Distribution Channel Strategies and Customer Choice in the Fast Moving Consumer Goods Industry: A Case Study in the Upper East Region, Ghana

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Abstract

Channels of distribution are important factors in the connection between goods and services produced for the final consumer and, therefore, determine the effectiveness with which they are delivered and ultimately availed to the final consumers. Globally, studies show that channels of distribution and sales play an essential role in building bonds between manufacturers, retailers, wholesalers and their consumers. The main purpose of this study is to examine the influence of distribution channels and networks on customer choice of fast-moving consumer goods (FCMG) in the Upper East Region of Ghana. The study adopted a quantitative approach and questionnaires were used to collect primary data from 110 customers of Unilever Ghana Limited in the Upper East Region of Ghana. The findings reveal that product-related factors, such as the price of products, perishability of products, size and weight of products, promote the effective distribution of Unilever goods and services, whilst consumer-related factors, such as the number of customers and increased consumer base, promote effective distribution channels. The study also established a positive influence of factors, such as incentives, receiving feedback and sales performance, on customer choice of fast-moving consumer goods (FMCG). Managers and producers in the FMCGs industry should implement reward and incentive programmes and policies to boost the sale and distribution of fast-moving consumer goods and services in the retail industry in Ghana.

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INTRODUCTION

Channels of distribution are important factors in the connection from goods and services production to the final consumer and therefore determine effectiveness with which they are delivered and ultimately availed to the final consumers (Affran & Asare, 2019). Globally, evidence shows that channels of distribution and sale play an essential role in building bonds between manufacturers, retailers, wholesalers and their consumers (Adesoga & James, 2019). This means that distribution network and effective sales will help consumers to choose and make repeated buying. Effective sales and distribution network impacts sales turnover and profits margins of organisations.

Distribution involves a network of activities that are related to the sale of economic goods between manufacturers and their wholesalers, retailers and consumers. It comprises a coordinated and systematic preparation of manufactured and processed goods in accordance with their type and volume, space and time, in order to meet supply deadlines and achieve customer satisfaction especially when producing for an anonymous market (Domschke & Schield, 2010). The system of distribution is divided into two main sections which is the distribution system of acquisition and the logistics distribution system. The acquisition distribution system deals with bridging the space and time by transportation and storage, as well as order processing and shipment. Logistic distribution system relates to the supply and movement of materials (Segetlija et al., 2011).

The concept of distribution network is used to describe the creation of value in channels of distribution by means of well-co-ordinated activities by actors at different levels. In a typical distribution network, a confederation of specialists organises various distribution activities adopting various strategies to achieve common desired goals (Anderson et al., 1997). Channels of distribution are therefore considered networks of mutually dependent establishment included in the process of making goods or services available for use or consumption. Moreover, a marketing channel is the external contractual organisation that management operates to achieve its distribution objectives (Weinberg et al., 2007).

Fast-moving consumer goods (FMCG) sector is one of the biggest industries globally. FMCG are generally cheap products that have a short shelf-life span and are purchased by consumers on a regular basis. FMCG is a classification that refers to a wide range of frequently purchased consumer products and services. The main segments of the sector are branded, packaged food and beverage (health beverages, soft drinks, staples, cereals, dairy products, chocolates, bakery products), household care items (detergents and household cleaners), personal care items (oral and hair care, soaps, cosmetics, toiletries) and to some extent tobacco products. Some of the globally acknowledged FMCG companies include Unilever, The Coca-Cola Company and Johnson & Johnson. Within the Africa region, FMCG retailers generally operate in a low-margin environment. As a result, the existence
of a large market is crucial to the success of these companies (Nyaga, 2014). Despite Africa having a population of around one billion, the region remains relatively under-served by FMCG companies.

The FMCG retail industry is responsible for the distribution of final products and services to the consumer and the public (Yeboah et al., 2013). In practice, most companies use a mix of different distribution channels; in particular, they may complement a direct sales force, calling on the larger accounts, with agents, covering the smaller customers and prospects. However, the major challenge now facing the retail industry is the power of customers. The reason is that customers are becoming increasingly knowledgeable, impatient, not wishing to wait for the suppliers’ products for any period. This coupled with the fact that distribution companies are now trying to implement specific distribution strategy based upon their unique set of competitive priorities and business conditions to achieve the desired level of performance, has led to an investigation into the sales and distribution channels available to fast-moving consumer goods and how this has affected the profit margin and operations of these FMCG companies.

Statement of Problem

Studies have focused on the effective sales and implementation of channels of distribution from diverse perspectives. For instance, Gabrielsson et al. (2002) studied multiple channels strategies in the personal computer industry in Europe; Banyté et al., (2011) examined variations in marketing channel formation; Kabadayi et al. (2007) investigated the performance implication of multiple distribution channels; Karanja et al. (2014) focused on the distribution networks and performance of mobile service provider intermediary organisations. Stojkivic et al. (2016) also examined multichannel as a dominant approach in innovative retailing. However, none of these studies focused specifically on effective sale strategies and innovative distribution network adopted by Fast Moving Consumer Goods companies in the Ghanaian context.

A study by Liwali (2013) found that factors such as cost, crime, culture, language, technology, infrastructure, interconnectivity, trade rules and laws, taxes, lack of professionalism and other financial issues are limitations to the effective implementation of distribution channels. Sule et al. (2013) noted that the unavailability of adequate and reliable market information on the demand and taste pattern of customers (wholesalers and retailers), non-improvement in operational performance of companies in relation to their competitors, and inadequate infrastructural facilities that should improve an efficient distribution channel system are challenges faced by firms while implementing distribution channels strategies for consumer goods in the country. All these resulted in ineffective products availability to the final consumers and poor marketing performance within the FMCGs sector in the country.
Within the recent academic and scholarly research, not much emphasis is placed on the effective sales and distribution networks used by fast moving consumer goods by companies for effective operational and marketing of their products and services. Therefore, the purpose of this study to examine the effective use of distribution channels and networks by FMCGs, by Unilever Ghana Limited in operating in the Upper East region of Ghana. The main objective of this study is to examine the distribution strategies and consumer choice of FMCGs, by Unilever Company Limited in operating in the Upper East region of Ghana. The study also seeks to examine the best distribution strategy for the effective sales of products and service that meet customer satisfaction, to identify factors that promotes effective distribution channels of products and services in the retail industry, to examine factors influencing consumer choice of Fast-Moving Consumer Goods, to examine the challenges associated with effective distribution and sale of fast-moving consumer goods in the retail industry.

