

EXPLORING THE INFLUENCE OF PRODUCT NATURE ON FIRM PERFORMANCE: A PERSPECTIVE FROM KENYA'S SOFT DRINKS MANUFACTURING INDUSTRY

¹*Josephine Mutindi Kithu & ²John N. Kamau

Nazarene University

***Email of corresponding author: j.kithu@yahoo.com**

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ABSTRACT

Purpose of Study: The sought to establish the influence of nature of product on the performance of soft drinks in Nairobi Bottlers Company, Nairobi County. The study was anchored on resource-based view theory and theory of performance.

Problem Statement: Growth of a business sometimes complicates the process of moving products from manufacturers to customers. Business organizations must confront the issue of how to effectively optimize distribution logistics to meet customer demands. Most companies are recognizing that distribution strategy must be robust enough to handle current demand, while remaining flexible enough to react to changing market conditions and minimize business risk.

Methodology: The study adopted descriptive survey design to examine the relationship between the independent and dependent variables. Target population was 2345 people who include distribution department, whole sellers as well as retailers in the company. The study used stratified sampling technique to select groups of its subjects. Simple random sampling method was then used to select a sample size of 341 respondents. Data analysis was done using descriptive as well as inferential statistics. This was done via Statistical Package for Social Sciences (SPSS).

Result: The findings revealed that nature of product had a positive and significant influence on the performance of Nairobi Bottlers in Kenya ($\beta = .382$, $p = .000 < .05$).

Conclusion: The nature of product has a significance influence on performance of Nairobi Bottlers Company Limited, this evidently implies that taking care of nature of product enhances performance of the company.

Recommendation: Firms should ensure that the products they produce take into account the various aspects associated products to enhance their competitiveness and this will in turn assist firms to perform.

Keywords: *Product Nature, Firm Performance, Soft Drinks Industry, Resource-Based View Theory, Nairobi Bottlers Company*

INTRODUCTION

A functioning distribution determines the efficiency and movement of products from place of production to the end users, this is coupled with techniques and principles of management which are meant to improve distribution speed (Xiong, 2021). According to Bobokhodjaev (2021), logistics is the process of planning, implementing efficient control, with effective cost and effective distribution of products from point of origin to the end user, with the main aim of satisfying customer requirements. The system of distribution logistics is focused on overcoming the barriers in space and time, from transportation and storage, the delivery of goods and services to the end user. The nature of product has the ability to affect performance of distribution logistics within companies (Xiong, 2021). The various aspects of the product may enhance or diminish the ability of distribution logistics to meet customer expectations. These aspects include shape, unitization of product, weight of product as well as product range, product perishability and form of product. Product shape and weight affects vehicle capacity unitization plus equipment required for its handling during distribution process. Light products are easier for human handling during loading and offloading of delivery trucks.

According to Senthil and Muthukannan (2021), unitization of products pertains to the batches in which a product is packaged. For units distributed to the customers in homogeneous packages, the time required for the verification of the quantities dispatched or received is much easier. This in turn reduces the delivery time as picking, order assembly and dispatch time is reduced. This again reduces exposure to destruction of goods in transit (Gupta, 2021). Product perishability relates to how quick that same product retains or losses its quality (Cao & He, 2021). Easily perishable products require specialized handling during the storage and transportation process which may increase the cost of distribution as well as destruction of the product (Burke, Zhang & Wang, 2021). Product range on the other hand is the number of differentiated products available for distribution to customers. The range of a product may also have an influence on the performance of production companies as it affects time required for material handling which involves receiving, stacking, picking, order assembly and even dispatch (Burke, Zhang & Wang, 2021). The form of a product pertains to the state in which the product appears, such as solid, liquid or gas form. The form of a product has several aspects which also influence performance of production companies. Product form is sometimes subject to specialized handling when loading, off-loading and even storage as form (Choi, Narayanan, Novak, Olhager, Sheu & Wiengarten, 2021).

Distribution logistics functions make important paradigm shifts of modern business management where individual businesses no longer compete independently but succeed within other existing distribution strategies (Tien, Anh & Thuc, 2019). Businesses today are operating on a competitive environment where the ultimate success of the business is dependent on management's ability to integrate the company's business network relationships. The competitiveness of distribution logistics is determined by several factors such as nature of product, distribution logistics structure, organizational resources and industry competitiveness (Parvin, Asimiran & Ayub, 2021).

In Ghana, logistics distribution management in the field of the construction industry has become an issue of concern which needs to be focused on in order to ensure effective, successful and timely execution of projects in the construction industry (Appiah, 2021). Distribution logistics practices in the country have been proofed to affect performance especially in Kasapreko Company Limited where its supply chain has been found to minimize the company's system wise costs at the same time satisfying customer service level requirements as projected by the company (Adegoke,

Mingbao, Abredu, Ndafira, Amoateng & Owusu-Gyan, 2021). The existing distribution logistics in the company has a customer oriented process which integrates business planning and at the same time balances the supply and demand across the entire value chain system. Production companies apply distribution logistics process to its business activities to influence their performance in terms of sales (Adegoke et al., 2021).

