

**Logistics Management Strategies on Financial Performance of Distributors of
Fast Moving Consumer Goods: A case study of East Africa Breweries
products**

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Abstract

This study sought to identify the effects of logistics management strategies on financial performance of distributors of fast moving consumer goods. The study will aid management in the steps towards developing logistic strategies that will improve financial performance by reducing costs.

The study has reviewed literature on logistics strategy, warehousing and logistics, transportation costs and logistics. The study was conducted using a stratified survey design. The design is appropriate when the study is largely descriptive and uses sample statistics in making generalizations about population parameters. The population of interest was all the employees in management level of distributorships in Nairobi region. The main instrument in Data collection was through close-ended structured questionnaires targeting the employees in each distributorship. Data collected was analysed based on secondary statistics using SPSS Package.

The study found out that the distributorships have logistics strategy for managing costs though they fell short of reducing costs because of the large percentage of transportation costs in logistics. Administrative costs were high due to stock taking and stock tracking hence the need to invest in technology as it was efficient in managing costs. It was imperative that the distributors need to maintain minimum stock levels which would reduce holding costs and release capital for investment purposes. In addition the distributorships should implement and insist on cash sales and Just in Time supply as they improve liquidity and reduce stock outs and costs associated. The findings of this study have important implications to the management of distributorships as well as the researcher, and academicians.