This study will make significant contributions to existing literature, marketing and policy decision making by provide additional data and information with respect to effective sales and distribution of FMCGs and services products and its effect on the retail industry in Ghana. Thus, the information collected will give vivid understanding of the importance and effectiveness of developing multiple distribution channels. This will assist in the formulation and implementation of appropriate marketing policies which will improve the design and effectiveness of distribution networks in the retail industry. Furthermore, this study will help retail products marketers identify and consider the most reliable and more consumer-friendly ways of marketing their products to increase customer patronage. The findings of this study will also add to the body of knowledge on the effective distribution and sale of FMCGs and how this impact an organization’s operations and profits margin as well as customer satisfaction.

This study is limited to only fast-moving consumer goods manufactured and distributed by Unilever Ghana Limited and wholesalers and retailers in the Upper East region. The choice of Unilever Ghana Limited products is due to the following reasons: First, it is considered Ghana’s leading manufacturer of fast-moving consumer goods. Secondly, Unilever as a FMCGs distribution and marketing company adopts modern trade, horsecars and traditional distribution channels that reached the remotest parts of Ghana with very efficient national distribution through various network of branches and clients. The study will only consider the activities of Unilever in the Upper East region and the choice of this study area is for easy and convenience sampling of respondent by the researcher.
LITERATURE REVIEW

Theoretical Base of the Study

The emergence of successful distribution strategies in the current keenly competitive business and marketing environment cannot be over emphasized. The phenomenon of market deregulation and globalization has caused a rise in competitiveness which has prompted manufacturers and other industry players to relook into the channels of distribution strategies and critically evaluate the strategies being used as well as their inability to solve the current opportunities and challenges (Stern & Sturdivant, 2006). This study was anchored on two relevant theories namely Economic distribution theory and marketing theory.

Economic Distribution Channel Theory

The Economic Distribution Channel theory posits that the most suitable distribution system is one that is established through exploration of that which the customer wants in relation to service outputs from distribution channels, the amount of money they are willing to pay for a certain level of service, the way the provision of services will be done as well as the cost of alternative channels of distribution (Stern et al., 2006). Considering this, it is argued that the distribution system that meets the wants of the customer in the most efficient way can be established. The distribution channel strategy that the company adopts must take the customer’s view and analyze the output from the commercial part of the varying distribution channels and associates it to the costs and benefits of the customer from the varying service output levels which distribution channels available offer (Cohen et al., 2003).

According to this theory, the distribution system that meets the wants of the customer in the most efficient manner must be established. Therefore, an economic distribution channel model places the customer’s view first, it does an analysis of the output from the commercial perspective of different distribution networks and associates it to the benefits and costs of the consumer from the varying service output levels that the distribution channels available offer (Leroy, 2017).

Marketing Theory

The relationship marketing theory is a type of marketing created from marketing campaigns that involve direct response and which emphasize on customer retention and satisfaction instead of dominantly focusing on sales transactions (Ojwang, 2014). Relationship marketing as a practice is different from the other types of marketing because it does recognize the long-term customer relationships’ value and it does extend communication past advertising that is intrusive as well as sales promotional messages (Leroy, 2017). Relationship
marketing keeps on evolving and moving forward because of growth of mobile platforms and the internet, this technology brings about communication channels that are more collaborative and social (Mulky, 2017). Relationship marketing principle that is key is the customers retention by different means as well as practices to ensure trade that is repeated from pre-existing customers through ensuring satisfaction of requirements beyond those of firms in competition with by an association in which the benefits are mutual (Otieno, 2018).

Many classic marketing theories centre on the means of distribution channels aimed to attract customers and creating transactions. Profitability increase that comes about because of customer retention efforts is experienced due to the many factors which take place the moment a relationship with a customer has been created (Porter, 2011).

**Empirical Studies and Knowledge Gaps**

**Best distribution strategies for the effective sales of products and services**

According to the studies were carried out to explore different distributive and marketing strategies. Saxena (2011) focused the study on marketing innovation in FMCG sector through different models which provide suggestion to bring innovativeness in marketing. Bressoud (2013) carried studies on innovation in FMCG by testing it in experimental versus real store and found virtual store testing is not successful which is a new method in comparison to real store. Khare and Ali (2015) focused his studies on marketing innovation in FMCG sector. Moss and Scuiling, (2004) define what branding is; describe the advantages of developing brands in the pharmaceutical industry and highlight the key differences between brands in the FMCG and pharmaceutical industry.

Some studies have also discussed the appropriateness of different branding strategies for the FMCG sectors (Mann & Kaur, 2013). Individual brand type is advocated to be the most appropriate for FMCG companies (Kotler & Armstrong, 1997). However, Laforet and Saunders (2005) find that in actual practice, FMCG companies are using individual brand type in combination with corporate or house brand type. Saunders and Guoqun (1996) empirically demonstrate that consumers prefer corporate and individual brand types together for an FMCG product than either brand type used alone. In contrast, Laforet (2011) reports that corporate brand does not add any value to products in the FMCG sector. For the services sector, corporate brand type is recommended as the best option (Berry, 2000; McDonald et al., 2001). On the contrary, Rahman and Areni (2009) argue that service companies should also develop individual brands and should use them in combination with their corporate brands. For durables, corporate brand type is opined to be the most appropriate choice (Anisimova, 2007).
Some of the major strategies adopted by FMCG companies for making their brands outstanding compared to competitions are as follows: I. Multi-brand Strategy II. Product Flanking III. Brand Extensions IV. Building Product Lines V. New Product Development VI. Product Life Cycle Strategy VII. *Taking advantage of wide distribution network.

**Multi-brand Strategy**

A company often nurtures several brands in the same category. There are various motives for doing this. The main rationale behind this strategy is to capture as much of the market share as possible by trying to cover as many segments as possible, as it is not possible for one brand to cater to the entire market. This also enables the company to lock up more distributor shelf space.

**Product Flanking**

Product flanking refers to the introduction of different combinations of products at different prices, to cover as many market segments as possible. It is basically offering the same product in different sizes and price combinations to tap diverse market opportunities. The idea behind this concept is to flank the core product by offering different variations of size and price so that the consumer finds some brand to choose from. Cornflakes in small sachets and premium detergents in small pouches are examples of this strategy. Refers to the introduction of different combinations of products at different prices, to cover as many market segments as possible. It is basically offering the same product in different sizes and price combinations to tap diverse market opportunities.

**Brand Extensions**

FMCG firms make brand extensions in the hope that the extensions will be able to ride on the equity of successful brands, and that the new brand will stand in its own right in the course of time. A well-respected brand name gives the new product instant recognition and easier acceptance. It enables the company to enter new product categories more easily. Companies make brand extensions in the hope that the extensions will be able to ride on the equity of the successful brands.