The soft drink industry is one of the very competitive industries in the market (Angira, 2021). Kenya has both local and multinational soft drink companies thus making it one of the very competitive industries. The soft drink industry is classified into; the carbonated soft drinks, the ready to drink juices and the mineral water. In Kenya the soft drink industry consists of Coca cola Kenya which has six strategically located bottling companies in the country (Company's Global Financial Report, 2019). The major brands of coca cola Kenya and to be specific (Nairobi bottlers) are Coke, Fanta, Sprite, Krest, Stoney and Dasani with Coke being their flagship brand. Coca-Cola originated as a soda fountain beverage in 1886 selling for five cents a glass. Early growth was impressive, but it was only when a strong bottling system developed that Nairobi bottlers became the world-famous brand it is today. It was however until 1948 that the Nairobi bottlers Company founded Nairobi Bottlers in Kenya.

Distribution logistics firms have over the years become important specifically in their role in logistics operations in production firms (Raihan, Ali, Roy, Das, Kabir & Paul, 2022). A strong distribution logistics is fundamental as it provides a competitive edge over competitors by providing customers with a higher level of order accuracy in a shorter period of time. It also ensures the right amount of raw materials is available to produce the right amount of finished products available at the right time for sale to customers (Raihan et al., 2022). Reliable distribution logistics ensure good tracking of inventory and monitoring of transportation as well as coordinated storage so as to meet firm's needs. Control of the flow of products from the point of production to the final shipment is important and ensures the desired level of customer satisfaction. Firms therefore see distribution logistics management as one that is influenced more each day through technological advancement already available. This has brought about enormous pressure to the performance of many production firms across countries (Panya & Marendi, 2021).

Parfenov, Shamina, Niu and Yadykin (2021) opine that there are factors which aid the product down the distribution logistics chain to the next destination before it finally reaches the consumer. This process is known as the distribution logistics. Each of the elements in the distribution logistics has its own specific needs, which the producer must take into account, along with those of the all-important end user (Choudhury, Behl, Sheorey & Pal, 2021). A number of these factors include: Nature of the firm's product/service, nature of the firm's organizational resources, industry competitiveness and the firm's distribution structure to mention but a few.

According to Larson (2021), there is a significant scope for performance measurement as most aspects of production process can be accurately measured quantitatively. This is an indication of the way producers can measure their performance as provided by the quality-cost delivery known as QCD system (Scott, 2016). Magazzino Alola and Schneider (2021) explain that measuring performance of distribution logistics can help improves businesses within organizations. All levels of organizational performance have to be linked to each other to ensure firms activities on every level are streamlined and leveraged into a desired direction. Some of the performance measures include cost reduction. According to Masudin, Lau, Safitri, Restuputri and Handayani (2021), cost reduction refers to a planned positive approach to reduce expenditure. Cost reduction is a

corrective function by continuous process aimed at expanding market for products. This is achieved through conducting an analysis of cost functions and will in turn ensure that the firm attains its intended competitive advantage (Masudin, et al., 2021).

Performance is the accomplishment of any given task that can be measured against known standards of accurate completeness, cost and speed (Zhang, Ding & Liu, 2021). In marketing perspective, performance of distribution logistics is made up of people, processes and systems working together to support efficient and effective delivery of services (Zhang et al., 2021). Distribution logistics performance can be measured through on time delivery of goods and services. This determines whether a perfect delivery has taken place or not. It has the following measures which makes it successful; delivery to commit date, delivery to request rate, order fill lead time and goods in transit. The quality of information exchange can also be used to determine performance of distribution logistics in most cases (Moons, Waeyenbergh & Pintelon, 2019).

Nairobi Bottlers Company currently operates between Nairobi province, Machakos up to Mutito Wande, and Nakuru regions. The company has had to do more than design a good distribution logistics which they have set in motion. The system has required periodic modifications to meet the new conditions in the market place (Company's Global Financial Report, 2016). Modification becomes necessary since consumers buying patterns have changed, market have expanded, product have matured through the product lifestyle, new competition have arisen and innovative distribution strategies emerged. The most difficult decision has involved revising the overall distribution strategy. The company has even considered replacing independent dealers with company owned dealers or local franchised dealers with centralized operations and direct sales.

Distribution logistics in Nairobi bottlers links the company and its customers/clients. The distribution logistics in the company comprises of activities related to the provision of products and merchandise to clients. Nairobi Bottlers Company can deliver products directly from production process or from trader's stock that is normally located close to the production site or regional distribution warehouses (Coca-Cola Company President Report, 2016). The distribution logistics at the company is a market-linked logistics system. It links a company's production logistics with the customer's procurement logistics. In distribution logistics, the company has adopted customer orientation which plays a special role because of the close link to the customer. However, Nairobi bottlers have no empirical evidence which shows that the distribution logistics that they have put in place has adopted modern ways of doing business. This study therefore aims at finding out the factors affecting the performance of distribution logistics of Nairobi bottlers, Kenya.

