

**SALES PROMOTION STRATEGIES, RELATIONSHIP MANAGEMENT AND
CHANNEL LOYALTY: THE CASE OF COCA-COLA UGANDA, GULU
DISTRIBUTION AREA**

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DECLARATION

I, Okwera Denis, declare that this report is my original work and that it has never been submitted to any university or any other institution for any academic award. I further declare that where other people's researches were used, the authors have been dully acknowledged.

Signature.....

Date..... 25/04/2022



APPROVAL

This is to certify that, this research dissertation has been developed under our supervision and is now ready for submission in partial fulfillment of the requirements for the award of the Degree of Master of Business Administration of Gulu University.

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DEDICATION

This work is dedicated to my beloved family and most importantly to my beloved daughter Niyer Pharella Ocwee and all the grandchildren of Mrs. Regina Lacan. I dedicate this work to you as a milestone to set a special pace and standard in your life that should guide your academic dreams and aspirations to achieve much greater academic awards than those I have so far achieved and those that I am yet to achieve. Where this standard will change in the future, I hope you will all be brave enough to cope to such a pace.

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LIST OF ACRONYMS/ABBREVIATIONS

ADS	Advertisement
B2B	Business To Business
B2C	Business to Customers
Coke	Coca-Cola
CRM	Channel Relationship Management
CSD	Carbonated Soft Drinks
CVI	Content Validity Test Index
DRC	Democratic Republic Of Congo
DSR	Direct sales representatives
FIFA	Federation of International Football Association
FMCG	Fast Moving Consumable Goods
LRA	Lord's Resistant Army
MTN	Mobile Telephone Network
PR	Public Relations
RM	Relationship Management
Shs	Uganda shillings
SPSS	Statistical Package for Social Science
Std	Standard
TV	Television
UBOS	Uganda bureau of statistics
Ugx.	Uganda shillings
USD	United states dollars
UTC	Under the Crown

Definition of key terms

Customer (channel) Relationship Management (CRM); According to Buchari (2004 cited in Chamdan Purnama 2015),customer relationship management is a process to acquire, retain and grow the most profitable customers

Customer (channel) loyalty; This is “a deeply held commitment by customers to re-buy a preferred product or service in the future despite situational differences and marketing efforts having the potential to cause switching behavior” that consist of customer’s engagement with a company and willingness to continue doing business with such a company permanently (Oliver (1999), and Zineldin, 2006 cited in Titus, Sengupta, & Garg, 2013)

Distribution channel; Ostrow (2009) defined distribution channel as the route along which goods and services move from producer or manufacturer through marketing intermediaries to the final user.

Nonspecifiability; A condition of products supplied by a particular supplier not being clearly specific in terms of branding (trade mark) or the inability of channel members to distinct or specifies products supplied by a particular supplier or a number of suppliers.

Promotions; This is simply a collection of methods by which an organization attempts to communicate either directly or indirectly with its market. Cuellar-Healey & Charles S, (2013)

Sales promotion Blattberg and Neslin (1990 as cited in Blattberg & Briesch, 2012) define

sales promotions as “an action-focused marketing event whose purpose is to have a direct impact on the behavior of the firm’s customer.

Strategy;

In the same fashion, strategy is also defined as the determination of a company's long-term goals and objectives and the direction of actions and the allocation of resources needed to achieve such goals and objectives (Craig & Grant 2002 cited in Sanjaya, Fauzi, Sadalia, & Muda, 2019).

Unobservability;

This refers to the inability of the supplier to monitor the actions of retailers after products have been supplied to them.

Kamini

Different Coca-Cola products/brands packed in 350ml plastic bottles

Abstract

This study investigated the association of sales promotion strategies, channel relationship management and channel loyalty with switching cost and trust as intervening variables. The objectives of this study were to; assess the influence of promotion strategies on channel loyalty; to assess the influence of channel relationship management on channel loyalty and finally, to examine the extent to which switching costs and trust affect channel loyalty. Data were collected from Coca-Cola's distribution in Gulu city using a descriptive survey design method with closed ended questionnaires. The results show that channel loyalty is not influenced by channel member's business interest and the period the member has been in business. The study findings indicated that; sales promotion strategies, channel relationship management, and trusts all have positive and significant effect on channel loyalty though at varying levels except for switching cost, which had no significant impact on channel loyalty. The study therefore recommends the following; to win channel loyalty, manufacturers should strive for lower price products with similar content, better quality, and bigger quantity per unit, but with greater profit margins to the channel members. Due to the rapid decline in the role of switching cost on channel loyalty today, manufacturers should focus on relationship marketing and develop capabilities to implement pull promotion strategy more effectively. To popularize coke studio Africa in Uganda, the management of Coca-Cola Uganda should start a similar program and brand it '**coke studio Uganda**'. This will help them build a nationwide popularity of that program by encouraging local artists from all over Uganda to participate in it then advance to coke studio Africa.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

In the context of B2B (business to business/a business selling to another business other than selling to final consumers) market, Channel loyalty has been a big challenge for beverage manufacturers to attain. Egan (as cited in Zineldin, 2014) found out that, in a B2B setting, there is no need for customers to be loyal to one or a portfolio of suppliers particularly for undifferentiated markets because the customer is at liberty to take the best deal regardless of who provides it. Kiran, Majumdar, & Kishore, (2012) also pointed to the fact that; a distribution channel is typically composed of multiple companies pursuing their own competing interests, and given resource scarcity, drives for autonomy and divergence of subunit goal, channel members often fail to commit their loyalty to any single manufacturer. In Uganda, manufacturers are free to participate at every stage of the distribution chain- either as distributors, wholesalers or even retailers who sell directly to the final consumers according to a report from the United Nations conference on trade and development (*UNCTAD/DITC/TNCD/2013/12*). It's this kind of freedom of participation that is a major factor as to why winning disgruntled channel members' loyalty has become an uphill task to most manufacturer because such channel members consider such inequity and malicious practices of manufacturers as an act of traitor-ship and injustice that should be punished by stocking competitors' products in large quantity, variety and promoting them aggressively as a retaliatory action of punishment. Dr. John Pemberton invented what is today known as Coca-Cola in 1876 where it was first sold as an energy drink in the form of syrup in Jacob's pharmacy and was made available in Atlanta-Georgia USA only (Gerald, 2011). In Uganda, Coca-Cola started in 1988 by the Bagaalaliwo family who registered the company in the names of Century bottling company ltd working in partnership with the Coca-Cola international based in Atlanta-Georgia. On 5th May 1989, the first bottles came off the line with

the production of three core brands namely; Coca-Cola, Fanta orange, and Sprite. As time progressed, this was later on expanded to include Krest, Stoney, Novida Dasani water and Minute maid juice among many others. This study examines the extent of channel loyalty for Coca-Cola channel members based in Gulu city.

1.2 Background

Notwithstanding the fact that Coca-Cola has been so successful in applying several sales promotion strategies in marketing of their products over the past six decades, this company hasn't yet become the dominant cola brand in America. This is so because Americans still predominantly prefer Pepsi over Coke. However, having realized this truth, Coca-Cola has to that effect adopted a more robust sales strategy that involves growing its brand domestically through the use of more defensive sales strategies which focuses on retaining the existing consumers and maintaining their purchasing frequency (Slater, 2000).