**Building Product Lines**

Some companies producing FMCG add related new product lines to give the consumer all the products he/she would like to buy below one umbrella.

**New Product Development**

A company can add new products through the acquisition of other companies or by devoting one’s own efforts on new product development. With the help of new products, a company can enter a growing market
for the first time and supplement its existing product lines. For instance, Proctor and Gamble is leading company in the world as reputed for new products development. Companies that fail to develop new products would expose themselves to great risk and might face stagnation in future. The existing products are vulnerable to changing consumer needs and tastes, new technologies, shortened product life cycles and increased domestic and foreign competition. A company can develop new products either through R&D in-house or by acquiring other company or both. It is seen that a lot of products being brought into the market day in and day out. Some companies which have thrived in the market due to innovative product development are FMCG companies. However, new product development is not an easy ball game. There are many aspects which the company must take into consideration before even thinking of new product development.

**Product Life Cycle Strategy**

Economic conditions change, competitors launch new assaults, and the products encounters new types of buyers and new requirements are situations in which a FMCG company try to extend the Product Life Cycle. In the mature stage of the Product Life Cycle, some companies abandon their weaker products. They prefer to concentrate their resources on their more profitable products and quickly develop new products. An FMCG has short life cycle whereas an industrial product has long Product Life Cycle. According to Product Life Cycle, companies plan to develop new products after abandoning the old product which has experienced the decline stage of product life cycle curve. FMCG products are those products which have short life span which are used for short time and are replaced within days, week and month or within a year. Since FMCG products are replaced rapidly so they are having high market demand. They operate at a lower margin. Some of the FMCG products are such as packaged foodstuff, household accessories, soaps, detergents, shampoos, toothpaste, shaving products and shoe polish, etc. Therefore, marketers continually try to introduce new brands to offer something new and meet the changing requirements of customer. It is prudent for a marketer to innovate from time to time both by technological expertise as well as from the consumer’s or dealer’s feedback.

*Wide Distribution Network*

Modern companies’ distribution network has a great impact on the success of any business. In the FMCG segment, the role of an excellent distribution channel becomes even more crucial because the delivery of FMCG product is confined to day to day basis. Therefore, to survive and thrive in a highly competitive market you must have a distribution channel which has no problem at any point of the distribution channel. An extensive distribution system can be developed over time, or the company may acquire another company which has an extensive distribution network. Some of the values of FMCG industry, which made this industry as a potential
one, are low operational cost, strong distribution networks, presence of renowned FMCG companies. Some of the well-known FMCG companies are Nestlé, Unilever, Procter & Gamble, Coca-Cola, Pepsi.

Coca-Cola and PepsiCo’s or Nestle and Danone’s wide distribution network systems have made them market leaders. A company usually expands the market for its brand in two ways, either to increase the number of customers or by encouraging more consumption per intake. The usage rate of the consumers can be increased in 3 ways: 1) It may try to educate or persuade customers to use the product more frequently. 2) The company can try to induce users to consume more of the product on each occasion. 3) The company can try to discover new product uses and convince customers to use the product in more varied ways.

**Factors promoting effective distribution channels of products and services.**

A descriptive survey by Brown and Dant (2014) examined the factors which influence distribution of fast-moving consumer goods using 120 distributors specializing in Eveready East Africa brands in Kenya. The findings depict skewed competition, pricing, brand promotions and demand forecasting are critical drivers of distribution channels. Though existence of skewed competition attributed to cheap imports was seen as distressful to the market forces its actual impact on the distribution channels and retailer’s decision for stocking were not fully examined.

Empirical evidence indicates that most on indirect channels and retail restocking decision has centred on the restocking cost element. Ultimately restocking is subject to storage quality easiness to accessibility. These factors wield significant influence on the unit cost that retailer assign to products with intent to accrue maximum margins. However, literature analysed from past studies has does not offers a clear connection between indirect distribution channels and restocking decisions amongst retailers.

The study by Anđelković et al. (2017) offers a comprehensive insight into the scope of distribution channels towards optimization of retail efficiencies and offering consumer’s convenience and value. The study however fails to offer any connection between efficient distribution channels, whether direct or indirect and restocking decisions by retailers in cosmetics industry. Al Badi (2018) in a study that focused on marketing mix role towards boosting competitive advantage, confirmed the effect of marketing mix factors including product, place, price and promotions having significant moderating association on the small medium enterprises (SME) competitive advantage. The study however failed to demonstrate the connection between marketing mix elements as moderators of indirect channels towards restocking decisions made by SME retailers. Additionally, the study fails to capture the hair product segment of SME and retail operational choices on product restocking. The study by Tih et al. (2008) submitted evidence on the relevance of indirect distribution channels towards in retailer
operations, with quality factor cited as critical influence of retailer stocking decisions. The study however focused exclusively on tropical fruits distribution channels, thus limited in explaining whether similar trends can be observed for the cosmetics industry.

The study by Van Baal (2014) found associative effect across channels both positive and negative attributed to retailer distribution channel activities. The study showed corresponding outcome in results across parallel distribution channels. This however fails to answer whether indirect channels exert an influence on the retailer restocking decisions. Cao and Li (2014) demonstrated the positive returns in embracing distribution channels integration in boosting sales growth but failed to demonstrate how such integration can be realized amongst retailers in hair product industry. The study by Rambocas et al. (2015) focuses on international distribution networks for crane services presenting a divergent view on direct and indirect channels on general business performance. The study fails to demonstrate how indirect networks influence operational decisions by retailer regarding restocking and further it centres on crane export services which cannot effectively explain the dynamics in hair product sector.

Factors influencing consumer choice of FMCG.

In today’s highly competitive market, the FMCGs consumers are enjoying the benefits of making their purchase decision from several brands which differ in price, quality, attributes etc. Consumers’ preferences and attitudes towards certain brands also vary due to their affordability, product availability, brand awareness, lifestyle etc. As a result, the rural marketers of FMCG products must differentiate themselves on designing strategies targeting the rural consumers (Hundal, 2008). FMCG sectors received researchers’ attention to help companies regarding consumer behaviour, brand awareness, customer preference, customer loyalty, purchase behaviour, decision making and satisfaction. Customer preference and purchasing decisions are the important elements for gaining the customer, increasing sale and profit margins.