STATEMENT OF THE PROBLEM

Production firms such as Nairobi bottlers which is an affiliate of Coca Cola East Africa need to be in a position of ensuring that no risk reoccurs in their distribution logistics cycle through establishment of contingent plans that is capable of reducing the any negative impact in case an event of this nature occurs. Nairobi Bottlers Company use indirect distribution system through its depots and sub depots (Coca-Cola, FEMSA, 2020). In spite of the use of depots in the distribution logistics process, there are still instances of product stock outs which according to the company management has been attributed to its dwindling distribution service timelines, product availability, service quality, distribution service flexibility among others and this has significantly affected customer satisfaction and led to the company losing some of its market share.

The company which had early designed a good distribution logistics system has often required periodic modifications to meet the new market trends (Coca-Cola FEMSA, 2019). This is attributed to lack professional who are conversant with this system. This has become a norm and problematic as the company has seen some of her professional either leave as a result seeking for green pastures or moving to private business (Coca-Cola Company President Report, 2016). The company is also facing stiff competition especially from the juice manufacturing companies that have been coming up in the recent past (Angira, 2021). It is also expecting stiff competition from PepsiCo which is building a new plant in Kenya and SABMiller which has taken control of family owned Crown Foods, the bottlers of Keringet brand of drinking water.

Consumers have become more health conscious and are slowly moving away from carbonated soft drink which is the largest percentage of Coca-Cola products. The most difficult decision the company has undergone is a continuous revision of the overall distribution strategy (Coca-Cola Company President Report, 2019). From the above information, it is evident that Nairobi Bottlers Company is undergoing tough times in its distribution strategy so as to retain its market share. This inspired the researcher in the study to find out the influence of nature of product on performance soft drinks manufacturing firms in Kenya.

RESEARCH OBJECTIVE

To establish the influence of the nature of product on performance of soft drinks manufacturing firms in Kenya.

RESEARCH QUESTION

What is the influence of nature of product on performance of manufacturing firms in Kenya?

SIGNIFICANCE OF THE STUDY

The study will be significant in assisting policy makers who include the government of Kenya in the formulation and strengthening of policies that help in the management distribution of soft drinks in the country. The study goes a long way in creating reference source for future academicians. It also contributes additional knowledge on the subject of soft drink distribution not only locally but also internationally. It study will contribute to filling knowledge gaps identified early in this subject. Soft drinks producers also benefited from this study as its findings are of important as it informs on new and reliable distribution strategies. This therefore enables a reduction in the distribution challenges. It is important to note that through the study, the general reputation distribution logistics in Kenya can be internationally recognized and hence this helps attract foreign direct investment which in turn boosts a country's economic development.

THEORETICAL FRAMEWORK

The study was underpinned by resource based view theory and performance Theory.

Resource Based View Theory

The study was anchored on the resource based view theory (RVB). The resource based view theory stresses on the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage Barney (1991). This theory assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile

across firms. According to Barney (1991), resource heterogeneity is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes that if all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market.

The resource-based view (RBV) has since become one of the dominant contemporary approaches to the analysis of sustained competitive advantage. A central premise of the resource-based view is that firms compete on the basis of their resources and capabilities Peteraf and Bergen (2003). Most resource-based view researchers choose to look within the enterprise and down to the factor market conditions that the enterprise must contend with, to search for some possible causes of sustainable competitive advantages holding constant all external environmental factors (Peteraf and Barney, 2003). This inward looking approach has proven to be both influential and useful for the analysis of many strategic issues (Foss & Knudsen, 2003), among which the conditions for sustained competitive advantage is concerned. The theory addresses variable “organizational resource” in the conceptual framework of this study which aids firms’ resources to generate sustained competitive advantage.

In this study, resource based theory is an efficiency-based which explains on performance differences within firms. The theory is fundamental as it demonstrates how well firms supplying products harness their resources to respond to market demands which can be assessed through the Resource Based View Theory (Foss & Knudsen, 2003). Resource based view theory presents itself as the most appropriate of existing theories in distribution process for analyzing the capabilities of production firms as well as suppliers in managing knowledge within the supply chain industry as well as responding to external pressures for it to be environmentally responsible.

This theory is again concerned with the scarcity of superior resources in firms (Peteraf & Bergen, 2003), quasi-rents such as the difference between the value of an asset in its first best use and its value in its next best use. Within firms, superior resources are more efficient in the sense that they enable firms to produce more economically to satisfy customer’s wants. In contrast, Porter’s industrial organization approach emphasizes the exercise of market power and monopoly-type rents as the sources of performance differentials (Conner, 2004). The demand for superior resources can only be satisfied through proper acquisition within firms. The theory informs the variable on organizational resources, therefore it is important to the study as it seeks to find out factors influencing the performance of distribution logistics of Nairobi Bottlers Company Limited, Kenya.

Theory of Performance

The Theory of Performance as postulated by Schechner (1985) is used as a framework that explains performance as well as performance improvements. The theory portends that to perform is to produce important outcomes. It beliefs that performers are people who engage in a collaborative effort. Developing performance is a journey, and level of performance describes location in the journey. Current level of performance dependents holistically on six components which are level of skills, level of knowledge, level of identity, fixed factors, personal factors and context. Three of the components are proposed for an effective performance improvement which is enriches the environment, immersion, and engagement in reflective practice (Schechner, 1985).