Walsh (2003) argues that in the 1980s, Coca-Cola was faced with very stiff competition particularly from its arch-rival Pepsi cola. It was notable that Coca-Cola was constantly losing a great market share to diet soft drinks for many years. Unfortunately Coca-Cola's a blind taste tests showed that consumers prefer the sweeter taste of rival Pepsi-Cola, and this therefore forced Coca-Cola to consider reformulating its recipe. This was however a very costly decision that nearly led to the collapse of this brand had it not been for its strong sales and marketing strategies. Creatively, Coca-Cola tried to make the best out of the situation, by attracting new customers for the new taste, but alienated their original customers who found the flavor foul. Coca-Cola's solution was to create two separate products. The original flavor was deemed classic Coca-Cola while the new flavor went by New Coke. This plan worked for several years, but New Coke was eventually phased out.

Hair, Lamb, & McDaniel, (2006), observed that personal selling is one of the most effective tools that Coca-Cola uses for building strong vibrant and profitable relationships with business-to-business customers so as to help it sell a larger variety of products that can satisfy such needs globally. Nonetheless, Baah (2015) states that in 2013 Coca-Cola had a global total market share of 42.2% in the non-alcoholic beverage industry. Unfortunately the company has continued to experience declining sales over time and in 2014, the company had a massive decline of 15.4% of net income on revenue compared to the previous year where it was 18.3%”

Banutu-Gomez & Rohrer, (2012) argued that; Coca-Cola has been able to strategically apply standardization (form of marketing strategy that allows for the implementation of similar practices implemented in home country to equally be applied to other foreign markets) globally in its marketing strategy thus leading to uniformity in most of its marketing (promotion) activities. The application of the standardization approach is backed by the “think global, act local” campaign thereby becoming the core reason behind Coca-Cola’s global brand’s success because this strategy specifically focuses on local cultures and customs.

Meanwhile in Morocco, given the fact that soccer is the most popular sports and most importantly the Moroccan national team, Coca-Cola has to that effect positioned itself as the number one soft drink too by developing a very close bondage with the national team through channeling its sales and marketing strategies by sponsoring the Atlas Lions in 1994 and 1998 Moroccan soccer team at the World Cup (Moroccan national football team) one of Africa’s most respected teams (World Info Zone, 2010 as cited in Banutu 2012).

In Nigeria, Coca-Cola Company continued to grow simply because of its continuous investment in sales promotion and advertising. This kind of investment has been witnessed by Coca-Cola organizing different competitive shows in Nigeria’s tertiary institutions in the name of sales

promotion and advertising campaign, more of these sales and promotion activities has also been witnessed towards the period of festivities such as Christmas and Sallah Wall, et'al (2010).

Danjuma, Audu & Omake (2014) noted that Coca-Cola Company in Nigeria has been able to grow fast and well due to the application of human oriented sales and marketing strategies that facilitated her growth countrywide. The application of sophisticated strategies like; consistent advertising of their products (on the radio, TVs, billboards, newspapers), constant organization of sales promotion activities like under the crown prizes, the production of standard and high quality products, provision of friendly after sale services, introduction of disposable plastic bottles for packaging her products, charging of affordable prices and finally the establishment of twelve strong production plants, sixty depots and the involvement of over four hundred thousand channel members as dealers in the distribution of the Coca-Cola products.

According to (Kaketo, 2015) the current state of Uganda's soda market has reached a state of hyper competition (a condition that threatens efforts to sustain the market share with unpredictable trends). In December 2013, the impact of this hyper competition forced Coca-Cola to reduce the prices for most of its products by almost 50% and this was clearly a result of competitive pressure exerted by Riham soda that has been able to disorganize the soda market in Uganda

Kaketo (2016) stated that in 1990, Coca-Cola used to control 90% of Uganda's market but fast forward things have changed for the worse. But due to the reluctance of Coca-Cola in as far as customers satisfaction and winning channel loyalty is concerned, has made it easy for competitors (new entrant) to hijack a great market share from her. In Uganda today, "visit any village in Uganda and you will find Riham product there", market report indicates that Riham commands northern Uganda and villages across the country after dislodging Coca-Cola. In a bid to fight back, Coca-Cola was forced to cut prices for most of her products by 70% in response to a new and aggressive rival. This is a condition that could have been smartly avoided if emphasis

had been directed towards winning customer satisfaction and loyalty given all the advantages of loyal customers.

As similarly practiced in Uganda, Coca-Cola in Peru also decided to increase market penetration and their marketing efforts was to reach out to everywhere they can, from corner stores to major sporting events. In Uganda, Coca-Cola is a proud sponsor Coca-Cola post-primary football tournament that is held annually (Coca-Cola, 2019). This is as well a long term marketing strategy that is aimed at building loyalty in the earlier lives of children and youth who in the future takes different directions in life including becoming Coca-Cola consumers, employees, ambassadors as well as channel members.

Similarly (Odomel, 2006) argues that just like in Peru and Belarus and or the other countries, one more marketing strategy Coca-Cola employs in Uganda is involvement in corporate social responsibility Uganda also reported that *Coca-Cola beverages Africa Uganda commits Ugx 150 million to Mtn marathon* as a way to come closer and support the community).

As a push strategy, Coca-Cola provides its channel partners and trade enterprises with free promotional materials, booths, refrigerators, and other trade equipment like product supply services and shoulders the overall marketing and advertising support (Pathak 2010 cited in Essay, UK (2018) and Food and Drink, n.d. cited in Banutu, 2012).

Esteryl (2014 cited in Baah & Bohaker, 2015) observed that in 2011 when Coca-Cola launched its popular ad campaign “Share a coke”, this ad was a great success which resulted in massive Coca-Cola’s sales growth globally including Australia and the US. This ad was a result of Coca-Cola attempting to shift its focus to the consumers by labeling Coke, Diet Coke and Coke Zero with names of individuals that varied from Aaron to Zach. Similarly, this same ad was also administered in Uganda. Several families enjoyed Coca-Cola during that period and the consumption was encouraged by the names of family members written on the bottles. On a

similar note, many people also were motivated to buy coke brand which had the names labels of their children, spouses, relatives, etc more especially when they would go to visit them in boarding schools, hospitals, prisons and for celebrations like birthday parties, weddings, graduations, among many others. This was a very good pull promotion strategy used by Coca-Cola world-wide.

But as if price cut wasn't enough, Coca-Cola continued to struggle in the market with channel disloyalty and shift of preference to a competitor Riham. This forced Coca-Cola to file a court case, as reported by (Muhumuza, 2013). In the case, Coca-Cola Uganda had sued Riham group for the production, promotion and distribution of soda products similar to that of Coca-Cola. *“in fact the advertisement and promotion of its products, has been and is also deliberately attempting to cause confusion and pass off its products off as those of Coca-Cola”* the case reads in parts.