A study by Somashekar and Kaboor (2016) found factors that influenced consumer choice of FMCG. These factors are categorised into five groups namely quality aspects, promotional aspects, preferential aspects, image aspects and retailer’s influence. Items such as Quality, fragrance, long lasting freshness and ingredients are grouped as factor 1 and are named as quality aspects. Price, free offers, eye-catching display, and easy availability are grouped as factor 2 and named as promotional aspects. Advertisement, attractive package and availability of variants are grouped as factor 3 and named as preferential aspects. Brand image and corporate image are grouped as factor 4 and named as image aspects. Retailers’ influence and recommendations from friends and relatives are grouped as factor 5 and named as external influence.
According to Kumar and Malini (2015), buying decision of rural customer varies from urban customer. Rural customer demands quality product with low price and they prefer branded product as quality product. Rural customers are less aware with brand, they only focus on quality. Companies can promote product based on quality because a rural customer measures brand in terms of quality. They highly consider customer recommendation while buying the product. Customers usually recognize the product by their shape, color and logo. Bahal and Sahay (2015) in their study on rural consumers found that awareness is increasing due to increasing income and change in educational status customers are moving towards branded products, they also prefer quality products. Ali et.al (2012) analyzed the factors influencing the purchase of FMCG products by rural consumer in South India and found that marketers should use low price strategy and focus on quality. Chovanova et al., (2015) studied the impact of brand on consumers and revealed that they mostly consider quality factor while buying the product. Consumers associate brand with products information which they utilize while making purchase decision.

Narayana and Mathew (2015) stated that price and quality are the most preferred factors, influencing purchase behaviour of rural customer. Male and female customer have different attitude towards selection of brand which also varies with age. Painoli (2017) argued that economic value of the detergent cake and powder emerged as the most accepted factor for customer preference. Retailer advice has importance for customer in making purchase decision. Social image and promotional activities affect purchase behaviour of customers. Abbas (2013) revealed from the study regarding brand awareness and customer preference of rural consumer that price is not matter of concern they prefer quality product irrespective of price. According to Meera et.al (2017), majority of customer take their own decision while purchasing FMCG products and they believe in the availability of preferred brands in the shop. Television is the most effective source of information for the products. Customer generally switches to another brand due to unavailability of product in the shop and recommend products to others, when satisfied with the product. Brand name is considered as a measure of quality, packaging, small sachet are the factors which influences purchase behaviour of customer regarding FMCG.

Again, according to Singh and Singh (2014) price, quality, warranty, advertisement, brand, friends’ recommendations, family members’ recommendation and packaging were found to be influential while taking the FMCGs purchase decision by the rural consumers. In their study it was also found that factors effect on rural consumers vary according to the demographic factors like age and the income level. Sulekha and Mor (2013) in a study dealing with 22 variables loaded on six factors also concluded that the rural customers are not only price sensitive but also think about quality, performance, reliability, brand, packaging, lifestyle and other critical aspects while purchasing fast moving consumer goods.
Challenges associated with effective distribution and sale of FMCG.

One of the major challenges of marketing directors, and producers is how to transfer manufactured goods to the target markets. Decisions about the way of transfer of goods to the place of purchase or consumer is such major decisions of marketing managers. These decisions will determine what part of the duties related to the sale of goods shall be transferred to the intermediaries and distributors and manufacturer how lost part of surveillance and control over their products. This allows manufacturers to save money and time to fund their main job and gain more revenue (Sarkis, 2003). Competition involves rivalry between businesses competing to sell similar products in the same target market. Many businesses entities adopt various strategies to counter the threat of competition from business rivals (Porter, 2008). Existence of many FMCGs distributors from different companies creates an intense competition in the market and this makes it difficult for most of the FMCGs companies to distribute a large volume of products in the target market.

Challenges of poor distribution channels and underdeveloped transportation and other infrastructure were reported as affecting FMCGs firms servicing consumer market (Adesoga & James, 2019). Liwali (2013) identified some of the factors that constrained the effective implementation of channel strategies in Nigeria to include cost, crime, culture and language, technology, infrastructure, interconnectivity, trade rules and laws, taxes and other monetary issues, lack of professional staff. In addition, Sule et al. (2013) noted that non-availability of adequate and reliable market information on the taste, demand pattern of the consumers, improvement trends in quality and company’s operational performance in relation to other competitors and inadequate infrastructural facilities that should facilitate an efficient channel system are challenges faced by firms while implementing channels strategies for consumer goods in the country. All these resulted in ineffective products availability to the final consumers and poor marketing performance within the FMCGs sector in the country.

Other challenges that FMCG companies in India face in tackling sale and distribution of products and services especially in rural markets include geographically scattered nature of rural markets, their small size, remoteness, poor connectivity and tremendous heterogeneity. Low level of literacy, too many languages and dialects, cultural diversities, inadequate banking facilities, spurious products, low per capita disposable incomes, acute dependence on the monsoon seasonal demand, and media darkness (Sathyanarayana, 2011). Distribution costs and non-availability of retail outlets are the major problems faced by the marketers. The unique consumption patterns, tastes, and needs of the rural consumers should be analyzed at the product planning stage so that they match the needs of the rural people. Therefore, marketers need to understand the social dynamics and attitude
variations within each village though nationally it follows a consistent pattern, and each group exerts influence on the behaviour of people in remote and hard to reach areas.

RESEARCH METHODS

Research Design

The study employed an explanatory quantitative approach to examine the link between distribution strategies and customer (wholesalers and retailers) choice in FMCGs by Unilever Company Limited in operating in the Upper East region of Ghana. This approach helps in understanding the effective sales and distribution network for FMCGs and services. There are three main research strategies: qualitative, quantitative, and mixed approach that can be adopted for a study. The decision to use any strategy depends on the nature of work, the objectives of the study, the level and nature of the research questions and the practical considerations related to the research environment among others (Shih, 1998). While quantitative is hard, objective and standardized, qualitative is soft, rich and deep (Hopkins, 2000). The mixed approach combines the two approaches together in a study (Hesse-biber 2010). The study adopted a quantitative methodological approach because quantitative method allows explanation of a phenomenon by collecting numerical data that are analysed using mathematically based method, particularly statistics (Muijs, 2004). The researcher used cross-sectional survey technique for data collection. Cross-sectional survey allows information to be collected from sampled respondents from a larger population which is prohibitively expensive to study (Swanson & Holton, 2005). To gather data for the study, the researcher employed the use of questionnaire survey as the research design.

Population

The population of the study consist of the staffs and customers (mainly wholesalers and retailers) of Unilever Ghana Limited operating in the Upper East region of Ghana. The management level comprises the manager and staffs consist of the Sales Team in the region. Customers include wholesalers and retailers of Unilever for at least a year.