In production business, a well-functioning logistics and this is the necessary precondition of competitiveness (Arvis, 2014). Production businesses depend on transport operations. This

dependency affects a wide range of value added activities along distribution logistics, right from suppliers of raw materials to the consumer, who is the end user as well as after sales service.

Human beings are capable of extraordinary accomplishments especially in production firms; where distribution logistics is really an important factor. From the researchers' perspective, worthy accomplishments are produced from high level performances, the theory then becomes fundamental in that it ensures that only good minds are necessary in taking businesses a head of other competitors (Schechner, 1985). It links firm growth positively to performance as it influences the survival probability of a company. In this study the theory is important as it is considered as a measure of a firm's growth among all stakeholders in the distribution logistics cycle.

This theory addresses the dependent variable performance of distribution logistics. Any production business demands that their products can reach the end user in good time, form and shape. In the process, it ensures that there is effective and quality distribution firms such as Nairobi bottlers as this is good in gaining that competitive edge.

CONCEPTUAL FRAMEWORK

According to Kothari (2014) a conceptual is a figure that depicts the relationship between the dependent and the independent variables within a study. This figure relates the research subject and the relevant objectives as shown in Figure 1.

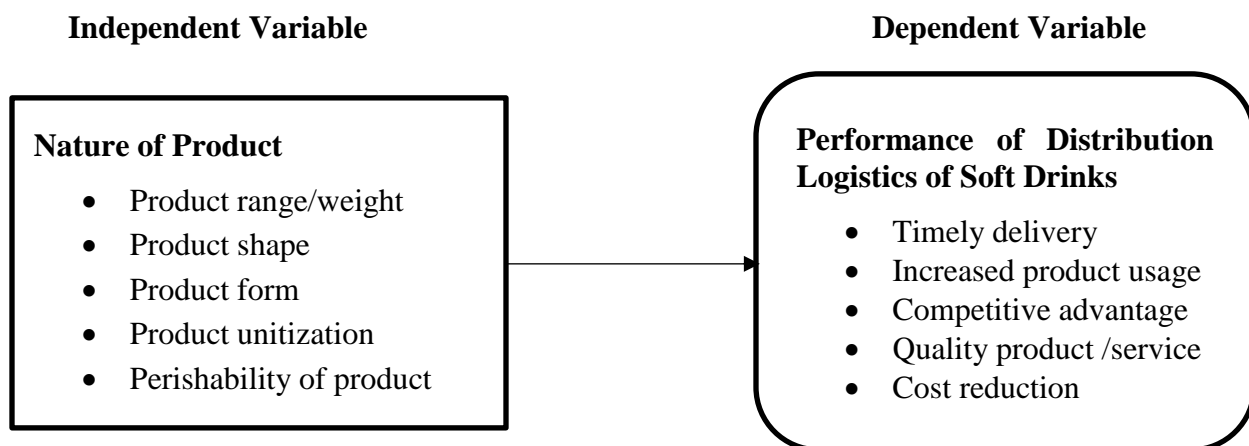


Figure 1: Conceptual Framework

Source: Researcher (2021)

EMPIRICAL REVIEW

In a marketing perspective, a product is an object that can be availed for consumer use. According to Stark (2015), a product is anything that is offered to a market for satisfaction of consumer desires. In retailing products are normally referred to as merchandise but in manufacturing, they are bought as raw materials. According to Bowers ox and Cooper (2010), the nature of a product may have some effect on the performance of distribution logistics right from the producer to the consumer. These aspects of the product may boost or reduce the ability of performance of distribution logistics of a product so as to meet customer expectations. The aspects may include the weight of the product, shape, unitization of product, product range, perishability, and form of the product. The weight and shape of a product has effect on vehicle capacity utilization as well as the equipment's required for its handling during the distribution process. Light products are easier

for human handling when loading and offloading delivery trucks (Stark, 2015). Light products are fundamental to the distribution logistics systems especially at Nairobi bottlers as this will ensure customers receive these products at the right place and in good time.

In production business, the nature of a product always has some influence on the performance of distribution logistics of products and services. According to Sinitsyn (2012), there are various product aspects under which it enhances or diminishes the ability of distribution logistics to effectively meet customer requirements. The aspects include shape through good packaging of the product is an integral part during distribution and sale of goods and services. Product shape is an important tool for product presentation, packaging requires regular attention right from marketers and distributors (Stark, 2015). Units distributed to the customers in homogeneous packages, the time required for the verification of the quantities dispatched or received is much easier. This in turn reduces the delivery time as picking, order assembly and dispatch time is reduced. Distribution of goods in units by Nairobi bottlers will ensure faster delivery of these goods to clients where time will not be wasted during confirmation.

The range of a product is the number of differentiated products available for distribution to customers. Product range may at the same time influence the performance of distribution logistics of any given firm (Xu, 2013). Firms that offer a product range work on variations of a theme. The firm specializes in a type of product or service, but offers additions or alterations to suit different types of customers. When a firm develops a strong core product line, the product range allows the firm to focus on those product lines while still offering enough variety in size, color, taste or functionality to appeal to a wide range of potential customers. This is because product range has a great influence on the time required for product handling which encompasses receiving, picking, stacking, order assembly as well as dispatch of the same product (Li and Graves, 2012). Such services if adopted by Nairobi Bottlers Company will ensure that the company attains that competitive advantage and hence challenge its competitors.