Meanwhile (Kibowa 2013) stated that the management of Coca-Cola demanded the court to *“direct Riham to remove all its stock of printed matter, including labeling, advertising and promotional material, price list, computer data base and record of goods from its website’*. In this case, Coca-Cola Uganda alleges that a survey had been conducted and established that their consumers were unable to differentiate between Riham cola and Coca-Cola's coke brand because the two products appeared to have indistinguishable similarities in relation to brand colors, packaging, content color and names among others. This is evidence of both channel and final consumers' disloyalty to Coca-Cola.

Schmeltzer (2015) noted that, the major cause of channel disloyalty today emanates from the fact that many competing manufacturers have gone ahead to use monetary incentives such as; paying huge allowances, price reductions, offering trade promotions and free goods to channel members

as a way to motivate them and ensure that their products (manufacturers') are made available and be promoted in the channel members stores. With this fact at hand, it's absolutely correct therefore to reason that; channel members today are deliberately encouraging competition among manufacturers and distributors as a strategy to maximizing those benefits that accrue from competing firms trying to win shelf space and have their products promoted in the channel outlets.

Similarly, Dawes, Meyer-Waarden, & Driesener, (2015) also pointed out that; the major cause of channel disloyalty today results from the impact of price loyalty, growth in the number of brands available, wide range of product variants offered, and more channel; sensitivity, channel discrimination and distrust, that exist among the channel members today than those that existed among their fore bearers about brands and hence they are less brand loyal (O'Dell and Pajunen, 2000 cited in Dawes et al., 2015). These authors further argued that price loyalty is quickly eroding brand loyalty because price promotions are more prevalent and come from multiple manufactures thereby affecting brand loyalty to a single brand as channel members seek for profit maximization from price promotions. Closely related to the above, Išoraitė, (2016) argued that individual customers' personal characteristics is one thing that has got great influence on customers' loyalty formation. This individual characteristic is what makes some individuals more likely to become loyal or not. This personality trait is also influenced by factors such as: gender, age, income, involvement, perceived risk, attitudes, expectations, and psychological characteristics.

Studies by (Kotler, 2004; Gundlach, et al., 2006; Mahmoud, et al., 2010 cited in (Kiran et al., 2012), also indicate that conflict will always exist in the channel of distribution no matter how well arranged it may tend to appear and the major cause of channel conflict can be attributed to several indifferences that exist between the channel members and the manufacturer (Ailawadi, Beauchamp, Donthu, Gauri, & Shankar, 2008). In regards to this view, despite numerous studies

conducted so far with aims of finding the nature of relationship that exists between manufacturers and the channel members, limited theories have therefore been advanced to perfectly explain this bond and the absolute causes of conflict in the channel of distribution. Therefore, the most relevant theory so far that can best explain the major cause of channel conflict in the channel of distribution, is one theory that finds its roots in a study conducted by Iyer & Villas-Boas, (2003). Popularly known as the bargaining theory of distribution (channels), this theory derives its assumptions and conclusions based on investigations embedded on three factors attributed to being the major causes of channel conflict in the distribution channel. These factors investigated were; the product nonspecifiability, demand uncertainty, and the unobservability of the retailers' behavior.

Accordingly, this theory observed that channel coordination is greatly improved by the relative bargaining power of the retailers particularly in those markets where the retailers' effort is of great importance. Furthermore, this theory adds that; a state of strong bargaining relationship exists between the manufacturer and the retailers to a deeper extent in which every term of trade are negotiated as opposed to a mere take it or leave it arrangement. But given the nonspecifiability nature of the product in question, the profitability of the channel is greatly affected by the bargaining power of both partners who have such power to renegotiate every kind of agreement. Additionally, this theory emphasizes that the opportunistic behavior of channel members is equally an important element of bargaining in the channel of distribution more specifically between the manufacturer and the retailer who sells to the final consumers. This theory therefore provides a perfect link between promotion strategies, the importance of building a profitable channel relationship, and channel loyalty while pointing out at the danger of customers losing trust in a manufacturer that can lead to switching behaviors among the channel members in a channel of distribution.

According to Deloitte Touche Tohmatsu's review on soft drinks (2005), the beverage industry is extremely competitive. This increasing competition is the main reason forcing most beverage manufacturers to seek for channel loyalty by using the pull promotion strategy in an attempt to come closer to the final consumers and influence their daily buying decision and at the same time lure the channel of distribution to stock their brands with the aid of push promotion and very intensive distribution strategy.

Ehikwe (2002 cited in Ehikwe and Egboro, 2014) explicitly pointed out that the major cause of Coca-Cola's channel members dissatisfaction, conflict, and disloyalty to the manufacturer emanates from Coca-Cola's common practice of by-passing the channel intermediaries in an attempt to deal directly with the final consumers especially while using intensive distribution strategy where the company intensively sell directly to individual consumers with single crates which results into, under-cutting the effort of the channel members.

1.2.0 Statement of the Problem

In an ideal situation, Cuellar et al, (2013) states that a firm should promote product to wholesalers, the wholesalers then promote it to retailers and retailers promote it to the end consumer preferably using personal selling and trade promotions.

Coca-Cola spent USD 2.6 billion on sales promotion campaigns directed to different channel segment down to the final consumers through sponsoring of different promotional ads (Khairul & Warda, 2020), provides channel members with free promotional materials (Pathak 2010 cited in Essay, UK, 2018), uses heavy product ads across different media, constantly organizes several sales promotion activities, provides after-sales services, introduced disposable PET bottles for all Coca-Cola related brands (Hassan, Amos, & Abubakar, 2014), charges affordable prices for their products as a key strategy to move closer to the final consumers, provides special discounts to retailers, and avail them products at wholesale prices (Essay UK, 2018), hires famous

personalities or celebrities as their brand ambassador, among several other promotional campaigns aimed at ensuring that the channel members get an edge over the competition.

Unfortunately, despite all the USD 2.6 billion expenditure by Coca-Cola on sales promotion, the sales volume has continued to be low (Jennifer 2009 cited in Nayondo 2010), and yet back in the 1990s (Kaketo, 2016), Coca-Cola used to control 90% of Uganda's soda market. Worst still, the market report further indicates that Riham currently dominates northern Uganda and most villages across the country after dislodging Coca-Cola from these key areas of trade.

In an effort to regain its past glory, Coca-Cola reduced the prices for its key products by almost 50% (Kaketo, 2015) and yet the desired results still remain far from being realized. This research therefore geared towards finding the root cause to the continuous low sales so as to avoid all the undesired outcomes that should follow therein.

1.3 Purpose of the study

The purpose of this study was to assess the extent to which sales promotion strategies and channel relationship management practices influence loyalty among channel members specifically in the distribution of Coca-Cola products, in particular, using Gulu city as a case study.

1.4 Objectives of the study

Specifically, the study was intended;

- i. To assess the relationship between sales promotion strategies and channel loyalty for manufacturing companies.
- ii. To assess the influence of channel relationship management on channel loyalty to manufacturing companies.
- iii. To examine the interaction effect between switching costs and trust on channel loyalty among the channel members of Coca-Cola Uganda in Gulu city.

