, negative image about

accompany's product/service, high expenses to maintain stores, competitive advantage and work force.

5.2 Conclusion

The findings revealed that, there is a relationship between distribution channels and sales volume; many respondents agreed that the distribution channels do have effect on sales volume for a product/service such as competitive advantage, cost effective, late delivery of items, high expenses in maintaining the channels and negative image about company's products/services. Therefore due to the changes of technology the management in the company should look at the positive effects of distribution channels so as to win the market shares against the competitors.

5.3 Recommendations

Basing on the research findings the following are recommendations

Top management, marketers/distributors should develop new strategies basing on those factors such as setting a moderate prices which will be appreciated by all consumers and improve on the quality of the products by modifying and designing a new packaging method as well as impressive and attractive colour to the products hence increasing sales in the company.

The Coca cola should use a channel which does not take along time for a product to reach consumers, the channel which does not cause the cost of a product high there fore a company should design and use the distribution channels which fit the needs of consumers.

The manufacturers and marketers in the company should improve on the quality of products/services, modify and design a new package and put an impressive colour for a product.

The people concerned in the company should produce products implemented to those positive effects and improve on those negative ones.

5.4 Areas for future research

Research can be done in the relationship between distribution channels and consumer behaviour.

Further research can also be done in the effects of pricing and sales volume.

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APPENDIX A: QUESTIONNAIRE

Dear respondent

I am a student at Kampala International University, School of Business and Management pursuing a Bachelor Degree in Business Administration.

I am conducting a research on distribution channels and sales volume in Coca-Cola and I'm very glad to inform you that you have been selected as one of the respondent in the research study. I want to assure you that the information being collected will purely be used for academic purposes and would only be produced to other people with the respondent permission. Confidentiality is high degree.

You are requested to tick the appropriate answer respectively. Any time taken out of your busy schedule is highly appreciated.

Thank you in advances.

SECTION A;

Personal Information

1. Age	18 – 25	<input type="checkbox"/>		
	26 – 35	<input type="checkbox"/>		
	36 – 45	<input type="checkbox"/>		
	46+	<input type="checkbox"/>		
2. Sex,	male	<input type="checkbox"/>		
	Female	<input type="checkbox"/>		
3. Marital status	married	<input type="checkbox"/>	single	<input type="checkbox"/>
	Divorced	<input type="checkbox"/>	others	<input type="checkbox"/>
4. Nationality			
			

5. Levels of education, primary O' level
 A' level college diploma
 Degree and above

SECTION "B"

6. Do distribution channels affect your sales volume?

(i) Yes (ii) No

7. Are distribution channels beneficial to the company?

(i) Yes (ii) No

8. Which type of distribution of distribution channels is high in your company?

(i) Direct channel (ii) Indirect channel

9. Do you know of any ways to improve distribution channels?

(i) Yes (ii) No

If yes please, elaborate.....

.....

10. Are there any sales problems caused by distribution channel?

(i) Yes (ii) No

11. How do distribution channels affect your sales volume?

.....

.....

12. Are there any sales problems caused by distribution channels?

(i) Yes (ii) No

13. What are the causes of poor sales volume?

- (i). Color of the product
- (ii). Product quality
- (iii). Product quality
- (iv) Product design
- (v) Branding of product
- (vi) Packaging of products
- (vii) Completion in the environment

14. Please suggest ways to improve sales volume.....

.....

APPENDIX B: BUDGET FOR THE STUDY

Item	Amount in Uganda shs
Typing, printing and binding	80,000
Literature collection	50,000
Data collection	250,000
Transport	100,000
Air time	40,000
Miscellaneous	160,000
Total	680,000

APPENDIX C: TIME FRAME OF THE STUDY;

WORK ACTIVITY	DURATION	OUT COME
Proposal	January – February 2010	Proposal prepared
Data collection	March-April 2010	Data collected
Data analysis	May-June 2010	Data analyzed
Dissertation	July 2010	Report findings
Submitting	July 2010	Dissertation submitted