Distribution through unitization of products is the aspect where goods are put into batches in which products are packaged. According to Ntim (2012), units of products distributed to customers in homogeneous packages, is important as time required for verification of the quantities dispatched is normally easier. This way, delivery time becomes less as order assembly as well as dispatch time also is reduced. Proper unitization may also reduce exposure to destruction or pilferage of goods in transit (Bowersox & Cooper, 2010). Packaging of products by companies such as Nairobi bottlers will reduce breakage of products.

Distribution logistics also take into account of product perishability. Perishability of product refers to whether a product is perishable or not. These items include fresh foods, daily products or pharmaceuticals (Barcik & Jakubiec, 2013). The period of shelf life complicates distribution of the product as they must be processed and moved through the supply chain for sale to customers before they perish and lose either part of their value or the overall value. Perishable goods therefore require specialized handling during storage and transport is required. This may in turn increase the cost of distribution and lack of the recommended handling may result in destruction of the products and services (Bowersox & Cooper, 2010). These will assist companies such as Nairobi bottlers to avoid the problem of perishability.

In production the expression of a product is not the form, but the way form is created to the same product. The form of product pertains to the state where the product appears, and this encompasses solid, liquid or in gas form. According to Mukhamsd and Kiminami (2011), the form of product

has several aspects which may influence performance of distribution logistics as some form of these products may require specialized when loading, offloading and storage. Product form is not how the materiality of the product is rendered by design, because product are things designed by people, this therefore means that the manifestation of the product cannot be wholly separated from the designer (Saremi & Mosavi, 2014). The unavailability of the necessary equipment's may also lead to delays in delivery. In products where human handling is possible, the number of people involved in the task may also determine whether there will be delays or not. This is fundamental as helps in ensuring that delays in delivery is avoided by companies.

In the United States of America (USA), distribution logistics cost constitutes about 30% of the cost of the products sold (Stark, 2015). Within the distribution and logistics system, which is the highest single expense and usually bigger as compared to warehousing cost, inventory, and order processing costs, distribution logistics has captured management's attention due to rapid wage and freight rate inflation, a fundamental swing of distribution logistics (Prabhakareri, 2010). From the study by Parthanadee and Logendran (2006), it implies that distribution logistics is major concern as most of the costs incurred in a production system are majorly in the sector. The present study therefore sought to find out if nature of product is factors that affect performance of distribution logistics in production within organizations.

Another distinctive feature of South African organizations is the degree of concentration in their product markets. Traditionally, South African companies are faced with a very high degree of concentration in market shares, which does not encourage competition (Kahia, 2014). Using both the company level and composite industry information as product competition is relatively low in South Africa because of the nature under which distribution logistics is structured (Ntim, 2012).

In Kenya, Nyariaro (2017) conducted a research on green supply chain management practices and performance of soft drinks manufacturing firms in Nairobi, Kenya. The research used three objectives that is to establish the extent of green supply chain management, find out the correlation involving green supply chain management practices and identify challenges faced by soft drinks firms in implementing green supply chain management. The study used descriptive research design approach. The study concluded that green supply chain seeks to maximize the economic benefits by decreasing consumption of resources, energy and emission of pollutants so as to create socially responsible enterprises. Implementation of green supply chain management practices improves both environmental and financial performance of a firm (Nyariaro, 2017).

RESEARCH METHODOLOGY

The study adopted descriptive survey design to examine the relationship between the independent and dependent variables. The design helped the researcher to obtain information concerning the current status of the problem under study and describes it with respect to its variables. This study was conducted within Nairobi Bottlers Company in Nairobi County. This location was chosen as Nairobi County is the capital city of Kenya, meaning the number of people doing living and business is high. It involved distribution and logistics stakeholders of the company. The study population in the research included all stakeholders currently involved in Nairobi bottlers' distribution logistics. These included; company employees, wholesalers and retailers who ensure distribution logistics function was complete. According to information from the company, there are 2345 people behind the success of distribution logistics of the company.

This study applied stratified sampling method to identify the various respondent groups from which data was collected. This was because the population responsible for the study was scattered. First the researcher brought together distribution stakeholders with the same characteristics together, in this case employees of Nairobi Bottlers, wholesalers as well as retailers. They were grouped into three strata totaling to 2345 people. This number was then subjected to simple random sampling technique. Population was then subjected to Yamane 1967 formula for calculating the actual respondents from each stratum. This was important as it helped achieve the best desired result from the target population of the study. Sample size was then arrived at using Yamane (1967). This formula was seen as important because of its nature and determination in collecting data capable of producing confidence level. The formula was as follows:

$$n = \frac{N}{(1 + Ne^2)}$$

Where:

n = minimum sample size

N = population

E = precision set at 95 % (5%=0.05)