1.5 Research Questions

The study questions that guided this research were as follows:

- i. What is the direction of the relationship between sales promotions strategies and channel loyalty to manufacturing companies?
- ii. What influence does channel relationship management practices have on channel loyalty to manufacturing companies?
- iv. Does switching costs and trust have an interaction effect on channel loyalty among the channel members of Coca-Cola Uganda in Gulu city?

1.6 Scope of the study

This section of the study examined the geographical, time and content scope.

1.6.1 Geographical Scope

This study was conducted in Gulu city located in the Acholi sub-region in the northern part of Uganda. This city was of great interest to this study because it's the commercial hub of northern Uganda and it's one of those towns that were recently elevated into regional cities by the government of the republic of Uganda. The justification for selecting Gulu city stems from the fact that much has been written and read about Gulu and northern Uganda in the context of war and LRA activities for over 25 years but very little is known about its booming business potential and increasing infrastructural development thereby making it a very fertile area for this academic research.

1.6.2 Content Scope

The study focused on Coca-Cola promotion strategies, the different approaches this company has adopted as the best practice to win channel loyalty from the members of the distribution channel, channel relationship management practices or the best ways this company keeps close to the channel members so as to avoid interruption from the competitors, and how trust in addition to

switching cost influences loyalty among the channel members dealing in Coca-Cola products in Gulu city.

1.6.3 Time Scope

The information considered for this study covered a five year period ranging from 2014 to 2018. This period was considered long enough to allow for adequate and substantial data collection from which credible analysis and meaningful conclusions was drawn. It should also be remembered that during this same period is when Coca-Cola Uganda faced one of the toughest competition ever. This was the same period when Riham exerted too much competitive force on Coca-Cola until when Coca-Cola had to run to file a legal suit against Riham in the Uganda court of law.

1.7 Significance of the study

This research work is of great benefit to different stakeholders mentioned hereunder.

First and foremost this study was very important to the researcher given the fact that he was able to understand in great detail the different promotion strategies used by Coca-Cola as well as the impact of such strategies on the channel members' loyalty.

Secondly, this study will be of great help to fellow researchers and the entire academic world since its findings will provide a basis for conducting other researches related to the same subject as well as adding value to a great stock of marketing knowledge.

Thirdly, the study will help the management of Coca-Cola; to understand in great detail the different strategies they can apply in executing effective promotions, how they can win loyalty in the channel of distribution, the most effective channel relationship management practices to apply and to what extent trust and switching cost influences channel loyalty.

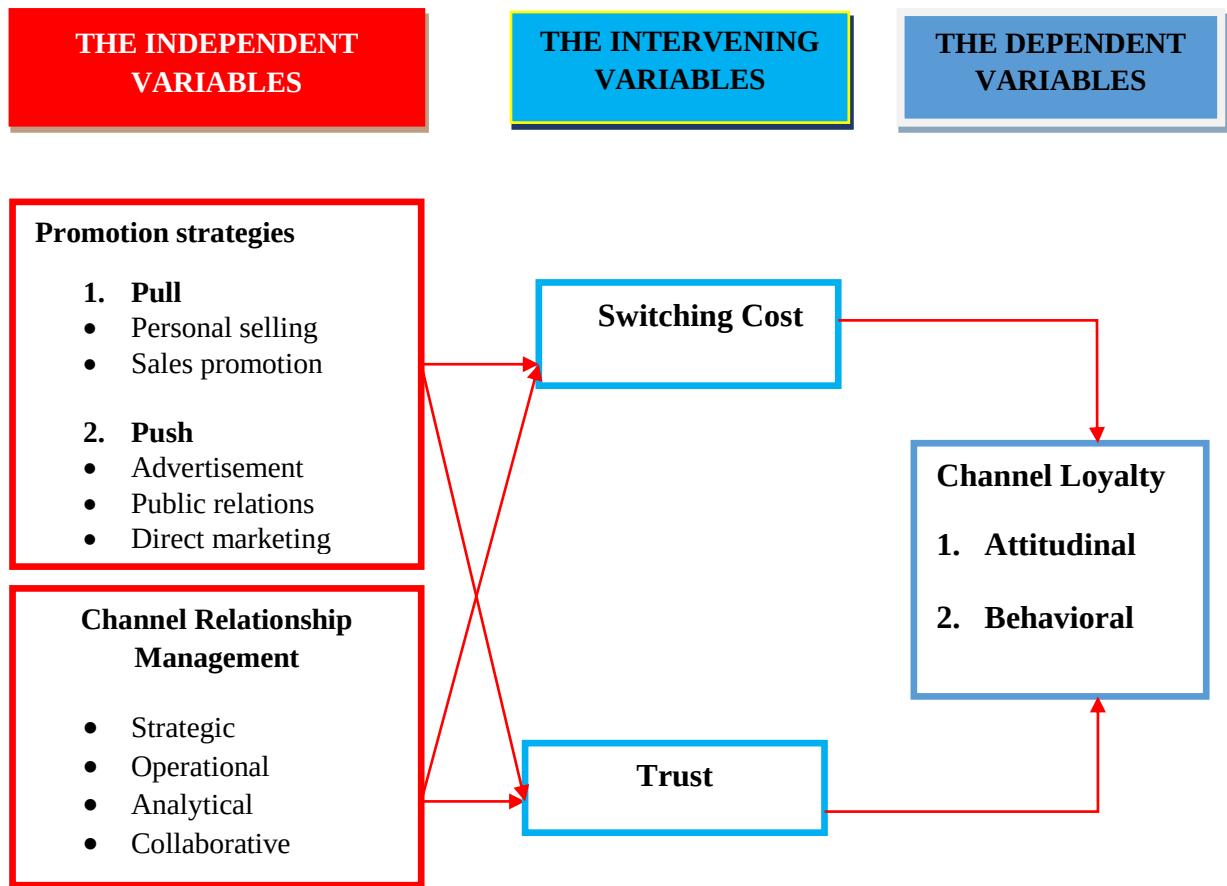
Fourthly, this research report will be of significant importance to the policy-makers. This work will provide informative guidance in the formulation of such policies related to the administration of promotions by manufacturers as a measure to protect the local businessmen whose contributions are so vital to the growth of the economy against predatory action of mainly foreign beverages manufacturing companies operating in Uganda.

Lastly, this research work will be very helpful to the channel members dealing in beverages (Coca-Cola) products. They will be able to know the importance and dangers of committing loyalty to any single manufacturer, how they can break loose from unbeneficial loyalty and grow their businesses.

1.8 Conceptual framework

The conceptual framework below shows the links between the different study variables. Whereby the independent variable was conceptualized to influence the dependent variable, the moderating variable was considered to be influencing the relationship between the independent and the dependent variable.

Figure 1. 1 : Conceptual framework



Source; Adapted from the works of Xuan Zhang and Yuanyuan Feng (2009); Healey & Charles (2013); Oliver (1999), and modified by the researcher

The study was conceptualized to determine how manufacturers use push and pull promotion strategies, channel relationship management practices, switching cost and trust to influence channel loyalty.

