

**EFFECT OF CHANNEL OF DISTRIBUTION ON SALES OF CONSUMER  
GOOD (A STUDY OF NESTLE FOOD NIGERIA)**

**BY**

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**BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT  
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## DECLARATION

I hereby declare that this project report entitle “*Effect of Channel of Distribution on sales of Consumer Good (A study of Nestle Food Nigeria)*” has been written by me in the Department of Management Studies under the supervision of Mr. Joel Garba. The information derived from the literature have been duly acknowledged in the text and a list of references provided.

**Lydia Audu**  
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**Signature and Date**

## APPROVAL PAGE

This is to certify that this research work is an original work undertaken and written by **Lydia Audu (KPT/CBMS/19/524418)**, and has been prepared in accordance with the regulations governing the preparation and presentation of projects in Kaduna Polytechnic and approved as meeting the requirements for the award of Higher National Diploma in Management.

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## **DEDICATION**

This project is dedicated to God Almighty who made this journey possible, to my beloved Husband Mr. Ubochi Amakoh Loveday also to my parents and Siblings.

## ACKNOWLEDGEMENT

First and foremost, I wish to Thank God Almighty for the privilege and opportunity to undertake and complete this project. I wish to sincerely appreciate everyone who supported and provide feedback during the process of conducting this research work. My profound gratitude goes to my able supervisor Mr. Joel Garba for his constructive comment, understanding, kindness and guidance toward this research work. I an equally grateful to the Head of Department, Mal. Bala Dzukogi for providing the enabling atmosphere for the work to progress.

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## ABSTRACT

*The study examined effects of distribution channels on consumer goods: A study of Nestle Food Nigeria. Problem of the study is that any firm's management that fails to identify with the best channel in distributing its products will not break even in business. The specific objective is examined whether the Nestle Food Nigeria reaches the consumer in good form among others. Research question is how often do Nestle Food Nigeria reach the consumers in good form among others? Research hypothesis is there is no significant relationship between Nestle Food Nigeria and reaching the consumers in good form among others. Significance of the study delved into these beneficiaries such as management, students. Review of related literature had insight at conceptual review, theoretical framework and empirical review. The study adopted survey research design. Area of the study is Onitsha metropolis. The population consists of distributors, and consumers. The sample size is eighty (80) and sample technique is non-probability sampling. Data used were primary data and secondary data. Copies of questionnaire were utilized to extract data. The study presented tables. The study observed summary of findings, conclusion and recommendations.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Distribution is an important marketing function aimed at getting the right product to the market segment at the right quality and quantity and at the right time and at the lowest possible cost. It involves products movement from the stage of procuring raw materials, through manufacturing stage to the final stage of selling the product to the ultimate consumers (Cundiff and Still, 2011).

Kotler (2014) sees distributing as that which involves planning implementing and controlling goods and materials from the consumer's satisfaction. Distribution activities include transport, inventory management, warehousing, material handling and other processing activities. All these activities can only be carried out by few manufacturers, while others employ the services of middlemen as sellers, retailers, agents and brokers.

Distribution is considered not only a cost to the firm but also an effective tool in competitive marketing, it is ideal to accept that the aim of reduction will never be achieved into the goods and services provided, scholars puts it, distribution is the matching of demand with adequate supply at a point.

The aim of distribution is getting the goods and services to the right place at the right time at affordable price. This is more convenient timing and effort for the manufacturers to enhance their sales effort by offering better services through channel improvement as every producer seeks to link to marketing or distribution that would effectively accomplish it distribution is to create marketing exchange, if the channels are full of conflict and lack of co-operation the system will fall.

There is usually the thinking of whether the middleman are necessary in a chain of production. The functions of middlemen are vital to manufacturing industries to the extent that if a particular chain is eliminated its role has to be performed by some one else, although problems will rise over the channel leadership. The producers should observed the right to choose the type of distribution channel depending on their adopted plans, the producer should also noticed the selecting of channel members, evaluated to avoid in effective distribution system by the organisation.

The management of a company must therefore, make their decisions as regards the type of intermediaries to use, how to motivate them to perform their various activities effectively and efficiently, and the intensity of distribution to employ in order to ensure that products are available when the market wants them. Researcher was inspired to critically study the impact of



channel of distribution on sales of consumer goods in Nestle Food Nigeria Plc.

## **1.2 Statement of the Problem**

The importance of distribution system has been neglected to other market functions for a very long time. Manufacturers often forget the fact that the only marketing function that links the company products with the consumers is the distribution network. This negligence as a matter of fact, has hindered proper and effective design of distribution system and consequently poor market penetration and inadequate commercial network in their distribution system.

Every organization that produces either consumer's goods or industrial products has its own methods and techniques of distribution. Distribution refers to the movement of goods from the source of supply to the final or ultimate consumer. Manufacturers do not acknowledge the fact that the only marketing function that links company products with the customer is distribution network. They negligence as a matter of fact and concern has shown a wide gap by hindering proper and effective design of distribution strategies. The customers are not satisfied with the strategies distribution.

In the third world countries like Nigeria marketing concept application in the marketing of goods and services has been ignored because of the nature of

Nigerian marketing, the channel of distribution has either experienced conflicts or and ineffective in marketing goods and services available to the consumers demand not only services to compound and conflicts but in most cases have tempered with channels of distribution. Many essential components of the distribution requirements that are not available in the distribution would inadvertently attract the dissatisfaction of the dealers and consumers of the products and invariably hamper sales volume.

It is against this backdrop that the study is to be conducted to examine the impact of the company's distribution strategy on consumer satisfaction to arrive at some recommendations which the company will effortlessly avail itself in the course of taking present and future decisions.

### **1.3 Objectives of the Study**

The main objective of this study is to identify the impact of distribution on sales of consumer goods the study would specifically attempt to advance the following:

- i. To examine whether channel of distribution affect the marketing performance of the company.
- ii. To identify the mode of distribution used by Nestle Food Nigeria Ltd., Kaduna

- iii. To assess the effectiveness of the distribution strategy on consumer satisfaction.

#### **1.4 Research Questions**

The research questions raised in the study is to identify the impact of distribution on sales of consumer goods are as follows:

- i. What are the channels of distribution of Nestle Food Nigeria Plc?
- ii. What is the mode of distribution used by Nestle Food Nigeria Ltd., Kaduna?
- iii. What effect is the distribution strategy has on consumer satisfaction?