Hence; $n = 2345 / 1 + (2345 \times 0.0025)$

$n = 341$

The main instrument for data collection was the questionnaires. According to Kothari (2014), a questionnaire is a schedule containing various items on which information is sought from respondents. The use of questionnaire was to make it easier to approach respondents since they do not have any distribution bias as they do not show any particular preference or dislike for a certain individual. Questionnaires also helped avoid issues arising from any inhibition in answering questions of personal nature, and those that the respondent may hesitate to answer in the presence of the researcher. Since this research was descriptive survey design in nature, descriptive data was collected. After data collection, the questionnaires were checked for completeness and consistency and data obtained from completed questionnaire was cleaned, coded and entered into the computer software called Statistical Package for Social Sciences (SPSS) version 26.0 which aided the analysis process. Data analysis involved descriptive statistics. The specific descriptive included mean, standard deviation, frequency and percentage.

To ensure that the study remains ethical, the researcher requested for a permission letter from Africa Nazarene University for conducting the study. Consent was also sought from national commission for science and technology and technology and innovation (NACOSTI) which authorizes permission for conducting research. The researcher also sought permission from other stakeholders who included; the Nairobi Bottlers Company management. Information created by the study was sensitive and this meant that it may discredit stakeholder image, hence the right to confidentiality and privacy was observed.

FINDINGS AND DISCUSSION

Out of a sample size of 341 respondents who were identified to take part in this study, 301 questionnaires were duly filled and returned for analysis. 40 of the questionnaires were either wrongly filled or not returned at all. The returned questionnaires accounted for 88.3% response

rate. The response rate is in line with Mugenda and Mugenda (2008) who posit that a response rate of 60% is good for a study, 88.3% is therefore considered as adequate enough to drive this study to conclusion.

Demographic information results revealed that out of 301 respondents who participated in this study, 62.1% of them were male while 37.9% of them were female. Majority of the respondents in Nairobi Bottlers Company's distribution logistics were aged between 26 and 35 years with 44.9%, followed by the age bracket of 36-45 years with 21.6%, then 18-25 years with 18.6%, 46-55 years was next with 11.3% and lastly 56 and above years with 3.6%. This was in the pretext that age describes experience earned by the respondent in their line of work. Majority of the respondents had college level of education with 55.4% of the total. Secondary school was second with 28.6%, and then those with university level of education with 14.0% and lastly those with primary level of education had 2.0%. This shows that majority of employees at Nairobi Bottlers Company were educated and this is important because education may be a measure of excellence in business. It was established that 168 respondents were lower level managers representing 56%, 84 of them were middle level managers with 27.9% while the remaining 49 respondents representing 15.1% were top level managers. Majority of the respondents (79.1%) had prior experience in the field while a few (20.9%) of them did not have any prior experience in the field of distribution logistics. This means that employees in the distribution logistics department at the Nairobi Bottlers Company had prior experience in distribution business before joining the company.

Descriptive Results

Nature of Product

The study focused on how effective distribution logistics of Nairobi Bottlers is in satisfying its customers. The research questions were, what is the influence of nature of product on performance of Nairobi Bottlers Company, Nairobi County? The researcher developed six statements to measure the effect of the nature of product on performance of distribution logistics at the Nairobi Bottlers Company. Responses in this section required respondents to agree with statements rating nature of product and its influence on distribution logistics of Nairobi Bottlers Company. The results in this section were as presented in Table 1.

Table 1: Nature of Product and Performance of Distribution Logistics

| Nature of Product and Performance of Distribution Logistics | VH | H | M | L | VL | Mean | SD |
|--|---------------|---------------|---------------|--------------|------------|--------------|--------------|
| Nairobi Bottlers Company handles perishable products | 204 (67.8) | 82 (27.4) | 3 (0.9) | 10 (3.3) | 2 (0.6) | 1.74 | 1.831 |
| There is high prioritization of product shape | 81 (26.9) | 117 (39) | 102 (33.8) | 1 (0.3) | 0 | 1.26 | 0.437 |
| Nairobi bottlers values product utilization | 270 (89.8) | 23 (7.6) | 0 | 6 (2) | 2 (0.6) | 2.73 | 1.845 |
| Distribution logistics at Nairobi Bottlers Company prioritizes product range | 252 (83.8) | 38 (12.6) | 7 (2.3) | 4 (1.3) | 0 | 2.72 | 1.483 |
| Weight of product is fundamental in Nairobi bottlers | 214 (71.1) | 64 (21.3) | 15 (5) | 7 (2.3) | 1 (0.3) | 1.94 | 1.831 |
| Product form effected in Nairobi bottlers | 74 (24.6) | 129 (42.9) | 32 (10.6) | 59 (19.6) | 7 (2.3) | 1.71 | 0.829 |
| Composite Score & Overall SD | | | | | | 1.874 | 1.241 |

Source: Researcher (2021)

Generally the research findings revealed that majority of the respondents (85.8%) were in agreement with statements on nature of product on performance of soft drinks in Nairobi bottlers while 5.4% disagreed with the statements. 8.8% indicated a moderate effect of the nature of products on performance of distribution logistics of soft drinks at the Nairobi Bottlers company.

