FACTORS INFLUENCING PRODUCT DISTRIBUTION

(A CASE STUDY OF KENYA PIPELINE COMPANY)

By

Justus Okeyo Ogembo
L123/1036/03

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Declaration

This research Project report is my original work and has not been presented for the Award of a Degree or a Diploma in any other University.

Name: Justus Okeyo Ogembo
Reg. No: L123/1036/03
Signature: 
Date: 23/01/2012.

This research Project report has been submitted for examination with my approval as the university appointed supervisor.

Name: Evans Sagwa
Signature: 
Date: 23/01/2012.
Abstract

The study is based on factors influencing product distribution. A case study of Kenya Pipeline Company. The scope of study is Kenya Pipeline Company Headquarters’ Nairobi. In Chapter one, a brief background of the Company is given indicating that Kenya Pipeline Company is a Transport Company transporting refined petroleum products. Problem Statement of the study is included to find out whether: the distribution of the company products spreads across Kenya, government interventions affects distribution, the safety measures are adhered to and whether the channels used in distribution are efficient. The specific Objectives being, to identify the products transported, the distribution channel used, factors influencing distribution and whether the Company uses information technology in its operations. The significance of the study is to help Managers and Students of corporate Strategy to identify concepts and frameworks that can help them deal with distinctive Strategic issues faced by corporate Companies in area of product distribution. In Chapter Two, relevant literature is used to enrich the study with salient information on the topic of study based on what other Authors have done in the area of Management, the gaps to be filled by the research are established. In Chapter three, a survey research is adopted by use of simple random sampling method to obtain a sample size of 30, data collection tools are questionnaires and interview schedule which are distributed and collected after two weeks. In Chapter four, data is analyzed using descriptive statistics drawn from simple tables based on scores of questions answered by the sampled group. These are grouped into categories. In chapter five, the summery is made and conclusions done that shows that though at the moment KPC is one of the leading Oil Transporting Companies in the Country, their distribution trend is wanting as their channel is aligned only towards Western Kenya, not withstanding, this channel still experiences capacity constraint, though this is being partly solved by the introduced direct loading bay at Eldoret. Such like ventures still remain to be increased in bounds. Recommendations therefore are to build another channel to transport light products remove human interference along the channel and to rethink distributing pipeline coverage across the country in their strategic plan.