Sample and Sampling Technique

Out of the staff population of Unilever Ghana Limited in Upper East region, a sample frame of working staffs who have worked with the organisation for a considerable period of two years will be chosen at random to provide data. The sample frame will comprise of Unilever staff and retail consumers in the Upper East Region. This sample will include both males and females who will be selected by simple random sampling technique. This sampling technique will give the respondents equal chance to be selected for the study. In all, a sample size of
110 respondents (10 Unilever staff and 40 wholesalers and 60 retailers of Unilever products) was chosen for data collection. This sample size can provide a good representation of the subject matter at Unilever Ghana Limited. The sampling techniques employed are purposive and simple random sampling. Purposive sampling technique was used to select the respondent at the management level. Purposive sampling will be chosen because of the following reasons (i) Based on the researcher’s judgement about where respondents were appropriate, have the requisite knowledge and technical know-how on the subject under study (Babbie, 2007). (ii) The purposive sampling procedure of selecting respondents is the appropriate means of getting respondents who are knowledgeable and well abreast with the subject of interest (Sarantakos, 2006). Simple random sampling was used to select customers comprising both wholesalers and retailers at random to complete questionnaire.

**Data Collection Instruments**

According to Creswell (2002), the choice of research technique must be determined by the research questions. Bearing in mind the nature of research design as well as objectives or research question to be examined, data for this study will be collected by means of one main instrument that is, self-administered questionnaire. A self-administered questionnaire was used in quantitative data collection to get the unbiased opinion of respondents. The questionnaire-covered issues that focused on the socio-demographic and economic characteristics, kinds of distribution network/channels, effective sales strategies, and distribution challenges. This collection instrument made it very convenient for the respondents to provide the data needed for the analysis.

The data collection instrument was self-administered questionnaire which had both close- and open-ended questions. The close-ended questionnaire is employed to provide greater uniformity of responses to ensure the validity and the reliability of the research.

**Data Collection Procedures**

Quantitative data was collected from managers, staff and Customers of Unilever Ghana Limited for a period of 21 days by the research with the assistant from trained field data collectors. This happened after a formal permission and consent is sought from the senior management of the organisation. The respondents were interviewed one after the other considering their busy working schedules. Again, to avoid interviewing the same respondent more than once, serial numbers were given to the respondents which were also attached to their respective questionnaire.

**Data Processing and Analysis**
The answered questionnaires were reviewed to ensure that all the questionnaires are correctly and appropriately answered to minimise potential errors. The quantitative data collected was entered into analytical software called Statistical Package for Social Sciences (SPSS) version 20.0. The study used frequency distribution tables and statistical diagrams like bar charts and pie charts. The quantitative data was presented by some of these statistical tools and discussed. The presentation of the data on these statistical tools made the analysis very convenient and easy. The statistical tools were used to convey the meaning of the figures captured and as such made the analysis straight forward. Inferential statistics was used to assess the impact of policies on the successful implementation of performance appraisal systems. Bivariate analysis (Chi-square test) will be used to establish an association between the variables of interest.

Validity and Reliability

The reliability of the instrument was determined using Cronbach’s alpha coefficient to measure the internal consistency of the variables. Hence a pre-test of the questionnaire was performed to validate the research instrument within the targeted context since its validity may not have been persistent across different technologies and user groups (Straub, Boudreau & Gefen, 2004).

Ethical consideration

The researcher first and foremost officially requested permission from the ethical clearance committee of the University of Cape Coast. Again, participants that will be involved in the completion of questionnaires will be allowed to freely withdraw from the research without any obligation. The respondents will also be assured of confidentiality and anonymity by the researcher. This is to ensure that completed questionnaires and data files was only be used by the researcher for academic purposes. The respondents were not subjected to any mental or physical stress. Moreover, demeaning questions were not asked in the research. The questionnaires did not take respondents names or other personal information that will be not necessary to the research.

RESULTS AND DISCUSSION

Introduction

As discussed previously, this study purposed to examine the effective use of distribution channels and networks by FMCGs, by Unilever Ghana Limited in operating in the Upper East region of Ghana. For this objective to be achieved, the study used quantitative methodology and descriptive as well as inferential analytical techniques. The focus of this segment is on data analysis and discussion of the study results that will allow the
researcher to draw logical conclusions. The study used sample size of 110 respondents who answered questionnaires.

**Socio-Demographic Characteristics of Respondents**

This study involved a total of 110 respondents. The respondents were divided into three groups; the first group comprised of 10 Unilever staff, the second group comprised of 40 wholesalers of Unilever products and the third group consist of 60 retailers of Unilever products. As depicted in Table 1, most of the Unilever staff in this study were male (60%) while the remainder were females (40%). Also, the wholesalers in this study were dominated by males with a proportion of 62.5% while a proportion of 37.5% were females. With regards to retailers of Unilever products, 7 out of 10 were females compared to 21.7% who were males.

The findings from Unilever staff category showed that 50% had a bachelor’s degree, 30% had a bachelor’s degree while 20% had diploma. However, in the wholesaler’s category, the findings revealed that 50% had attained secondary education, this is closely followed by those with primary education, 17.5% had attained diploma education with the least (12.5%) with no educational level. The respondents (retailers) in this study were asked to disclose their level of education, 35% had attained primary education, 25% had no formal education, and 21.7 % had a secondary education, 15% had diploma while 3.3 % had a bachelor’s degree certificate. This result shows that the respondents in the Unilever staff category were more educated and professionally qualified compared to respondents in the wholesale and retail categories.

The descriptive analysis of the distribution of respondents by age showed that 40% of the respondents in Unilever staff category were between 25 and 35 years old, 30% of the respondents were above 55 years, 20% of the respondents were between 36 and 55 years while 10% were between 18 and 24 years. On the other hand, most of the wholesalers (30%) and retailers (50%) of Unilever products were aged between 36 to 55 years (35%) while the least were above age 55 years. Majority of the respondents were adults with the capability to make effective strategic decisions.

In terms of ethnic background, most (60 %) of the Unilever staff belong to the Akan ethnic group; this was followed by Unilever staff who belong to Mole-Dagbani ethnic group with a proportion of 40%. On the other hand, majority of the wholesalers (55%) and retailers (55%) belong to the Mole-Dagbani ethnic group, while wholesalers and retailers who belong to the Ga/Dangme ethnic constitute the least proportion of 7.5% and 8.3 % respectively.
With regard to religion, Christianity is the most practised religion among Unilever staff which constitutes 70% of the respondents. The rest 20% and 10% belong to the Islamic and traditional religion respectively. Regarding Unilever wholesalers (45%) and retailers (58.4%), higher proportion belong to the Islamic religion compared to the other categories.