#### **1.5 Research Hypothesis**

H<sub>0</sub>: Distribution Channels have significant impact of sales of consumers' goods in Nestle Foods Plc

H<sub>1</sub>: Distribution Channels does not have significant impact of sales of consumers' goods in Nestle Foods Plc

#### **1.5 Significance of the Study**

This research work is highly significant because it gives the researcher a practical knowledge of the distribution strategy in use by Nestle Food Nigeria Ltd., Kaduna. This experience will in no small measure be appreciated when confronted with similar distribution problem in office. Since the production of goods in the industry depend on the employees, their

welfare should be of prime importance. Services and benefits should be allowed as it will stimulate and motivate them to give their very best.

The study will serve as requirement for the award of High National Diploma in Production and Operation Management. Finally, it would also add to the available literature on the area of study while also providing a platform for other researchers who may want to further this study.

### **1.6 Scope of the Study**

The scope of this research work is limited to finding out the effect of channel of distribution on sales of consumer goods and services, on Nestle Foods Nigeria Plc, with the hope that the research can be generalized to find solution on the channel of distribution for the satisfaction of the consumers. Also, this work will attempt to carry out background studies to get wider views and positions on the topic at hand, to help in drawing logical conclusions.

### **1.7 Limitation of the Study**

In any project work of this nature, some problems are usually encountered the research came across the following problems.

Inaccessibility to all the information required by the researcher, Inadequate and poor response to the question in the questionnaire, Time is always limited either to the frame duration that was given for the submission

coupled with the lecture time, The researcher also found it difficult to keep some of the appointment with the company used as case study.

## **1.8 Historical Background of Nestle Food Nigeria Plc**

Nestle Nigeria plc is associated with the Nestle group, the single largest food company in the world renowned world-wide for its top quality products.

Nestle Nig plc began simple trading operation in Nigeria in 1961 and has today grown into a leading food manufacturing and marketing company. It is a publicly quoted company listed, since 1978, on the Nigeria stock exchange (now known as Lagos stock exchange) with about 19,500 Nigeria shareholder participation in approximately 43 percent of companies' equity.

About 57 percent of companies' equity is owned by Nestle S.A of Switzerland.

Nestle Nigeria plc manufacturing complex is located at Agbara industrial estate in Ogun state, occupying an area of sixteen hectares. The main production units were designed in line with modern manufacturing methods which ensure efficient production of the following products. Nestle Nutrend, nestle Cerelac maize and nestle Cerelac Chocolate, Nestle Goldenmorn, Nestle-Milo, Choco-Milo, Maggi cubes, Maggi chicken, magi crayfish, and maggi super onion flavour.

Nestle Nigeria plc obtains most of its agricultural materials (maize, soya beans and sorghum) locally from contract farmers and out-growers in a partnering arrangement that enable them benefit from the technical advice and assistance of the company's agricultural services department and at the same time guarantees to the company's continuous supply of raw materials that meet their high quality standards.

Nestle Nigeria plc employs a total number of 1,096 comprising 832 junior staff and 264 management and senior staff.

Nestle Nigeria plc markets its products far and wide as a consumer product manufacturer, its products has penetrated all corners of the states and the country in general. Its customers are cut across homes, hotels, parties, corporate organization.

Nestle Nigeria plc has its regional sales office in Lagos region, East region North-west region and North East region. It has its depot in Ibadan, Benin, Kaduna, Makurdi, Kano, Aba and Jos.

## **1.9 Definition of Terms**

**Distribution Structure:** This is a situation whereby all distribution processes are been arranged properly in order to get products from the producer to the consumers.

**Marketing Mix:** It is a situation where the company uses a blend of controllable marketing variables to achieve its objectives in the target market. This can be done through various means like pricing, promotion etc.

**Physical Distribution:** This task involves planning and implementing the physical flow of materials and final goods from the point of origin to the point of use or consumption.

**Product line:** It is defined as a group of products within a product mix that are closely related because they function in similar manner, are sold to the same customer or group of customers or their marketing are done through the same type of outlets.

**Consumer:** This refers to the final users in the chain of distribution.

**Strategy:** It can be defined as the set of decisions taken by management on how the business will allocate its resources and achieve sustainable competitive advantage in its chosen market.

## **CHAPTER TWO LITERATURE REVIEW**

### **2.1 Concept of Distribution**

Burton and Edward (2017), said “distribution refers to the network of channels and institutions that facilitates marketing exchange”. Though Schewe and Smith (2014) are of the view that distribution is not a matter of moving products into the hands of consumers only, it involves the movement of the products through all stages of development from resources to procurement through manufacturing to final sales.

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

Bagozzi Chen, & Hsueh, (2012) assert that intermediaries create savings, which becomes more dramatic as the number of producer-consumers increases.



Armstrong and Kotler (2018) pointed out that intermediaries play an important role in matching supply and demand, while Waxman (2016) argued that by servicing the thousands of indirect partners who were the customers, midrange distribution added true value. The distribution channel of consumer goods is further sub-divided into four channels.

## **2.2 Channel of the Distribution Chain**

There is need to analysis the two (2) channels of distribution member the wholesales and the retailers. The wholesalers sales the product in bulk to the retailers.

Mc Daniel (2002) said it is hard to develop an all-encompassing definition of wholesaling. But he knows that a wholesaler is an institution located somewhere within the channel system not at either end of the system. Wholesaling is vital link in many channel systems. To understand the role better, you should look at the wholesalers principally as members of the channel rather than separate entities.

Carthy (2000) defined wholesaling as concerned with the activities of those persons or establishment which sells to retailers and do their merchants and do not sale significant amount to the ultimate consumers. It should be noted that producers who take over wholesaler's function are considered wholesalers. Wholesaling is a middleman activity when a

manufacturer goes direct it must be assured as making functions that an independent wholesaler might provide.

### **Function of Wholesaling**

According to Bells (2004) Wholesalers may perform certain function for both their non-customers and their supplies in short for those above and below them in a channel. The wholesalers function are collaboration of the basic marketing function, buying, selling, grading, storing, transporting, financing risk taking and gathering market information keep in mind that these functions are provided by some but not all wholesalers.