Statement (1) Nairobi Bottlers Company handles perishable products, 204(67.8%) out of the 301 respondents who participated in this study indicated very high effect and 82(27.4%) indicated high effect. Only 0.9% of the respondents indicated a moderate effect while 3.3% and 0.6% indicated a low effect and very low effect respectively. This variable had a mean of 1.74 and a standard deviation of 1.831 which is less than the composite mean of 1.874, implying that the statement negatively influences performance of distribution of soft drinks at the Nairobi Bottlers company, even though majority of the respondents believe that the item is highly effective. The mean of the variable is less than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study.

Statement (2) there is high prioritization of product shape, 26.9% of the respondents indicated a very high effect while 39% indicated a high effect. 3.8% indicated a moderate effect with 0.3% indicating a low effect. No respondent that indicated a very low effect. The statement had a mean of 1.26 and a standard deviation of 0.437 which is less than the composite mean of 1.874, implying that the statement does not have any effect on the performance of distribution logistics of soft drinks at the Nairobi Bottlers Company. The mean of the variable is less than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study.

Statement (3) Nairobi Bottlers values product utilization, 89.8% of the respondents indicated a very high effect while 7.6% indicated a high effect. 2% indicated a low effect with 0.6% indicating a very low effect. No respondent that indicated a moderate effect. The item had a mean of 2.73

and a standard deviation of 1.845 which is higher than the composite mean of 1.874, implying that the statement has a positive effect on the performance of distribution logistics of soft drinks at the Nairobi Bottlers Company. The mean of the variable is less than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study. The mean of the variable is greater than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study.

Statement (4) distribution logistics at the Nairobi Bottlers Company prioritizes product range, 83.8% of the respondents indicated a very high effect while 12.6% indicated a high effect. Only 2.3% and 1.3% indicated a moderate effect and a low effect respectively. There was no respondent that indicated a very low effect. The statement had a mean of 2.72 and a standard deviation of 1.483 which is more than the composite mean of 1.874, implying that the statement has positively effects the performance of distribution logistics of soft drinks at the Nairobi Bottlers Company. The mean of the variable is greater than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study.

Statement (5) weight of product is fundamental in Nairobi Bottlers, 71.1% of the respondents indicated a very high effect while 21.3% indicated a high effect. 5% indicated a moderate effect while 2.3% indicated a low effect. Only 0.3% of the respondents that indicated a very low effect. This variable had a mean of 1.94 and a standard deviation of 1.831 which is higher than the composite mean of 1.874, implying that the statement has a positive effect on the performance of distribution logistics of soft drinks at the Nairobi Bottlers Company. The mean of the variable is less than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study.

Statement (6) product form effected in Nairobi Bottlers, 24.6% of the respondents indicated a very high effect while 42.9% indicated a high effect. 10.6% indicated a moderate effect, 19.6% indicated a low effect, while 2.3% indicated a very low effect. The statement had a mean of 1.71 and a standard deviation of 0.829 which is less than the composite mean of 1.874, implying that the statement does not have any effect on the performance of distribution logistics of soft drinks at the Nairobi Bottlers Company. The mean of the variable is less than the composite mean and the standard deviation is greater than the overall one, hence the variable has influence on the study. The findings from this study concurs with the views of Sinitsyun (2012) who believes that the various aspects of a product is known to enhance the ability of distribution logistics and this effectively meets customer requirements.

Performance of Soft Drinks Firms

The study focused on how Nairobi Bottlers Company has put in place strategies which ensure performs in its distribution logistics. Respondents in this section were required to agree with statements rating to performance of Nairobi Bottlers Company. The results in this section were as presented in Table 2.

Table 2: Performance of Distribution Logistics

| Performance of Distribution Logistics | VH | H | M | L | VL | Mean | SD |
|--|---------------|---------------|---------------|--------------|------------|--------------|--------------|
| Nairobi bottlers offers quality products | 271 (90.1) | 23 (7.6) | 7 (2.3) | 0 | 0 | 2.12 | 1.275 |
| There are reduced prices on products in Nairobi bottlers | 77 (25.6) | 121 (40.2) | 83 (27.6) | 19 (6.3) | 1 (0.3) | 1.61 | 0.767 |
| There is increased product usage in Nairobi Bottlers | 101 (33.5) | 39 (13) | 129 (42.9) | 31 (10.3) | 1 (0.3) | 1.75 | 0.828 |
| There is timely delivery of goods and services | 217 (72.1) | 71 (23.6) | 11 (3.7) | 0 | 2 (0.6) | 2.52 | 1.985 |
| Nairobi bottlers has products that pose a competitive edge | 174 (57.8) | 92 (30.6) | 33 (11) | 1 (0.3) | 1 (0.3) | 1.84 | 1.521 |
| Composite Score | | | | | | 1.968 | 1.275 |

Source: Researcher (2021)

Results of the study revealed that majority of the respondents (90.1%) agreed to a very high extent that Nairobi Bottlers offers quality products. 7.6% of the respondents agreed with the statement to a high extent, while only 2.3% agreed with it to a moderate extent. No respondents agreed with the statement to a low or to a very low extent. This statement had a mean of 2.12 and standard deviation of 1.275 which was higher than the composite mean of 1.968, indicating that the statement has a positive effect on performance of distribution logistics, and that majority of the respondents agree with the statement.

