

THE EFFECTS OF
PHYSICAL DISTRIBUTION MANAGEMENT ON
THE MARKETING OF SOFT DRINKS

A CASE STUDY OF
NIGERIAN BOTTLING COMPANY PLC,
OWERRI OPERATIONAL DISTRICT

BY

NDUDIM, IHEANYI J.
PG/MBA/95/18821

DEPARTMENT OF MARKETING
FACULTY OF BUSINESS ADMINISTRATION
SCHOOL OF POST-GRADUATE STUDIES
UNIVERSITY OF NIGERIA, ENUGU CAMPUS

JULY, 1997

ABSTRACT

The study recognises that NBC, Owerri operational district is faced with serious competition in the soft drink market. The company is worried because whereas a few major distributors in its district are over-stocked with the company products, others experience sporadic shortages from time to time which in turn give rise to non-uniformity in the prices of these products. This situation therefore deem it pertinent to assess the role played by effective physical distribution management on the marketing of soft drinks in NBC, Owerri operational district.

The objectives of the study are;

1. to evaluate the physical distribution effectiveness of NBC, Owerri operational district with a view to determining its effects on the marketing of soft drinks;
2. to identify the effects that deserve the most attention; and
3. to profer recommendations in line with our observations.

The specific problems to address are;

1. Does the company operate standard warehouses in Owerri operational district?

2. Are they satisfactorily located?
3. Is the mode of transportation appropriate?

Based on the problems, a total of four hypotheses were formulated.

The approach employed by the researcher in this study was purely emperical; survey method of data collection was also used while personal interview was adopted as supplementary to the questionnaire.

The study was designed to cover NBC, Owerri Operations district, which is made up of 7 depots (Orlu, Umuahia, Afikpo, Okigwe, Ohafia and Mgbidi). The sample size of 26 staff and 74 dealers/customers were drawn randomly from a total of 400 which is made up of 104 NBC staff and 296 dealers/customers. Two sets of close-ended structured questionnaire (ie one set for NBC staff while the other set was for dealers/customers) were administered among the staff of the NBC and the dealers/customers. Each set of the questionnaire has two sections. The questionnaire were used in gathering relevant data relating to the study.

The results collected and analysed from the questionnaire and oral interviews revealed the following;

1. NBC does not operate standard warehouses in Owerri Operational district.
2. The warehouses in Owerri district are not strategically located.

3. The company's mode of transport is not appropriate; and
4. The present physical distribution management practices of the company does not lead to a high level of physical distribution effectiveness of the company's products.

Based on these results, the researcher recommended that NBC, Owerri district should review its distribution strategy in moving its products to their dealers; increase its delivery trucks by buying more of it and also ensure repairs and maintenance of existing ones that broke down; ensure adequate availability of their products in the market as well as minimise problems of overstocking at their firm's warehouses amongst others.