- i. Anticipate need: The forecast customers demand and buy ace.
- ii. Regroup goods: The wholesalers provide at lowest cost and sometimes for his customers at the lowest possible cost.
- iii. Carry stock: The wholesalers carry inventory relieving customers of necessary to fall inventory.
- iv. Deliver: The wholesalers frequently have transportation facilities and can provide prompt delivery services at low cast. Speed may be essential to keep factory production line rolling or to satisfy retail customers.

- v. Grand credit: the wholesalers are traditionally known to have extending credit to many customers sometimes for several months. The financing function may be important to small customers and sometimes the reason why they buy from wholesalers rather than directly from the producers. Generally the smaller dependent is on the wholesalers.
- vi. Provide importation and advisory services: the wholesalers and the sales force may be specialist in the product in which they sale. They are in position to provide price and technical information as well as suggesting on how to install and sale products.

### **2.3 Distribution Strategy**

Distribution of products usually involves some form of vertical systems where transaction and logistics responsibilities are transferred through a number of levels. The type of distribution systems in food company firm's needs is influenced by the buying system they use, the number of depots it has, the geographical dispersion of the depots and the characteristics of the merchandise carried. Many companies do not sell their products directly to end users. In mass production and consumption industries in particular, many manufacturers rely on distributors, representatives, sales agents, brokers, retailers or some combination of these intermediaries to distribute

their products (Hughes & Ahearne, 2019). These intermediaries (distributors) perform a variety of functions and constitute a marketing channel, that is also referred to a trade channel or distribution channel (Kotler& Keller, 2018). The importance of distribution strategies has grown in recent years, largely due to increased size, improved level of product knowledge, technical competence, specialization and various other factors (Kalafatis, 2015).

Distribution is all about getting your products/services to the right people at the right time with special consideration for profit and effectiveness. Successful marketing does not end when a business has developed a product/service and has found its appropriate target audience with a view to selling it at the 'right price (Global Research Society, 2014). The next issue that needs to be faced is how manufacturers are going to distribute and sell these products/services to the consumers. When a product/service is purchased by a consumer, it may have been bought directly from the business itself, or it may have been bought through a number of intermediaries (Hunt & Nevin, 2018).

In a typical distribution strategy for consumer goods, for example, manufacturers sell to retailers, which sell to consumers in markets. Retailers break bulk, holds inventory, provide shelf space, create promotional displays

and advertising, create one-stop-shopping convenience and a pleasant shopping environment, all of which increases demand for the manufacturer's product (Desiraju and Moorthy, 2017). Retailers gain a central position in many industries thanks to their increasing degree of concentration and internalization, successful launching of retailer brands and by controlling more and more of the value-adding functions with the distribution supply chain (Elg, 2013).

Distribution in the manufacturing sector for instance involve handling and moving of physical goods within industrial firms and through channel systems (McCarthy, 2018). It also involves the planning and implementation of physical flow of materials and final goods from the point of production to the point of use to meet consumer needs at a profit on the side of the marketer (Gong, Law, Chang & Xin, 2019). A distribution channel is a set of interdependent organizations that help make a product available for use or consumption by the consumer or business user. Armstrong and Kotler (2013) defined distribution channel as a set of inter-dependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business buyer. Researchers have credited distribution channels with the following roles; information gathering and distribution of marketing research and intelligence information, physical

distribution negotiation (Ndubisiet al., 2013; Sawhney, 2011). Bagozziet al., (2018) categorizes the distribution functions into three: functions for customers; functions for producers; and functions for both customers and producers.

Channel distributors are firms or individuals such as wholesalers, agents, brokers or retailers who help move a product from the producer to the consumer or business user. In this review two types of channels are identified- for consumer goods and organizational goods. The existence of distribution strategies has helped to make society more efficient in resource allocation. Most producers use intermediaries both to acquire raw materials for production and to bring their products to market. They try to forge distribution strategies to facilitate the process of making a product or service available for use or consumption by the consumer or business user (Henderson, Dooley & Akridge, 2019). Bagozziet al., (2012) assert that intermediaries create savings, which becomes more dramatic as the number of producer consumer's increases.

Armstrong and Kotler (2013) pointed out that intermediaries play an important role in matching supply and demand, while Waxman (2018) argued that by servicing the thousands of indirect partners who were the customers, midrange distribution added true value. Distribution of products

usually involves some form of vertical system where transaction and logistics responsibilities are transferred through a number of levels, Ian (2015).

Davidson (2019) argued that distribution is part of merchandising and must be considered in any merchandising system. Distribution management involves; merchandise replenishment, transportation management and distribution center facilities management. The type of distribution system Needle company needs is influenced by the buying system the food company uses, the number of stores the Nestle Company has, the geographic dispersion of the stores, and the characteristics of the merchandise carried. Some of the distribution systems employed by the retailing companies are; Store direct systems, vendor pre-pack through distribution center systems, the stocking distribution center system, multiple and master/ satellite distribution center system: Store direct system, in this system the merchandise is delivered directly from the vendor to the individual stores, although the merchandise can be ordered at the store level by the central merchandising staff.

It is appropriate for high fashion content, significant seasonal fluctuations or high bulk such as paper. Stocking distribution center system employs the distribution center much as a depot. Merchandise is sent from the depot to

the individual stores, allocated either by the central headquarters staff or as requisitioned by the store personnel. This system normally reduces costs of goods sold from the vendor because merchandise is ordered and sent to the distribution center in large quantities. Distribution strategy explains the way products are delivered to end customers (Hooley, Piercy & Nicoulaud 2018). Choosing the right distribution strategy is one of the most important choices for marketing and has serious impact on business' future success. Regardless of what the product or service is, providing it in the right place at the right time outweighs all other marketing efforts.

The distribution strategy is a system that helps to bring products from manufacturer to final customer (Zikmund & d'Amico 2016). Companies use distribution strategies to ensure that their product reaches customers at the right time and at convenient location. Distribution channels involve intermediary organizations that help in a process of delivering products to end customers. Channel level is a layer of intermediaries that are involved in process of perform channel tasks (Kotler, Armstrong, Wong & Saunders, 2018). Creating a distribution strategy involves picking the right intermediaries, ensuring that products are shipped quickly in correct quantities and flawless quality and taking care of product delivery within set deadlines (Thompson & Soper 2017). Selecting the distribution strategy or



channel is the first step to manufacturers in choosing how their products will be sold to their end customers, which is a crucial decision for company to make.