Further, the findings from the distribution of respondents in the Unilever staff category showed that 40% (highest proportion) had been working in the company between 6 to 10 years, this was closely followed by 30% had been in the working company between 1 to 5 years, 20% had been in the company less than a year while 10% had been in the company for more than 10 years. On the other hand, the findings in the wholesaling and retailing category showed that 40% and 36.7% had been selling of more than 10 years respectively, 25% of wholesalers and 28.3% of retailers have been selling Unilever products between 1 to 5 years. The result also shows that 15% of wholesalers and 20% had work experience between 6 to 10 years while 20% of wholesalers and 15% had work experience of less than 12 months.

Table 1: Background characteristics of Respondents

<table>
<thead>
<tr>
<th>Factors</th>
<th>Unilever Staff (N=10)</th>
<th>Wholesalers (N=40)</th>
<th>Retailers (N=60)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>n %</td>
<td>n %</td>
<td>n %</td>
</tr>
<tr>
<td>Male</td>
<td>6 60.0</td>
<td>25 62.5</td>
<td>13 21.7</td>
</tr>
<tr>
<td>Female</td>
<td>4 40.0</td>
<td>15 37.5</td>
<td>47 78.3</td>
</tr>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Education</td>
<td>5 12.5</td>
<td>15 25.0</td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>8 20.0</td>
<td>21 35.0</td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>20 50.0</td>
<td>13 21.7</td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>2 20.0</td>
<td>9 15.0</td>
<td></td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>5 50.0</td>
<td>2 3.3</td>
<td></td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>3 30.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24 years</td>
<td>1 10.0</td>
<td>11 27.5</td>
<td>14 23.3</td>
</tr>
<tr>
<td>25-35 years</td>
<td>4 40.0</td>
<td>9 22.5</td>
<td>10 16.7</td>
</tr>
<tr>
<td>36-55 years</td>
<td>2 20.0</td>
<td>12 30.0</td>
<td>30 50.0</td>
</tr>
<tr>
<td>Above 55 years</td>
<td>3 30.0</td>
<td>8 20.0</td>
<td>6 10.0</td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akan</td>
<td>6 60.0</td>
<td>9 22.5</td>
<td>14 23.3</td>
</tr>
<tr>
<td>Ewe</td>
<td>1 10.0</td>
<td>6 15.0</td>
<td>8 13.4</td>
</tr>
<tr>
<td>Ga/Dangme</td>
<td>1 10.0</td>
<td>3 7.5</td>
<td>5 8.3</td>
</tr>
<tr>
<td>Mole-Dagbani</td>
<td>4 40.0</td>
<td>22 55.0</td>
<td>33 55.0</td>
</tr>
<tr>
<td>Religion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No religion</td>
<td>1 10.0</td>
<td>5 12.5</td>
<td>3 5.0</td>
</tr>
<tr>
<td>Christian</td>
<td>7 70.0</td>
<td>11 27.5</td>
<td>20 33.3</td>
</tr>
<tr>
<td>Muslim</td>
<td>2 20.0</td>
<td>18 45.0</td>
<td>35 58.4</td>
</tr>
<tr>
<td>Traditionalist</td>
<td>1 10.0</td>
<td>6 15.0</td>
<td>2 3.3</td>
</tr>
<tr>
<td>Years of working experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 12 months</td>
<td>2 20.0</td>
<td>8 20.0</td>
<td>9 15.0</td>
</tr>
<tr>
<td>1-5 years</td>
<td>3 30.0</td>
<td>10 25.0</td>
<td>17 28.3</td>
</tr>
<tr>
<td>6-10 years</td>
<td>4 40.0</td>
<td>6 15.0</td>
<td>12 20.0</td>
</tr>
<tr>
<td>11 years and above</td>
<td>1 10.0</td>
<td>16 40.0</td>
<td>22 36.7</td>
</tr>
</tbody>
</table>

Source: Fieldwork, 2021
Distribution strategies for the effective sales of products and service that meet customer satisfaction

This section discusses the distribution strategies employed by Unilever Ghana Limited that ensures effective sales of products and services that meets customer satisfaction. The respondents (Unilever staff) were asked to state whether they ‘Strongly Disagree’, ‘Disagree’, ‘Neither Agree nor Disagree’ (Neutral), ‘Agree’ and ‘Strongly Agree’ to some statement describing the various distribution strategies adopted. From Table 2, results show that 35% of respondent neither agree nor disagree (neutral) with the statement that “The existence of fewer intermediaries in one-level distribution channel incurs lower operational costs thus making it cheaper”. However, 8% and 21% strongly disagreed and strongly agreed with the statement respectively. This indicates that most intermediaries in the channels of distribution results in lower and cheaper cost of operation.

Also, 48% of Unilever staff strongly agreed with the statement that one-level distribution channel enables faster movement of goods from the factory floor to the consumers. Again, 46% of Unilever staff strongly agreed with the statement that “Shorter distribution channels have fewer operational processes incurring few bureaucratic phases thus making it simpler and easier”. Also 29% were neutral in their response to the statement. Another important statement that had 52% of Unilever staff strongly agreeing to was that minimal inspection during movement of good guarantees good quality products. When it comes to existence of more intermediaries in two-level distribution channels, 38% agreed that, that channel increases likelihood of value addition for the products at each level due to desire for more margins amongst the intermediaries. Interestingly, 36% strongly disagreed to the statement that “Two level distribution channels require higher operational spread to enable faster movement of goods/products from the factory to consumers”.

Further, 65% agreed that the two-level distribution channel undertakes bulk-breaking at different levels which increases convenience for retailers and consumers in purchasing goods/products in small portions. However, 55% disagreed that this two-level channel of distribution attracts price differentiation among the intermediaries which results in boosting business competitiveness and diversity for retailers and consumers.

Regarding their responses to statements on three- level channels of distribution, 70% of Unilever staff strongly agreed to the statement that “Intermediaries in a three-level distribution channel means more options for retailer which gives retailers more power in selecting better quality products from a variety of intermediaries”. Similarly, 65% agreed that three level channels of distribution are often commonly used to cover larger market that has retailers and consumers spread across.
The general observation from the table indicates that relatively higher proportion of Unilever staff either "strongly agree" or "agree" with most statement relating to distribution strategies used by Unilever Ghana Limited in ensuring effective sales of its products and services to meet customer satisfaction.