The independent variables were concerned with; classifications of promotion strategies into push and pull, as well as channel relationship management practices into; strategic, operational, analytical and collaborative (channel relationship management). On the other hand, the relationship between the independent and the dependent variables is intervened by trust and switching cost. And finally, the dependent variable examined loyalty by classifying it into two main categories of; attitudinal and behavioral loyalty that can be used by any manufacturer in

designing the most suitable promotion strategy so as to manage a profitable relationship with channel members in a B2B context.

The dependent variable was conceptualized to examine how loyalty develops and manifests among the channel members intervened by the influence of switching cost and trust.

The intervening variables considered switching cost and trust and to what extent they both influence the creation of loyalty among channel members.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a review of related literature on the study variables as discussed by different scholars. It examines push and pull promotion strategies and the manifestation of loyalty among the channel members, channel relationship management practices and how it affects loyalty in the channel of distribution, the influence of switching cost as well as trust in developing channel loyalty. The literature review in this chapter is built in reference to the bargaining theory of distribution channel as the most relevant theory that best explains the relationship between manufacturers and channel members.

2.1 Bargaining theory of distribution (Iyer & Villas-Boas, 2003)

The Bargaining theory of distribution (channels) derives its assumptions and conclusions basing on investigations embedded on three factors considered to be the major causes of channel conflict and disloyalty in the distribution channel (Iyer & Boas, 2003). These factors investigated were; product nonspecifiability, demand uncertainty, and the unobservability of the retailers' behavior.

Accordingly, this theory (Iyer & Boas, 2003), observed that channel coordination is greatly improved by the relative bargaining power of the retailers particularly in those markets where the retailers' effort is of great importance. Additionally, this theory notes that; a state of strong bargaining relationship tends to exist between the manufacturer and retailers to a deeper extent in which every term of trade are negotiated as opposed to a mere "take it or leave it" arrangement and the profitability of the channel is greatly affected by the bargaining power of both partners.

Given the nonspecifiability nature of the product in question (Iyer & Boas, 2003), channel partners have such power that enables them to renegotiate every kind of agreement in which the retailers make payments to the manufacturer using both fixed-fees in addition to variable-fees for the quantities of product sold. This theory adds that opportunistic behavior of channel members is equally an important element of bargaining in the channel of distribution more specifically between the manufacturers and the retailers (who sell to the final consumers) given the nonspecifiability of the product nature in question

This theory provides a perfect link between the independent (the various promotion and channel relationship management practices) variables and the dependent variable (channel loyalty) as well as catering for the role of the intervening variables (switching cost and trust).

This theory (Iyer & Boas, 2003) considers bargaining in the distribution channel that consists of manufacturers and the retail intermediaries (channel of distribution) that sells the product to the final consumers' market. The bargaining action that occurs between the manufacturers and the retailers itself is already a push promotion strategy in a way because such negotiations is aimed at reaching consensus on terms and conditions upon which a manufacturer should provide adequate support to facilitate the retailers in selling such a manufacturer's products. In the negotiation, the manufacturer agrees on such modalities aimed at providing support to the retailers in pulling the final consumers towards the retail outlet through the use of various pull promotion strategies like advertising on TV, radios, billboards, magazines, etc. But in order for the promotion strategy (both push and pull) to work successfully, the manufacturer should ensure that both the channel intermediaries and the final consumers are able to develop trust (honesty, benevolence, product quality, etc) so as to avoid switching behaviors for a long term business relationship to develop. With the above submission, this theory is quite elaborate in explaining the relationship between the

channel members and the manufacturer, and how all the variables under study links with each other systematically. It's therefore considered to be the most appropriate theory that this study was rooted on.

Notwithstanding the fact that this theory presents one of the best explanations regarding the relationship between the manufacturers and the channel members, this same theory controversially falls short of its expectations in several aspects relative to the demands of this particular study.

The core assumptions brought forward by this theory doesn't really apply to the setup and the operations of distribution channels in developing economies across sub-Saharan Africa (and Uganda's economy in particular) or even if it may apply, then it must be applicable to a very small or negligible extent. The major shortfalls of this theory can, therefore, be observed as analyzed below;

Firstly, it's important to note that the key assumption put forward by this theory stating that; "a state of strong bargaining relationship tends to exist between the manufacturer and retailers to a deeper extent where every term of trade are negotiated as opposed to a mere take it or leave it arrangement", doesn't hold even a single substance at all particularly in the context of developing economies of Africa. This assumption is inapplicable to the entire retail industry involved in the distribution of beverages more so in rural and remote markets that dominate our economy. According to (Uganda bureau of statistics (UBOS), 2010) the retail industry constitutes 458,106 outlets. This number is not fixed; it fluctuates depending on changes in climatic seasons as well as economic cycles and conditions. Since the number is high, obviously, there ain't any single manufacturer who can incur such a huge cost trying to engage in bargaining with each and every small scale retailers who are geographically scattered all over; 241,038 km² (total land surface of the republic of Uganda according to

(wikipedia, n.d) and yet many of these retailer outlets operate on seasonal basis, others operate mobile outlets, others operate only at night along busy highways, let alone their shallow educational background and ability to engage in any meaningful negotiations with any manufacturer. In fact, most manufacturers just make “a take it or leave it offer”, which is contrary to what this theory states.

Similarly, this assumption doesn't hold any substance at all, as justified by (Misra & Mohanty, 2008) who stated that; the manufacturers unilaterally decide the wholesale price without bargaining with any retailer. In fact in Uganda, manufacturers actually make a “take or leave it” offers to channel members (particularly to the retailers and wholesalers). With this submission, it's therefore important to note that the “take it or leave it offer” is one of the key reasons why channel members today don't commit loyalty to any single manufacturer since they consider manufacturers shellfish and only interested in their own private gain. They thus prefer to go about with any manufacturer willing and able to offer; the highest profit margin through lower wholesale price, promotional bonuses (like buy 10 and get one free), selective distribution as opposed to intensive distribution strategy, among others since it enables them to sell more quantity and maximize profit for themselves as well.

Secondly, another unrealistic assumption put forward by this theory stems from its observation that; the transaction between the manufacturer and channel members involves a product that is unspecifiable, and as a result of this thus, renegotiation often occurs between the manufacturer and the channel members because the product nature tends to encourage opportunistic behavior in the channel of distribution. This assumption holds no water at all given the fact that the transaction between channel members and the manufacturers (of beverages) involves dealing in products that are very clearly specifiable. For example; it should be remembered that Coca-Cola is a registered trademark with very specifiable brands

as stated by Hassan, Amos, & Abubakar, (2014) that are well known globally. Furthermore, it should be noted that there ain't any room for transaction renegotiation offered to every channel member involved in the distribution channel as opposed to what this theory holds. Instead, the manufacturer offers a "take it or leave it" to the channel members who eventually decides whether or not to buy after all there ain't any binding agreement that should compel them to hold their loyalty to any single manufacturer and hence the challenges with channel loyalty. Therefore, since the product being traded in is specifiable and there exists no room for renegotiation given to every channel member (maybe with exception of just a few giant supermarkets that doesn't exist in Gulu city), it wouldn't be wrong to conclude that there ain't any room left for opportunistic behavior available to all channel member as assumed by this theory without making exceptions.