### **2.3.1 Personal distribution strategy**

Kotler (2016) study observed that marketing and personal product distribution plays a critical role in the company's strategic planning process. Marketing prepares quality plans to implement business strategies which lead to sustainable competitive advantage. Kombo (2017) found that the economic reforms in the country such as liberalization forced firms in the motor industry to develop new strategies such as improved customer service. A variety of approaches has been taken to distribution channels, but distribution structure and intensity has received little attention in academic research (Rodriguez et al., 2015). Marketing researchers are more concerned with management issues like power, conflict, satisfaction and performance (Gaski 2016). Few empirical studies were conducted to study distribution intensity and structure. Most of ideas concerning channel design issues are underlying and theoretical that predicts the choice of channel based on some factors. Although these constructs have been well accepted by marketing scholars, empirical research has to be done to confirm these assumptions and

to find new factors determining the channel choice (Frazier and Lassar, 2016).

### **2.3.2 Online distribution strategy**

Becherer and Halstead (2014) conducted a study on Characteristics and internet marketing strategies of online auction sellers. The research examined the internet auction phenomenon as it relates to the marketing mix of online auction sellers defining a totally new and unique distribution alternative. The data in the study indicated that, whilst there is great diversity among businesses that utilize online auctions, distinct cost leadership and differentiation marketing strategies are both evident. These two approaches were further distinguished in terms of the internet usage strategies employed by each group. Mahalingam (2019) in his work he made an attempt to find out the effectiveness of the distribution network, IT experts, number of computers and suggested ways to improve it. The study has concluded that the company needs a wider distribution network so as to increase the sales. Oliver (2019) study pointed the importance of sellers' attitudes towards alternative distribution channels in their use of intermediaries such as eBay. Established relationships with retailers often hold back firms from going online, as well as the fear of losing control. For

example, both Pioneer and Maytag, in efforts to maintain their positive relationships with distributors, chose not to sell via online auctions.

The fastest growing form of direct distribution is online-marketing or selling products through Internet. Internet connects customers and producers around the world and therefore increases market opportunities for companies. Most of the companies have their own websites and provide customers with opportunity to buy their products online (Kotler et al. 2018). Direct distribution means that products are distributed directly from manufacturer to consumer. Companies sell their products directly to customers at customer's home, over phone, on internet or at any other public place (Raatikainen, 2018). Distributing through internet, catalogues and telesales saves costs of maintaining retail stores and utilities and improves speed of delivery and logistics functions within the channel. Direct distribution also gives companies better access to buyers and selling through internet lets them access markets even on global level (Kotler et al., 2018)

The fastest growing form of direct distribution is online-distribution or selling products through internet. Internet connects customers and producers around the world and therefore increases market opportunities for companies. Most of the companies have their own websites and provide customers with opportunity to buy their products online (Kotler et al.,2018).

Companies are able to place wider selection of products and more specific details about products on the internet. Most importantly, it also enables companies to collect information about clients and their shopping behavior which can support their further marketing activities and product selection (Levy & Weitz 2019).

Customers benefit from online shopping by having the convenience to browse through the products and make sales decisions without time and place limitations, such as store opening hours or distance to shopping mall. Customers receive greater selection of products and more information about product functions online. Internet also offers customers opportunity to browse similar products and compare functions and prices. Internet provides customer with greater control over deciding on desired products and browsing only the websites they want to visit (Kotler et al., 2018).

## **2.4 Customer satisfaction**

Customer satisfaction is increasingly becoming the major concern of most organizations today (Gianforte, 2013). In the twenty first century, globalization has enhanced the modern business environment and customer satisfaction, and provided a fair play for marketing and business practice. Businesses are becoming more customer-oriented owing to the realization

that customer retention and loyalty are fundamental aspects of business survival (McCullough, Berry & Yadav, 2018).

Global marketing concepts have placed an emphasis on the delivering of satisfaction to customers and the realization of profits through enhanced customer acquisition and retention. In fact, customer satisfaction contributes to the realization of customer loyalty for organizations in the current multi-competitive global business milieu (Oh, 2017).

Kotler (2013) argues that customers increasingly expect high quality, service and some customization. They perceive fewer real product differences and show less brand loyalty. They can obtain extensive product information from the internet and other sources, permitting them to shop more intelligently. Customer satisfaction has fundamental importance in business growth and competitive advantage in the increasing global economy.

According to Cengiz (2014), organizations that form marketing mix components do realize customer loyalty and satisfaction. The simple act of appreciating the customers' expectations does enhance customer satisfaction. Therefore, maintaining customers' relationship is one of the key aspects of organizational growth. Equally,

Anderson and Mary (2018), argue that customer satisfaction is a result of well-maintained relationships between the client and the organization. In the

food industry, customer retention and acquisition is so difficult due to the high levels of substitute products in any given market (Dapkevicius & Melnikas, 2019).

Brujin (2011) contends that the food production industries all over the world are also struggling to retain their customers in an increasingly competitive market. Therefore, customer satisfaction in this industry will be attained by considering the availability of the product at the 'right place', at the 'right time' which is only achieved through organized distribution strategies. Food distribution is a service business and the most important part in the business is making sure that customers are satisfied by get the 'right product' at the 'right time' in the 'right way' and with the 'right attitude' from the driver and the sales team in general. Kotler (2013), companies must thinking more than assuming that growth is realized only by marketing, sales and customer support personnel but more so through recognizing that every employee must be customer focused. Due to major societal forces such as technological advances and globalization new consumer behaviors and challenges has emerged.

Kotler (2013) argues that customers increasingly expect high quality service and customization. Kotler (2013) argues that today's customers are able to access objective information on competing brands, cost, prices, features and

quality without necessarily consulting the manufacturer. In most cases the customers are able to dictate what customized product they want, how much they are willing to pay, how they want it delivered and then wait for the most aggressive sellers to respond. The result is the dramatic shift of economic power from the alcoholic distributors to consumers. Marketers are thus changing their philosophical concepts and tools in order to survive during this competitive era. They are now diverting their focus from transactions building to long term profitable customer relationships, from gaining market share to building customer share by offering individualized, customized messages and offers. Manufacturers have moved from treating intermediaries as customers to treating them as partners in delivering value to the end consumer.