Table 2: Distribution strategies for effective sales of Unilever products and services

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existence of fewer intermediaries in one-level distribution channel incurs lower operational costs thus making it cheaper</td>
<td>21.0</td>
<td>19.0</td>
<td>35.0</td>
<td>17.0</td>
<td>8.0</td>
</tr>
<tr>
<td>One-level distribution channel enables faster movement of goods from the factory floor to the consumers</td>
<td>48.0</td>
<td>31.0</td>
<td>10.0</td>
<td>9.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Shorter distribution channels have fewer operational processes incurring few bureaucratic phases thus making it simpler and easier</td>
<td>15.0</td>
<td>46.0</td>
<td>29.0</td>
<td>7.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Minimal inspection during movement of goods guarantees good quality products</td>
<td>52.0</td>
<td>29.0</td>
<td>11.0</td>
<td>6.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Existence of more intermediaries in two-level distribution channel increases likelihood of value addition for the products at each level due to desire for more margins amongst the intermediaries</td>
<td>16.0</td>
<td>31.0</td>
<td>41.0</td>
<td>11.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Two level distribution channels require higher operational spread to enable faster movement of goods/products from the factory to consumers</td>
<td>4.0</td>
<td>38.0</td>
<td>16.0</td>
<td>21.0</td>
<td>21.0</td>
</tr>
<tr>
<td>Two-level distribution channel undertakes bulk-breaking at different levels which increases convenience for retailers and consumers in purchasing goods/products in small portions</td>
<td>2.0</td>
<td>16.0</td>
<td>19.0</td>
<td>27.0</td>
<td>36</td>
</tr>
<tr>
<td>Two-level distribution channel attracts price differentiation among the intermediaries which results in boosting business competitiveness and diversity for retailers and consumers</td>
<td>3.0</td>
<td>5.0</td>
<td>13.0</td>
<td>55.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Intermediaries in a three-level distribution channel means more options for retailer which gives retailers more power in selecting better quality products from a variety of intermediaries</td>
<td>70.0</td>
<td>20.0</td>
<td>5.0</td>
<td>4.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Three level distribution channels is commonly used to cover larger market that has retailers and consumers spread across</td>
<td>20.0</td>
<td>65.0</td>
<td>7.0</td>
<td>6.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Factors promoting effective distribution channels of products and services in the retail industry

This section discusses the factors promoting effective distribution channels of products and services in retail industry. These factors are divided into three categories namely product related factors, consumer/market related factors and producer related factors.

Product-related factors

Respondents gave their responses towards some statements that measures the products-related factors promoting effective distribution channels of Unilever products and services. Further details are provided in Table
3. From the table, the results show that 62% of Unilever staff strongly agreed with the statement that “price of products” is a strong determining factor in promoting distribution of Unilever products. Similar responses were also given to factors such as perishability of products (71%) and size and weight of products (64%) as very strong determining product related factors promoting distribution of products and services in the retail industry. However, most respondents strongly disagreed to “technical nature of products” (55%) and “after sales service” (67%) as product related factors promoting the distribution of products and services in the retail industry. In sum, product-related factors such as price of products, perishability of products, size and weight of products were identified as strong factors promoting the distribution of Unilever products and services in the retail industry in Ghana.

Table 3: Factors promoting effective distribution channels of products and services in the retail industry

<table>
<thead>
<tr>
<th>Factors</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Related Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price of products</td>
<td>62.0</td>
<td>25.0</td>
<td>4.0</td>
<td>6.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Perishability of products</td>
<td>71.0</td>
<td>19.0</td>
<td>2.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Size and weight of products</td>
<td>64.0</td>
<td>20.0</td>
<td>6.0</td>
<td>7.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Technical nature of products</td>
<td>5.0</td>
<td>8.0</td>
<td>15.0</td>
<td>17.0</td>
<td>55.0</td>
</tr>
<tr>
<td>After sales service</td>
<td>8.0</td>
<td>6.0</td>
<td>4.0</td>
<td>15.0</td>
<td>67.0</td>
</tr>
<tr>
<td>Consumer/Market Related Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of customers</td>
<td>66.0</td>
<td>11.0</td>
<td>9.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Expansion of consumers</td>
<td>73.0</td>
<td>14.0</td>
<td>2.0</td>
<td>5.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Size of order</td>
<td>50.0</td>
<td>27.0</td>
<td>12.0</td>
<td>7.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Objective of purchase</td>
<td>47.0</td>
<td>20.0</td>
<td>15.0</td>
<td>10.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Producer Related Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of production</td>
<td>77.0</td>
<td>10.0</td>
<td>2.0</td>
<td>8.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Financial resources</td>
<td>83.0</td>
<td>10.0</td>
<td>1.0</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Managerial competence and experience</td>
<td>73.0</td>
<td>8.0</td>
<td>9.0</td>
<td>6.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Consumer/Market-Related Factors

Respondents gave some responses to factors that measures consumer/market-related determining factors that promote distribution of Unilever products and services in the retail industry. Majority of the
respondents strongly agreed that factors such as “number of customers” (66%) and “expansion of consumers” (73%) as very strong factors promoting effective distribution channels of products and services. On the other hand, most of the respondents disagreed to factors such as size of order (50%) and objective of purchase (47%) as consumer/market-related factors promoting effective distribution channels. Thus, from the perspective of Unilever staff, the study identified number of customers and expansion of consumers as the two important market related factors promoting effective distribution channels for Unilever products and services in the Ghanaian retail industry.

**Producer-Related Factors**

In this section, majority of the Unilever staff strongly agreed that level of production (77%), financial resources (83%) and managerial competence and experience (73%) were the producer-related factors that promote effective distribution of Unilever products and services in the retail industry.

**Challenges associated with effective distribution and sale of fast-moving consumer goods in the retail industry.**

This section discusses the challenges associated with effective distribution and sale of fast-moving consumer goods in the retail industry. Results from Table 4 show that 68% of Unilever staff strongly agreed that lack of support from management as a major challenge associated with the effective distribution and sale of fast-moving consumer goods. Also, 47% of the respondents disagreed with “high implementation cost” as a challenging fact negatively affecting effective distribution of goods and services. Other challenges that were strongly agreed with by Unilever staff were lack of adequate funds (82%), lack of proper communication channels (74%), complexity of consumer needs (65%), poor road networks (80%) and existence of counterfeits goods in the retail market (69%).