On the other hand, 25.6% of the respondents agreed with the statement that there are reduced prices on products at the Nairobi Bottlers Company and that to a very high extent, the statement affects distribution logistics. 40.2% agreed with the statement to a high extent, 27.6% to a moderate extent and 6.3% to a low extent. Only 0.3% agreed with the statement to a very low extent. The statement had a mean of 1.61 and standard deviation of 0.767 that was less than the composite mean of 1.968, indicating that the statement has a negative or no effect on performance of distribution logistics.

Additionally, 33.5% of the respondents agreed to a very high extent that there is increased product usage at the Nairobi Bottlers. 13% agreed with the statement to a high extent, 42.9% to a moderate extent and 10.3% to a low extent. Only 0.3% agreed with the statement to a very low extent. The statement had a mean of 1.75 and standard deviation of 0.828 which was less than the composite mean of 1.968, indicating that the statement has a negative or no effect on performance of distribution logistics and that majority of the respondents did not agree with the statement.

Further, results of the study revealed that majority of the respondents (72.1%) agreed to a very high extent that there is timely delivery of goods and services at the Nairobi Bottlers. 23.6% of the respondents agreed with the statement to a high extent, 3.7% agreed with it to a moderate extent while only 0.6% agreed with the statement to a very low extent. No respondent agreed with the statement to a low extent. The item had a mean of 2.52 and standard deviation of 1.985 which was higher than the composite mean of 1.968, indicating that the statement has a positive effect on performance of distribution logistics, and that majority of the respondents agree with the statement.

Lastly, 57.8% agreed that to a very high extent that Nairobi Bottlers has products that pose a competitive edge and that the statement affects distribution logistics. 30.6% of the respondents

agreed with the statement to a high extent, while 11% agreed with it to a moderate extent. Only 0.3% agreed with the statement to a low extent as well to a very low extent. This statement had a mean of 1.84 and standard deviation of 1.521 which was slightly lower than the composite mean of 1.968, indicating that the statement has a negative or no effect on performance of distribution logistics, even though majority of the respondents agree with it.

Generally the research findings revealed that majority of the respondents (78.8%) were in agreement with the statements on performance of soft drinks, while only 0.6% of the respondents disagreed with the statement. 11% of them were of moderate agreement with the statements.

CONCLUSION

From the study findings, it is concluded that nature of product has a significance influence on performance of Nairobi Bottlers Company Limited, This evidently implies that taking care of nature of product enhances performance of the company. Considering the fastness the world is moving in terms of production of soft drinks, it is essential that firms embrace the various aspects of nature of product which include form shape perishability as well as range of such products which enhances the ability for firms to perform.

Key product attributes such as perishability, utilization, range, and weight emerged as critical factors shaping operational efficiency and customer satisfaction. Findings showed that perishability of soft drinks requires strong logistical attention, while prioritizing product range and utilization positively enhanced distribution performance. Although aspects like product shape and form showed limited influence, their consideration still mattered in ensuring effective handling and delivery. The results confirm that firms that align their distribution strategies with the inherent characteristics of their products are more likely to achieve superior performance outcomes.

Moreover, quality and timely delivery of products drive competitive advantage for Nairobi Bottlers. While reduced pricing and increased product usage did not strongly enhance performance, ensuring consistent quality and efficiency in delivery was found to sustain competitiveness. Respondents acknowledged that offering quality products and maintaining timeliness in distribution contributed significantly to customer satisfaction and market edge. The findings highlight that product-related strategies anchored on the resource-based view and theory of performance strengthen distribution logistics and, ultimately, organizational performance. This implies that Nairobi Bottlers and similar firms in the soft drinks sector must continually optimize their product-related attributes to remain competitive in an increasingly dynamic market.

RECOMMENDATIONS

The study recommends that firms ensure that the products they produce take into account the various aspects associated products to enhance their competitiveness and this will in turn assist firms to perform. The quality of products that is associated with their various aspects if properly coordinated will ensure prosperity of production firms. Additionally, Nairobi Bottlers and other soft drink firms prioritize product attributes when designing distribution strategies. Given the perishability of soft drinks, companies should invest in advanced storage facilities, cold chain logistics, and efficient transport systems to minimize spoilage and ensure timely delivery. Product utilization and range should also be emphasized, as customers value variety and consistent availability of preferred products. Through continuously monitoring product weight, form, and packaging, firms can enhance ease of handling, reduce logistical inefficiencies, and ultimately improve customer satisfaction.

Moreover, firms focus on maintaining high product quality and timely delivery as key performance drivers. Rather than relying heavily on price reductions, companies should strengthen their value proposition through superior service, reliable distribution, and competitive product offerings. Continuous training of distribution staff, leveraging technology such as real-time tracking systems, and adopting flexible logistics models will allow firms to respond effectively to changing market demands. In doing so, Nairobi Bottlers and similar firms will build stronger competitiveness, improve market positioning, and achieve sustainable performance in Kenya's soft drinks industry.

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