Lewinson and Dolozier (2012) argues that a crucial problem that affects Nestle company companies is getting the products into the store. The problem involves inventory control, overstocking, increased carrying costs and delayed lead times. This may eventually lead to stock-outs and thus dissatisfied end consumer. The Nestle Company distributors therefore must consider transportation and handling cost, delivery time, the reliability of delivery service keenly to avoid those shortfalls. The link between entrepreneurship and distribution is that any production without effective

distribution system is useless because the produced goods do not gain any utility until the final consumer derives some level of satisfaction after using them. Before deciding on distribution strategy, company must know their goals and what they expect to achieve by distribution strategy.

Distribution objectives can be related to increasing market share, profits or sales volume, or they can also refer to product, e.g. minimizing its shipping costs or making product visible for as many customers as possible. Regardless of what the distribution objectives are, the company must remember the convenience to customers; being able to deliver the product in the right place, time and quantities that customers prefer and at the minimal possible cost (Solomon, Marshall & Stuart 2019). Companies use intermediaries to add value to their products and to ensure that products will be closer to target market. Intermediaries usually have sales experience, networks and customer skills that can offer the company more value than they can achieve by doing everything on their own. Intermediaries also play an important role in matching supply with demand by taking on larger quantities of similar goods from producers and breaking them into smaller quantities desired by the customers, providing them to customers in right time and location (Kotler et al., 2018). Physical distribution involves planning, implementing and controlling of the process of getting the final



product to final customer in the right place and at the right time. The focus in marketing logistics has shifted from trying to find the most cost efficient solutions of bringing final goods to customers to customer-centered logistics which focuses on satisfying demand in the market and creating customer value by fast delivery, improved service and reasonable prices (Kotler et al., 2018). The major physical distribution tasks are warehousing, inventory management and transportation. Each of these tasks needs to be managed to ensure proficient delivery of products (Kotler et al., 2018).

## **2.5 Theoretical Review**

A theoretical review is a collection of interrelated concepts. It guides researcher to determine what things to measure, and what statistical relationships to look for (Defee et al., 2010). A good research should be grounded in theory (Mentzer et al., 2018). The study was guided by theory of distribution channel, depot theory and system theory. These theories clearly explained the research in line with the study objectives

### **2.5.1 Theory of Distribution Channel**

Distribution is among the four element of the marketing mix, also called place, others Ps are; product, price and promotion. This theory states that each company in the demand channel must charge enough to pay expenses

and leave a profit (Johnson K, 2019). Knowing where you are in the channel helps in determining your cost and your mark-up needs. Distribution strategies are the intermediary organizations or channels that a product passes through before it is consumed or used.

Typically, these organizations are marketing or selling specialists and use economies of scale to bring success. In a context of industrial or consumer products, manufacturers differ on how they distribute their products to the consumer. Some of them distribute intensively (using a lot of intermediaries) or exclusively (directly to the consumer). The role of distribution is to provide for a company, the accomplishment of the task of delivering the product at the right time, place and quantity at a minimum cost (Bucklin, 2016). Although the distribution problem was one of the first issues analyzed by the marketing researchers in the beginning of the 20th Century (Bartels, 2015), the distribution problem has an enormous importance in the marketing literature and managerial contexts today. According to Stern and Reve (2013), channel theory is divided into two orientations; economic and behavioral approaches. First analyses the efficiency of the strategy, studying issues like channel design and structure. The latter is sociologically oriented, focusing on power, cooperation and customer satisfaction.

The structure of channels requires a set of strategic decisions (Iyanda, 2019). The first decision determines the appropriate intermediary type, e.g. wholesaler, retailer, franchise, broker, direct sales force. The second is distribution intensity that is, how many intermediaries to include and number of levels of a channel structure. The second strategic decision in a channel, distribution intensity, is a key element of the channel strategy (Scott, 2013), and often dictate all the channel structure influencing the type of intermediary, the coverage of the market, and the kind of distribution (direct or indirect).

This theory of distribution channel makes an attempt to link the effect of product distribution to consumer satisfaction and need for a particular type of good. This is applicable to our study where we are trying to understand the best distribution strategies for alcohol beverages in Mombasa County that will ensure satisfaction of the customers.

### **2.5.2 Depot Theory**

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

Aspinwall's (2018) Depot Theory, goods move toward consumption at a rate established by the final consumer's need for replacement. As detailed in Aspinwall's (2018) Parallel Systems Theory, replacement rate is inversely related to gross margin, services required, search time and consumption time. Thus, knowing replacement rate provides knowledge of the other characteristics determining rate of flow. The question of which institutional depot (manufacturer, wholesaler, retailer, household, etc.) in the channel will hold and modify inventory is addressed by Bucklin's (2015) Theory of Postponement and Speculation.

Alderson (2015) developed the postponement part, arguing that changes in modifying products and stocking inventory should be postponed to the latest possible point in the marketing flow because of reduced risk. Bucklin (2015) added the corollary theory of speculation that changes in form and holding inventory should be made at the earliest possible point in the marketing flow to take advantage of economies of scale. Thus, speculation takes advantage of the lower costs of modifying goods early to obtain economies of scale resulting in mass production, while postponement deals with reducing risk by modifying goods at the latest point for segmented demand resulting in today's mass customization. Depot theory attempts to explain how to fast move goods (product distribution) to meet the customers demand. This

theory relates to our study as it will attempt to identify the best distribution channels (strategies) to distribute products to the customer within a short period of time.

### **2.5.3 System Theory**

Physical distribution can be viewed as a system of components linked together for the efficient movement of products. Using a system approach to describe physical distribution, the components include; customer service, transportation, warehousing, order processing, inventory control, protective packaging and materials handling. These components are interrelated, hence: decisions made in one area affect the relative efficiency of others. For example, a small business that provides customized personal computers may transport finished products by air rather than by truck, as faster delivery times may allow lower inventory costs, which would more than offset the higher cost of air transport. Viewing physical distribution from a system's perspective can be the key to providing a defined level of customer service at the lowest possible cost. This theory views our study as a system of distributors, wholesalers, retailers and customers controlled in one central system to facilitate efficient distribution of products to the consumers.