Thirdly; this theory tends to put much emphasis on the use of product return sales strategy for channel members especially in cases where the demand for the product is not realized. This is yet another very unrealistic assumption that doesn't wholesomely apply in the distribution of beverages product in Uganda given the fact that most distributors have sales contract agreement document with clauses clearly stating that *"goods once sold isn't returnable"* therefore this makes the assumption pointed above by this theory to lose relevance in the context of beverages distribution in Uganda. In a similar direction, (Misra, et al, 2008) further pointed to the fact that since manufacturers set wholesale prices to maximize their own profits, without any active influence on negotiation from the retailer, such shellfish actions by the manufacturers affect the retail price setting. At this point, therefore, it's important to conclude that the bargaining theory of distribution channel has postulated blind assumptions that are not only misleading but irrelevant in as far as beverages distribution in sub-Saharan Africa is concern. This affects channel loyalty and encourages switching of channel members between manufacturers from time to time as a result of the loss of trust on manufacturers who

are majorly considered greedy by most channel members especially the stockists and wholesalers.

In conclusion, therefore, having critically analyzed this theory above as presented by Iyer & Villas-Boas, (2003), this theory best explains the relationship between channel intermediaries that are manufacturers' appointed agents (distributors) or large scale retail intermediaries like giant supermarkets that have the capacity to buy directly from the manufacturers. All the assumptions considered by this theory is more relevant to such intermediaries because they have the capacity to renegotiate contracts with the manufacturer directly, their behaviors may be difficult to observe by the manufacture and they also have the ability to return products when its demand fails to materialize (and are either expired or about to expire) as stated by this theory.

Conversely, this study is more focused on studying how manufacturers' promotion strategies can affect channel loyalty and the relationship across the channel of distribution without leaning towards either wholesalers or retailers. This is perhaps a virgin area to which this study will add more knowledge particularly focusing on the setups of developing economies in sub-Saharan Africa where such a study had never been conducted before.

2.2 Promotion strategies and channel loyalty

Cuellar-Healey & Charles S, (2013) in simple terms define promotion as a collection of methods by which an organization attempts to communicate either directly or indirectly with its market. They further argued that; promotion is a core factor that determines the success of a firm because it can directly influence the consumer's decision in the buying process at any stage and yet without it, potential and regular customers wouldn't be able to know about the existence and benefits of a firm's product or service. Advertising, sales promotions, public

relations, personal selling, and direct marketing are the five major promotional elements that can be used in developing a firm's promotional strategy.

According to; Essay, UK (2018, & Bianca – Sonera, 2009) argued that Coca-Cola has always believed in the applications of dynamic marketing strategies that involve the use of both push and pull promotions in very effective ways. Banutu-Gomez & Rohrer, (2012) argued that; Coca-Cola has been able to strategically apply standardization (form of marketing strategy that allows for the implementation of similar practices implemented in home country to equally be applied to other foreign markets) globally in its marketing strategy thus leading to uniformity in most of its marketing (promotion) activities. The application of the standardization approach is backed by the “think global, act local” campaign thereby becoming the core reason behind Coca-Cola's global brand's success because this strategy specifically focuses on local cultures and customs.

In light of the above argument, this author further argued that; the application of “think global, and act local” is strongly backed up by a sister strategy “think local, act local” (Weisert, D., 2001 cited in Banutu, 2012) that has been applied in all the 200 countries where Coca-Cola operates. This strategy allows local managers to control advertising operations that incorporate the use of local languages in promotions and ads.

As similarly practiced in Uganda, Coca-Cola in Peru also decided to increase on market penetration and their marketing efforts was to reach out to everywhere they can, from corner stores to major sporting events. In Uganda, Coca-Cola is a proud sponsor Coca-Cola post-primary football tournament that is held annually (Coca-Cola, 2019). This is as well a long term marketing strategy that is aimed at building loyalty in the earlier lives of children and youth who in the future takes different directions in life including becoming Coca-Cola consumer, employees, ambassadors as well as channel members.

Coca-Cola has also further attachment to all sorts of restaurants globally including the burger king and McDonald as a way to bring the brand closest to customers and eliminate competing products (Essay, UK 2018 and Taylor, 2005 cited in Banutu, 2012). In Uganda, Coca-Cola provides free branded table mats, refrigerators, and other materials to restaurant and bars owners and even participates in wall paintings as well as co-branding (free painting of buildings) by promoting itself with other brands like Nile breweries, Rwenzori pure natural mineral water, Mtn Uganda, etc.

Similarly; just like in Uganda, one more marketing strategy Coca-Cola employs in Peru and Belarus and or the other countries is involvement in corporate social responsibility (Odomel 2006) Uganda also reported that *Coca-Cola beverages Africa Uganda commits Ugx 150 million to Mtn marathon* as a way to come closer and support the community).

As a push strategy, Coca-Cola provides its channel partners and trade enterprises with free promotional materials, booths, refrigerators, and other trade equipment like product supply services and shoulders the overall marketing and advertising support (Pathak 2010 cited in Essay, UK, 2018) and Food and Drink, n.d. cited in Banutu, 2012).

Esteryl (2014 cited in Baah & Bohaker, 2015) observed that in 2011 when Coca-Cola launched its popular ad campaign “Share a coke”, this ad was a great success which resulted into massive Coca-Cola’s sales growth globally including Australia and the US. This ad was a result of Coca-Cola attempting to shift its focus to the consumers by labeling Coke, Diet Coke and Coke Zero with names of individuals that varied from Aaron to Zach. Similarly, this same ad was as well administered in Uganda. Several families enjoyed Coca-Cola during that period and the consumption was encouraged by the names of family members written on the bottles. On a similar note, many people also were motivated to buy coke brand which had the names labels of their children, spouses, relatives, etc more especially when they would go

to visit them in boarding schools, hospitals, prisons and for celebrations like birthday parties, weddings, graduations, among many others. This was a very good pull promotion strategy used by Coca-Cola world-wide.

Hassan, Amos, & Abubakar, (2014) also argued that Coca-Cola use heavy product advertisement across different media (such as TV ads, billboards, newspapers, social media, radio, etc.), constant organization of sales promotion activities (such as Bonga na coke, win school fees, be on the coke side of life, for Uganda's case, etc.), provision of after-sales services, introduction of disposable bottles of all Coca-Cola related brands, charging of affordable prices for their products as a key strategy to move closer to their customers, build an effective and reliable long term relationship with all their customers so as to win their loyalty.

According to strategy-of-Coca-Cola, (Coca-Cola n.d 2019) Coca-Cola promotion strategy is one that aims at the creation of one brand as opposed to separate product branding. It's intended to bring Coca-Cola affiliated brands all together in a single add.

Launched in 2016 (Coca-Cola, 2016), taste the feeling slogan emphasized the refreshment, to encourage product tasting, to uplift personal connections so as to encourage enjoyment of an ice-cold Coca-Cola and was directed towards connecting with the millennial generation and its emotions to create an aspect of shifting into a new era of Coca-Cola while using printed and TV adds, the brand is also using social media for striking deeper connection with the final consumers.