**Table 4: Challenges negatively affecting effective sales and distribution of FMCG.**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of management support</td>
<td>68.0</td>
<td>25.0</td>
<td>1.0</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>High implementation cost</td>
<td>6.0</td>
<td>15.0</td>
<td>12.0</td>
<td>47.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Lack of adequate funds</td>
<td>82.0</td>
<td>8.0</td>
<td>2.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Lack of skilled employees to implement the strategy</td>
<td>2.0</td>
<td>4.0</td>
<td>2.0</td>
<td>20.0</td>
<td>72.0</td>
</tr>
<tr>
<td>Lack of proper communication channels</td>
<td>74.0</td>
<td>18.0</td>
<td>1.0</td>
<td>3.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Complexity of customer needs</td>
<td>65.0</td>
<td>21.0</td>
<td>10.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Lack of policies, processes and procedure to support implementation of strategy</td>
<td>3.0</td>
<td>3.0</td>
<td>8.0</td>
<td>54.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Poor road networks</td>
<td>80.0</td>
<td>14.0</td>
<td>1.0</td>
<td>2.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Presence of counterfeits goods in the retail market</td>
<td>69.0</td>
<td>12.0</td>
<td>9.0</td>
<td>4.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Limited Branding visibility</td>
<td>8.0</td>
<td>7.0</td>
<td>15.0</td>
<td>24.0</td>
<td>46.0</td>
</tr>
</tbody>
</table>
Factors influencing customer choice of Fast-Moving Consumer Goods in the retail industry

This section examines the factors influencing customer choice of Fast-Moving Consumer Goods in the retail of Unilever products and services. Result from Table 5 show the coefficients of factors that are likely to influence customer choice of FMCG in the retail industry. The factors examine were incentives, recognition programs, feedback appraisal and communication.

The coefficients of incentives and feedback appraisal were significant at 5% level. This shows the strong effect of incentives such as awards, certificates, cash and special quotas to retailers and wholesalers of Unilever on their choice of FMCG. Again, receiving feedback on knowledge of what is expected of a distributor, performance based on sales and encouragements from the manufacturers to achieve sales objectives were significant in predicting customer choice of FMCG in the retail industry.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficient</th>
<th>Std. Coefficient</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.376</td>
<td>0.142</td>
<td>0.003</td>
</tr>
<tr>
<td>Incentives</td>
<td>1.836</td>
<td>0.615</td>
<td>0.003</td>
</tr>
<tr>
<td>Recognition programs</td>
<td>0.662</td>
<td>0.436</td>
<td>0.824</td>
</tr>
<tr>
<td>Feedback Appraisal</td>
<td>1.761</td>
<td>0.607</td>
<td>0.004</td>
</tr>
<tr>
<td>Communication</td>
<td>0.409</td>
<td>0.397</td>
<td>0.303</td>
</tr>
</tbody>
</table>

R Square | Adjusted R Square | Std. Error of the Estimate | Durbin Watson |
0.296     | 0.170            | 952.468                  | 0.658

Source: Field data, 2021

CONCLUSION AND RECOMMENDATIONS

The main objective of this study is to examine the effective use of distribution channels and networks by FMCGs in the Upper East region of Ghana. In all, a total of 110 responses were analysed. For the purposes of clarity of presentation, the findings are summarised under the study objectives.

Distribution strategies for the effective sales of products and services

The result indicate that Unilever staff identified with the following as best distribution strategies for the effective sales of products and services. These strategies are one-level distribution channel, shorter distribution channels, two-level distribution channel and three-level distribution channels. The advantages of one level distribution channel enables faster movement of goods from the factory floor to the consumer. It also has fewer operational processes incurring few bureaucratic phases thus making it simpler and easier. One level distribution
further leads to minimum inspection during movement of goods which guarantees good quality products. One of the merits of two-level distribution channels is that it undertakes bulk-breaking at different level which increases convenience for retailers and consumers in purchasing goods/products in small portion. Again, three level distribution channels are often commonly used to cover large market and it also involves more options for retailer which gives retailers more power on selecting better quality products from a variety of intermediaries.

Factors promoting effective distribution channels of products and services.

This objective was to identify the factors that promote effective distribution channels of products and services in the retail industry. The findings clearly reveal that products related factors such as price of products, perishability of products, size and weight of products promotes the effective distribution of Unilever goods and services. Consumer/market related factors such as number of customers and increase consumer base were factors identified as promoting effective distribution channels. Further, the level of production, financial resources and managerial competence and experiences.

Challenges associated with effective distribution and sale of fast-moving consumer goods.

The results revealed the following challenges associated with the effective distribution and sale of fast-moving goods in the retail industry. These are lack of support from management, inadequate funds, lack of proper channels of communication, complexity of consumer goods, poor road networks and existence of counterfeit goods.

Factors influencing customer choice of Fast-Moving Consumer Goods

The study found that customer choice of Fast-Moving Consumer Goods was positively influenced by incentives such as awards, certificate, cash and special quotas to retailers and wholesalers of Unilever products. Again, receiving feedback on knowledge of what is expected of a distributor and performance based on sales and encouragement from the manufacturers to achieve sales objectives.

Conclusion

The study clearly illustrates the best distribution strategies that promote effective sales of products and services in the retail industry. The study vividly shows that products-related factors, consumer/market-related, and production-related factors promote the effective distribution of Unilever goods and services. The study, however, identified some challenges associated with the effective distribution and sale of fast-moving consumer goods and services. The study also established a positive influence of factors, such as incentives, receiving feedback on
knowledge of what is expected of a distributor and performance based on sales based on customer choice of fast-moving consumer goods (FMCG) and services.

**Recommendations**

The results show a positive impact of incentives such as awards schemes, certificates, cash and special quotas to retailers and wholesalers of Unilever on the choice of FMCG. Managers and producers of FMCGs should implement more reward and incentive programmes and policies to boost the sale and distribution of FMCG and services in the retail industry in Ghana.

Furthermore, managers, producers and distributors of FMCG and service should endeavour to develop mechanism that will create the avenue to receive feedback from customers (retailers and wholesalers) and final consumers of their products and services. This feedback mechanism will help improve manufacturing, processing, distribution and sale of fast-moving consumer goods and services. This is essential because the result vividly show that feedback mechanism has positive influence on consumer choice of FMCG. Again, managers and producers of FMCGs should pay much attention to the price of their products, their perishability, size and weight of products because it influences their effective distribution. This is important because these factors were identified as critical in ensuring effective distribution channels of FMCGs.

Future studies should include qualitative methodology such as focus group discussions, in-depth interviews among various stakeholders in the manufacturing and retail industry. This methodological approach will give details of the issues and challenges that confront effective distribution of consumer goods and services.

**References**