Online distribution strategy Becherer and Halstead (2014) conducted a study on Characteristics and internet marketing strategies of online auction sellers.

The research examined the internet auction phenomenon as it relates to the marketing mix of online auction sellers defining a totally new and unique distribution alternative. The data in the study indicated that, whilst there is great diversity among businesses that utilize online auctions, distinct cost leadership and differentiation marketing strategies are both evident. These two approaches were further distinguished in terms of the internet usage strategies employed by each group. Mahalingam (2019) in his work he made an attempt to find out the effectiveness of the distribution network, IT experts, number of computers and suggested ways to improve it. The study has concluded that the company needs a wider distribution network so as to increase the sales.

Oliver (2019) study pointed the importance of sellers' attitudes towards alternative distribution channels in their use of intermediaries such as eBay. Established relationships with retailers often hold back firms from going online, as well as the fear of losing control. For example, both Pioneer and Maytag, in efforts to maintain their positive relationships with distributors, chose not to sell via online auctions. The fastest growing form of direct distribution is online-marketing or selling products through Internet. Internet connects customers and producers around the world and therefore increases market opportunities for companies. Most of the companies have their own

websites and provide customers with opportunity to buy their products online (Kotler et al. 2018). Direct distribution means that products are distributed directly from manufacturer to consumer. Companies sell their products directly to customers at customer's home, over phone, on internet or at any other public place (Raatikainen, 2018).

Distributing through internet, catalogues and telesales saves costs of maintaining retail stores and utilities and improves speed of delivery and logistics functions within the channel. Direct distribution also gives companies better access to buyers and selling through internet lets them access markets even on global level (Kotler et al., 2018). The fastest growing form of direct distribution is online-distribution or selling products through internet. Internet connects customers and producers around the world and therefore increases market opportunities for companies. Most of the companies have their own websites and provide customers with opportunity to buy their products online (Kotler et al., 2018). Companies are able to place wider selection of products and more specific details about products on the internet. Most importantly, it also enables companies to collect information about clients and their shopping behavior which can support their further marketing activities and product selection (Levy & Weitz 2019). Customers benefit from online shopping by having the

convenience to browse through the products and make sales decisions without time and place limitations, such as store opening hours or distance to shopping mall.

Customers receive greater selection of products and more information about product functions online. Internet also offers customers opportunity to browse similar products and compare functions and prices. Internet provides customer with greater control over deciding on desired products and browsing only the websites they want to visit (Kotler et al., 2018).



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The study adopted the research design which is a survey tool for analysis. It enabled the researcher to make an assessment on the effect of channels of distribution on sales of consumer goods. The quantitative design also ensures that data were collected from respondents by carrying out a sample survey. That is, the use of questionnaires in getting the desired information from the respondents.

#### **3.2 Population of the Study**

The population refers to entire population under consideration from the sample that was taken. In the case of this research work, the research population of Nestle Food Nigeria Plc Kaduna that is management and staff were two hundred (100) staff.

#### **3.3 Sample Size and Sampling Technique**

Sampling is the act of covering information from selected few out of the whole population which the conclusion can be drawn relating to the whole, the researcher adopted a sampling random sampling. Out of the research population of 100 staff, 80 staff of Nestle Food Nigeria Plc, Kaduna is selected from the whole as sample size of the population.

### **3.4 Methods of Data Collection**

The instrument used in finding information on the research work reflects the nature of subject matter under the study. The data were gathered using questionnaire method. For convenience purpose and open ended questionnaire were used. A five point Likert scale that ranged from strongly disagrees to strongly agree was used. Mugenda and Mugenda (2012) explain that research procedures refer to a detailed description of the steps taken by the researcher to conduct the study. For this study, the draft questionnaire was developed first

### **3.5 Justification of the Instrument Used**

The researcher took the compress of questionnaire to the respondent personally so that they will not get missing the transit. The researcher decided to use this technique to make sure the questionnaire was given to the staff and we collected immediately on completion.

### **3.6 Method of Data Analysis**

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

El  $X^2$  = chi square

Where

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

$O_i$  = observed or actual value

$e_i$  = Theoretical or expect value.

To obtain the expected frequency the total number of respondents will be divided by the number of categories. Degree of freedom (DF) is computed by deducting one from both the horizontal and from both and calculating the product. The research place 9% level of confidence in the level at 5% level of significance Decision Rule Accept  $H_0$ : if  $x^2_c > x^2_t$ . Reject  $H_0$ : if  $x^2_c < x^2_t$ .

### **3.7 Justification for the Method Used**

The researcher considered chi-square method more reliable and suitable because it will enable the researcher to analyze the data collected and draw the necessary findings of the study. Chi-square method is also considered more reliable because it enables the researcher to make a decisive decision on the two variables in the subject matter.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Introduction

This chapter presents the data obtained from the respondents through the administered copies of questionnaire. One hundred and two (100) were administered among the selected population. However, eighty (80) copies of questionnaire were retrieved. Therefore, the analysis and interpretation of data were only based on the returned copies of questionnaire. The validity and reliability of this study is highly ensured, despite the number of copies of questionnaire not returned. The method applied is simple percentage and chi square is used for the test of hypotheses.

#### 4.2 Data Presentation and Analysis

**Table 4.1:** Sex Distribution of the Respondents

<b>Sex</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	42	52.5
Female	38	47.5
<b>Total</b>	<b>80</b>	<b>100</b>

*Source: Field Survey, 2022).*

Table 4.1 presents the data on the sex distribution of the respondents used for the study. Form the table, 42 (52.5%) of the respondents were male while 38 (47.5%) were female.

**Table 4.2: Age Distribution of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percentage (%)</b>
21-30	40	50
31-40	28	35
41 & above	12	15
<b>Total</b>	<b>80</b>	<b>100</b>

*Source: Field Survey, 2022*

From the above table 4.2, the analysis shows that 40(50%) of the respondents were within the age bracket of 21 – 30 years, while 28 (35%) of the respondents were aged 31 – 40 years and the remaining 12(15%) of the respondents were 41 years and above. The implication of this age distribution is to enable us to check if the questionnaire was directed to the right age group.