Basing on the debate presented above, it can be therefore be concluded that Coca-Cola Uganda is indeed using various promotional efforts to build loyalty from channel members. The above having been said, let's examine the magnitude of these loyalty of these efforts in terms of push and pull promotions.

2.2.1 Push promotion strategies

Cuellar et al, (2013) argued that in a “push” strategy a firm promotes the product to wholesalers, the wholesalers then promote it to retailers and retailers promote it to the end consumer. Personal selling and trade promotions are examples of promotional tools used in this case.

According to Essay UK (2018), given the ease of product substitution of Coca-Cola and Pepsi brands, Coca-Cola puts emphasis on the distributors to ensure that the channel members have enough of Coca-Cola products in stock at all-time. This assurance can only be achieved by convincing them thru the push promotion strategies that mainly includes sales promotion and personal selling to ensure that the products are available in the right amount in the mass market.

Coca-Cola also provides special discounts to retailers and avail them products at wholesale prices provided they accept to stock coke products on their shop shelves so as to increase product visibility, attract consumers, and help to draw customers’ attention. Coke has also gone ahead in many countries including the UK to forge alliance with whisky brands as a way to attract the youths who always like to go clubbing. This is done by influencing the barmen who in turn influences the final consumers that visit the club to promote Coca-Cola drinks like ash coke-whisky (According to; Essay, UK (2018). Hair, Lamb, & McDaniel, 2006 cited in Coca-Cola-marketing-mix-product-place-price-promotion (Coca-Cola, 2019) also agrees to the above idea and adds that Coca-Cola Company uses sales promotions to increase their competitive effectiveness. Sales promotion (coupons and rebates) are of great importance because they influence customers’ buying decision and helps to maintain a close relationship with them.

2.2.1.1 Personal Selling

According to (Hair, et al, 2006) cited in Coca-Cola-marketing-mix-product-place-price-promotion (Coca-Cola, 2019), personal selling is defined as “direct communication between a sales representative and one or more prospective buyer”. Personal selling is one of the most effective tool Coca-Cola uses for building strong vibrant and profitable relationships with business-to-business customers so as to help it sell a larger variety of products that can satisfy such needs globally. Personal selling plays a key role in building a strong binding relationship especially in buyer-seller (Weitz and Bradford, 1999 cited in Kanagal, 2009) situation. According to the New Zealand Qualifications Authority, (2008 cited in Enitilo, Ezekiel Ajayi, & Yemisi Famuagun, 2017) personal selling is important because it facilitates several sales related activities which include; identification of customers, development of product knowledge, marketing, promotion, prospecting, knowing customers into great details, gaining appointments, choosing sales approaches, meeting customers, identifying customer needs and requirements, demonstrating products functions, choice of selling techniques, placing of sales aids like posters, making sales pitches, overcoming objections, closing sales, completing documentation, receiving payments, recording sales, using sales technologies, providing after-sales services, following up sales, and sales analysis. However, essential elements of personal selling according to (Palmer, 2005 cited in Enitilo et al., 2017) include; face-to-face interaction, persuasion, flexibility, promotion of sales, supply of Information and mutual benefit.

Williams and Attaway, 1996 cited in B. Hocking 2012) observed that personal sellers have the ability to increase customers’ perceptions and attitudes towards a brand via the service they provide. This author further argued that; the success of a company largely depends on their sales team because they are the people who are interacting with the customers on daily basis, and therefore they have the most influence on them. This study thus concluded that the

customers' like interacting with the personal sellers and it's the most preferred means of promotion in the distribution channel, due to the convenience, ease of order placement, personal interaction they have with sellers, and the overall excellent level of customer service offered by personal sellers

Poujol, Siadou-martin, Vidal, & Pellat, (2012), researched on salesperson management and suggested that salespeople's behavior not only shapes the seller-buyer relationship but also the selling firm-buying firm partnership. More specifically, a salesperson's customer orientation has been shown to influence customer satisfaction with the salesman, satisfaction with the retailer, and ultimately satisfaction with the selling firm (Goff et al., 1997 cited in Poujol, Siadou-martin, Vidal, & Pellat, (2012). Meanwhile, existing research on the analysis of business-to-business relationships suggested that; relationship quality and loyalty can be defined at two levels that have to say: at an interpersonal level (relationship with the salesperson) and at an institutional level (relationship with the firm). Admittedly, customer loyalty toward the salesperson has been shown to increase loyalty toward the selling firm (Macintosh and Lockshin, 1997; Reynolds and Beatty 1999 Poujol, Siadou-martin, Vidal, & Pellat, (2012).

According to *Coca-Cola Company: 2018 Integrated Annual Report*, (2018) Coca-Cola has continued to invest in their sales force in a bid to see that they are able to deliver quality service so as to meet the needs of the customers and counter competition. Sales force automation is one way through which the company has helped to open up new opportunities and add value by encouraging the use of machines to help in analyzing patterns for cooler door openings alongside sales data. This system helps to ensure that coolers are well placed to maximize sales growth and those with internet connections can automate inventory assessments. The most important benefits of this system is that it helps to free up time for the

sales team to focus on selling beverages to customer with the best possible level of service delivery.

To prove the importance of personal selling, Coca-Cola annual report 2018 provides further prove that the company has continued to invest massively in their sales team with a clear objective to ease their work and enable them concentrate on serving their customers better than their competitors.

2.2.1.2 Sales promotion

According to James .f. Engel et al (1991) cited in Gerald (2011), sales promotions is a set of paid marketing activity (other than advertising, and personal selling) undertaken to stimulate buyer action. It includes such inducements as a point of sale, displays, and coupons. It assumes a much greater role with low priced mass products than specialty products such as sports, watches etc. Išoraitė, (2016) opined that sales promotion is of great importance to the customers because it offers them both practical and self-gratifying benefits such as cash savings, quality benefits, and convenience benefits.

Another key point brought forward by Uznieñė, Bakanauskas & Pilelienė (2009 cited in (Išoraitė, 2016b) suggested that sales promotions can have short term objectives such as; to encourage product testing, to enhance the existing brand consumption; to protect existing customers that are affected by specific market segment, to strengthens advertising and marketing efforts, to helps in new customers attraction, to help in rewarding loyal customers, among many more. Kotler &, Armstrong (2001) cited in Gerald (2011), on the other hand added that, sales promotions consist of short and long term incentives aimed at encouraging purchase or sale of a product or service. The main key difference that sales promotion adds to the mix is that, whereas advertising and personal selling offer reasons to buy a product or service, sales promotions offer reasons to buy now.

Mendez, Bendixen, Abratt, Yurova, & O’Leary (2015), noted that no matter the kind of promotion whether monetary or nonmonetary, sales promotions as a whole can enhance brand loyalty because of its ability to serve as a last-minute influencer to the point of purchase. Similarly, Ivarez & Casielles (2005) cited in Udeshini & Ambalam (2013), pointed that, sales promotion is a sales stimulus that is offered to buyers from time to time in an effort to encourage action towards the purchase of a certain product. Although it’s not recommended to be done frequently, sales promotion gives better results when offered at such a period when no one really expects it.

