BUSINESS STRATEGIES ADOPTED BY STOCKISTS ON THE SALE OF SPIRITS IN CENTRAL BUSINESS DISTRICT, NAIROBI KENYA

DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY

FRANCIS KARIUKI KAMENDI

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DECLARATION

This thesis is my original work and to my knowledge has not been presented to any other university or institution of higher learning for examination to the best of my knowledge.

Francis Kariuki Kamendi

B 211 – 003 – 0002 / 2012

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

This thesis has been submitted for examination with our approval as the University supervisors.

Supervisors

Dr Lilian Mwenda
Department of Business Management and Economics
Dedan Kimathi University of Technology

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

Dr Anita Wachira
Department of Business Management and Economics
Dedan Kimathi University of Technology

Signature..........................Date...............
ABSTRACT

The increasing number of consumers resorting to illicit brews and the effects of alcohol control Act of 2010 has negatively affected the sales of alcoholic spirits beverages in Kenya. This study sought to identify the business strategies adopted by stockists of alcoholic spirits to boost their sales in the Central Business District, Nairobi. The study aimed to achieve four objectives namely: Analyze the use of Cost Leadership business strategy on the Sales of Spirits by stockists; Evaluating the effects of differentiation business strategy on the sales of spirits; Assess how Focus business strategy can assists stockists increase their sales of spirit and; Explore the effect of Hybrid business strategy on the sales of spirits by the stockist. To achieve the objectives the study adopted a descriptive research designs where a survey was carried out among the stockists located within the central business district in Nairobi. The sample of the study consisted of 109 stockists drawn from a population of 150 stockists located within the Central Business District. A self administered questionnaire was used to collect data from the stockists. The collected data was analyzed to generate frequencies, percentages and mean. A regression model was generated to establish the relationship between the business strategies and the sales of spirits by the stockists. The results indicated that cost leadership business strategy, differentiation business strategy, focus business strategy and hybrid business strategy contribute 94.3% in sales of spirit by the stockists. The most important strategy was combining both cost leadership business strategy and differentiation business strategies (hybrid) to boost their sales. The second most important was cost leadership business strategy which included breaking bulk, purchase of stocks in bulk to attract discount from suppliers. The third important strategies was differentiation business strategy which included stocking a variety of products while focus business strategy was the least used in boosting the sales of spirit by stockists. Additionally United Distillers and Vintners (UDV) was found to be the main supplier of spirit products to the stockists within Central Business District, Nairobi.