**Table 4.3: Marital Status**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Single	52	65
Married	16	20
Divorced	12	15
<b>Total</b>	<b>80</b>	<b>100</b>

*Source: Field Survey, 2022*

Table 4.3 above shows that 52(65%) of the respondents are single, 16(20%) are married while 12(15%) were divorced. That shows most of the respondents are single.

**Table 4.5: Level of Education**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage (%)</b>
SSCE	8	10
ND/Cert	20	25
HND/B.Sc	40	50
Others	12	15
Total	80	100

*Source: Field Survey, 2022)*

The above table gives the level of education of the respondent that 8(10%) are SSCE holders, 20(25%) are ND holders and 40(50%) are HND/B.Sc. while 12(15%) are others which indicate that respondent with HND holder has the most percentage.

**Research Question 1: What are the channels of distribution of Nestle Food Nigeria Plc?**

S/N	Variables	SA	A	UD	D	SD	Total	Mean	Remarks
1.	Online distribution channels which enables to collect information about clients and their shopping behavior which can support further product distribution	100	10	36	28	8	276	3.5	Agreed
2.	Retailer distribution channels which take on assortment of goods that is convenient for customers looking for different type of products	180	96	24	8	8	316	4.0	Agreed
3.	Depot distribution channels that ensure of product availability because large quantities are distributed	140	128	30	8	6	312	3.9	Agreed
4.	Direct Distribution Channels which consumer can compare functions and prices of similar products by other distributors	150	12	30	14	3	317	4.0	Agreed

*Source: Field Survey, 2022*

The table above display the means score of 3.5 showing agreed that the online distribution channels which enables to collect information about clients and their shopping behavior which can support further product distribution. Variable 2 indicate the mean score of 4.0 which implies that the Retailer distribution channels which take on assortment of goods that is convenient for customers looking for different type of products Variable 3 had the means score of 3.9 which agreed reveals that Depot distribution

channels that ensure of product availability because large quantities are distributed while Variable 4 means score reveal that 4.0 which agreed that Direct Distribution Channels which consumer can compare functions and prices of similar products by other distributors.

**Research Question 2: What is the mode of distribution used by Nestle Food Nigeria Ltd., Kaduna?**

S/N	Variables	SA	A	UD	D	SD	Total	Mean	Remarks
1.	Online distribution connects to customers around the world increasing market opportunities for companies	200	80	12	24	4	320	4.0	Agreed
2.	Direct distribution gives companies better access to buyers	210	12	12	4	2	348	4.4	Agreed
3.	Customers' feedback and response can get on their products through direct distribution	150	80	30	40	0	300	3.8	Agreed
4.	Direct distribution improves speed of delivery and logistics functions within	220	88	12	8	6	334	4.1	Agreed
5.	Customers are able to browse through the products and make sales decisions without time and place limitations	240	96	0	8	4	348	4.4	Agreed
6.	Online distribution gives customers all marketing power, as it operates for customers benefit	100	160	0	28	6	294	3.7	Agreed

*Source: Field Survey, 2022*

The table above display the means score of 4.0 showing agreed that the online distribution connects to customers around the world increasing



market opportunities for companies. Variable 2 indicate the mean score of 4.4 which implies that the direct distribution gives companies better access to buyers. Variable 3 had the means score of 3.8 which agreed reveals that Customers' feedback and response can get on their products through direct distribution Variable 4 means score reveal that 4.1 agreed indicate that direct distribution improves speed of delivery and logistics functions within, while Variable 5 also gives the means score of 4.4 which also indicate agreed that customers are able to browse through the products and make sales decisions without time and place limitations and variable 6 gives the means score of 3.7 which agreed that online distribution gives customers all marketing power, as it operates for customers benefit.

**Research Question 3: What effect is the distribution strategy has on consumer satisfaction?**

S/N	Variables	SA	A	UD	D	SD	Total	Mean	Remarks
1.	Ensuring that the products are of high quality to meet customer's demands	150	16	0	12	2	332	4.2	Agreed
2.	The type of distribution strategy determine availability of the products thus affecting customer's satisfaction	170	96	24	8	8	310	3.9	Agreed
3.	Customer satisfaction has fundamental importance in business growth and competitive advantage	250	80	6	8	4	348	4.4	Agreed
4.	Availability of substitute products affects customer retention	120	144	36	4	6	310	3.9	Agreed
5.	Consider tastes and preferences to satisfy the customers intention	125	80	36	26	10	277	3.5	Agreed
6.	Distribute different brands to increase customer satisfaction	140	140	39	4	0	331	4.1	Agreed

*Source: Field Survey, 2022*

The table above display the means score of 4.2 showing agreed that ensuring that the products are of high quality to meet customer's demands. Variable 2 indicate the mean score of 3.9 which implies that the type of distribution strategy determine availability of the products thus affecting customer's satisfaction. Variable 3 had the means score of 4.4 which agreed reveals that Customer satisfaction has fundamental importance in business growth and competitive advantage. In variable 4, the means score reveal that 3.9 agreed

Availability of substitute products affects customer retention, while Variable 5 gives the means score of 3.5 which also agreed that considering the tastes and preferences to satisfy the customers intention and variable 6 gives the means score of 4.1 which agreed that Distribute different brands to increase customer satisfaction.

### 4.3 Test of Hypothesis

In this part of the chapter, the researcher intends to highlight the major trust of the research it therefore the researcher will use the available data to test the validity of the hypothesis proposed in this study. For the purpose and objective of this study. For the chi-square ( $X^2$ ) method will be adopted to investigate “financing small scale industries in Nigeria” a case study of Nestle foods Nigeria Plc in particular.

#### Hypothesis One:

H<sub>0</sub>: Distribution Channels have significant impact of sales of consumers’ goods in Nestle Foods Plc

	<b>Sum of squares</b>	<b>Df</b>	<b>Mean square</b>	<b>F</b>	<b>Sig</b>
Distribution channel	3242.5081	2	1794.190	4.742	.015
Sales of consumer goods	5734.279	78	272.280		
Total	67438.800	80			

*Source: Field Survey, 2022*

The test table reveal that wide significance value (F. sig<.05) indicate group differences. Since the F- value of 4.742 which has a significance of .015 is less than .05 (i.e .001<.05), there no difference among the variables. Therefore, there is significant relationship between distribution channels and sales of consumer goods.

**Hypothesis Two:**

H<sub>1</sub>: Distribution Channels does not have significant impact of sales of consumers’ goods in Nestle Foods Plc

	<b>Sum of squares</b>	<b>Df</b>	<b>Mean square</b>	<b>F</b>	<b>Sig</b>
Distribution channel	4738.324	2	2418.162	2.233	.009
Sales of consumer goods	6598.476	78	388.146		
Total	67438.800	80			

*Source: Field Survey, 2022*

It is discover that in the F-statistics column the value for F is 2.233, while its probability is 0.009 since its probability is less than 0.05% desired level of significance, we reject the null hypothesis and accept alternative hypothesis, which states that there is significant relationship between distribution channel and sales of consumer goods.

## **CHAPTER FIVE SUMMARY, CONCLUSION AND RECOMMENDATION**

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

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

It's therefore discovered that to the organisation and discovered that due to these problems that the satisfactions of the consumers the sales and the relation of the middlemen have been effected. In the findings consumers also suggested that some members of the channels should erase out of the channel so that the conflict will be reduced within the channel.

### **5.2 Conclusion**

Based on the findings above the study concludes that retail distribution strategy, depot distribution strategy and online distribution strategy customer satisfaction in Nestle Foods Nigeria Plc, Kaduna. The study concludes that retail distribution strategy, depot distribution strategy, and online distribution strategy have an active and direct role in customer satisfaction.

The retail and online distribution strategies were found to have more influence on customer satisfaction.

Many manufacturing companies have long looked upon distribution channels as “customers” and rarely bothered to look beyond. Yet the primary purpose of the distribution channel is to satisfy customer/end-user needs, and intermediaries are conduits to effect this goal. The profit margin derived by channel members in distributing the company’s products is very low. This sometimes makes them reduce the level of inventory carried and switch for other competitive products.

In the distribution of the company products time is important factor, the firms must consider. This means the consumer does not have to retail identification for the products as this might discourage him or her and possible switch over to a competitive brand. In this regard the producer is left to decide which channel will enable him make his products available at reasonable price. Never the less, the company is force to achieve its objectives.

### **5.3 Recommendations**

Based on the research findings, the study recommends that the alcohol beverages sector should focus on customer satisfaction by adopting appropriate distribution strategies. The research has come up with the

following suggestion and recommendations. It would go a long way in solving these persistent distribution problems.

- i. The company management should constantly ensure that production is at its peak, so that the company can conveniently march demand with adequate supply. This will not only enhance profit maximization and the substance of market share, but also cope with the competitive trend in the market.
- ii. The appointment of distributors should be based on a well laid down policies and procedure like finance, warehouse geographical coverage and other present day nature of feelers appointment.
- iii. The company is advised to dissolve the present set of its channel members that are causing conflict within and new selection of channel member to held for new one.
- iv. A constant modification innovation and evaluation of the distributions and other middlemen should be carried out to check their performance. Therefore sermnanes and sodium be continuously organized to remind the staff of their roles on partner in progress as well as getting the informed of the company changing polices.
- v. The company should continuously maintain the good quality of the products or protect their competitive edge.

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## **APPENDIX**

Department of Management Studies  
College of Business and Management Studies  
PMB 2113, Kaduna  
Kaduna Polytechnic, Kaduna.

Dear Sir/Madam,

### **LETTER OF INTRODUCTION**

I am a final year HND II student in Department of Management Studies, studying Production and Operations Management (POM) Kaduna Polytechnic, Kaduna. I am currently undertaking a project work on the topic “*Effect of Channel of Distribution on sales of Consumer Good (A study of Nestle Food Nigeria)*”. In partial fulfillment of the award of Higher National Diploma in Production and Operations Management.

I therefore solicit for your kind understanding in answering any relevant questions may apply to you. All information supplied shall be strictly treated with confidentiality.

I am thanking you in anticipation of your cooperation.

Yours faithfully,

**Lydia Audu**  
**KPT/CBMS/19/52418**

## QUESTIONNAIRE

All information provided will be treated in snick confidence. Please tick [ ✓ ] in the box provided for the answer of your choice

### Section A: Bio Data

1. Sex:
  - a. Male [ ]
  - b. Female [ ]
  
2. Age:
  - 21-30
  - 31-40
  - 41 and above
  
3. Marital Status?
  - a. Married [ ]
  - b. Single [ ]
  - c. Divorced [ ]
  - d. Widow/Widower [ ]
  
4. Educational qualification of respondents
  - SSCE or equivalent [ ]
  - OND/Diploma/NCE [ ]
  - Degree/HND [ ]
  - Masters and above [ ]

**Research Question 1: What are the channels of distribution of Nestle Food Nigeria Plc?**

<b>S/N</b>	<b>Variables</b>	<b>SA</b>	<b>A</b>	<b>UD</b>	<b>D</b>	<b>SD</b>
1.	Online distribution channels which enables to collect information about clients and their shopping behavior which can support further product distribution					
2.	Retailer distribution channels which take on assortment of goods that is convenient for customers looking for different type of products					
3.	Depot distribution channels that ensure of product availability because large quantities are distributed					
4.	Direct Distribution Channels which consumer can compare functions and prices of similar products by other distributors					

**Research Question 2: What is the mode of distribution used by Nestle Food Nigeria Ltd., Kaduna?**

S/N	Variables	SA	A	UD	D	SD
1.	Online distribution connects to customers around the world increasing market opportunities for companies					
2.	Direct distribution gives companies better access to buyers					
3.	Customers' feedback and response can get on their products through direct distribution					
4.	Direct distribution improves speed of delivery and logistics functions within					
5.	Customers are able to browse through the products and make sales decisions without time and place limitations					
6.	Online distribution gives customers all marketing power, as it operates for customers benefit					

**Research Question 3: What effect is the distribution strategy has on consumer satisfaction?**

S/N	Variables	SA	A	UD	D	SD
1.	Ensuring that the products are of high quality to meet customer's demands					
2.	The type of distribution strategy determine availability of the products thus affecting customer's satisfaction					
3.	Customer satisfaction has fundamental importance in business growth and competitive advantage					
4.	Availability of substitute products affects customer retention					
5.	Consider tastes and preferences to satisfy the customers intention					
6.	Distribute different brands to increase customer satisfaction					