According to Ahmed, Kumar, Mujtaba, & Juman (2016), Coca-Cola always use promotional strategies in the form of advertising on TVs, billboards and sponsors different music show and events as part of its trade and marketing strategy. As an illustration, extracts from the independent Uganda “six lucky Ugandans” (independent, 2019) proves that Coca-Cola Uganda has been carrying out a number of sales promotions campaigns yearly in a bid to win and consolidate customers loyalty as a retention strategy. For instance in March 17, 2019 (independent, 2019) on the business news section, this newspaper published an article that reads; *“six lucky Ugandans are set to win an all-expense-paid trip to Greece – the grand prize in a brand new ‘under the crown promotion’ named Coca-Cola coke studio promotion”*. This same promotion also aimed at rewarding thousands of consumers who would win exciting prizes such as 32-inch Hisense television sets, multi-choice TV dish, and decoders, coke studio branded items, sodas, and airtime. Also in April 8, 2018, this same newspaper *“Coca-Cola launches”* (independent, 2019) reported that; *“Coca-Cola launches new world cup promo dubbed ‘samba ne Coca-Cola”* This promotion targeted over 200,000 Coca-Cola customers who were expected to win cash worth Ugx 108 million and other prizes within a period of only 12-weeks of this promotion was executed. Loyal Coca-Cola customers were to win 32-inch television sets, multi-choice dishes and decoders, soccer balls,

brand new t-shirts, packs of soda, cash prizes of Ugx 4 million shillings every week and shs.10million every two weeks. Similarly, on December 19, 2017, another newspaper, the big eye Uganda (“*consumers to win*”, 2017) also reported that; “*consumers to win cash prizes in new Coca-Cola promotion*” duped “*vimba ne Coca-Cola*’ “. In a bid to reward and appreciate consumers for their support throughout the year, Coca-Cola Uganda has launched an under the crown (U.T.C) promotion that will see hundreds win instant airtime and cash prizes” the news reads in parts.

All the above arguments presented therefore brings forth the importance of push promotion strategies and how Coca-Cola has been using them and is still continuing to use them in varying degree to achieve various objectives but key among which is loyalty from both the channel of distribution and consumers alike.

2.2.2 Pull strategies

To begin with, Cuellar-Healey & Charles S, (2013) stated that; in a “pull” strategy the promotional efforts are directed to the end consumers in such a way that they demand the product from the intermediaries thereby “pulling” it through the distribution system. Consumer promotions and advertising are promotional tools commonly used in this case.

Sarbjit, (2017) *conducted a study on “push/ pull strategy decision taken by organizations for their products and services”* and observed that; the pull strategy is especially appropriate when there is high brand loyalty and high involvement in the category because people perceive differences between brands makes them to choose the brand before they go to the retail store. When pull strategies are successful, customers will seek out certain products or services and in essence, the interest they create pulls the product through the marketing channel to the final point of consumption. Important to note is the fact that this strategy

requires marketers to carry certain amount of products or brands in order to attract and satisfy target customers whose orders facilitates pulling the product into the supply chain.

In the same fashion, a pull strategy is aimed at communicating directly to the end consumers to induce them to seek the brand at the retail store, while the push strategy is based on offering incentives to the channel intermediaries such as retailers to actively sell the brand to the end consumers (Kotler and Keller 2009).

Whereas the pull promotion strategy is built around promotional tools such as advertising and consumer promotions, the push strategy is centered on tools such as trade promotions and sales force. It's therefore imperative to note that when a company chose to pursue a pull strategy, the majority of its promotional budget will be spent on advertising and consumer promotions, unlike when it pursues a push strategy, its promotional budget will mostly go on trade promotions and sales force as stated by (Shankar (2008b) cited in Kusum L. Ailawadi (2008). For example, within advertising, the manufacturer allocates spending between traditional media (TV, print, radio) and new media (the Web, email, blog, social media, mobile media).

2.2.2.1 Advertisements

Advertisement as a strategy is defined as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, services or idea (Jared, 2014). Closely to that, (Gerald, 2011) adds that; advertisement intention is to persuade the audience (viewers, readers or listeners) to purchase or take some action upon the products in question. One of the most important roles played by advertisement is that it allows the seller to repeat the message for as many times as possible, and buyers are also able to compare the messages from many competing products.

According to (Bert 2013), cited in (Karaxha, Tolaj, & Kristo, 2017), cooperative advertisements is one of the most widespread forms of promotional assistance that producers offer to channel members and in most cases it involves cost sharing between the producer and the channel member depending on the terms of the agreement. Cooperative advertisements are widely used in practice as a strategy to improve the performance of a distribution channel. Mwaawaru, (2009 cited in Kusum L. Ailawadi 2008) agrees to this idea and adds that, advertising with the television and radio mediums are the most effective and efficient. In most cases it involves the use of top managers, celebrities, experts, and consumers who are often seen in advertisements. (Long Yi, 2011) additionally confirmed that Coca-Cola also uses a number of music celebrities in its popular coke studio Africa promotion campaign heavily advertised so as to command a lot of follow up from the music fans (Coca-Cola, 2019).

Hair, Lamb, & McDaniel, (2006), and (Steinberg & Vranica, 2004) argued that one of the key foundation upon which Coca-Cola was built and has so far registered significant success is heavy advertisement and marketing investments where the company spends most of its revenue to maintain the brands awareness and creation of strong visibility to its target market. This includes the use of many forms of advertisement that ranges from TV ads, radio ads, and social media ads to magazines and billboards (Coca-Cola-marketing-mix n.d).

2.2.2.2 Public relations

According to (Brassington & Pettitt et al 2013), the essence of PR (public relations) as a promotional tool is to look after the nature and to help in building quality relationship between the organization and its different publics, and to create a mutual understanding that should result into a long term profitable relationship between the company and all the stakeholders concerned. Hair, et al, (2006) cited in (Coca-Cola-marketing-mix n.d) added that public relation is a promotional mix that is concerned with evaluating public attitudes

identifying issues that may extract public concern, and executes programs to gain public understanding and acceptance.

According to the submission above, Steinberg & Vranica, (2004) Coca-Cola Company uses product placements and sponsorships as a PR strategy. Coca-Cola's Company spokesperson is always used to appeal to the younger and more youthful generation as a way to build consumer's loyalty right from a younger age (Hair, et al, 2006). For example in China Coca-Cola Company has increased advertising containing younger Chinese celebrities as a way to help in informing, persuading, and reminding their target segment (Flagg, 1999 cited in (Coca-Cola-marketing-mix n.d)

And similarly, in Uganda, coke has embarked on the use of a number of different PR approaches that include; investment on issues that affects the society as a whole such as maternal health issue, plastic waste management, extending helping hands to the refugees' welfare, designing signage for many outlets and schools, sponsoring post-primary football tournament yearly called Copa Coca-Cola (Coca-Cola africa n.d), as well as using popular musicians to market their products (*fameica-sheebah*, 2019) through the use of Uganda's most celebrated artists for PR purposes.

2.2.2.2.3 Direct marketing

According to Brassington & Pettitt (2000 cited in Udesini et al 2013), direct marketing is an interactive system of marketing, that uses one or more advertising media to achieve measurable responses anywhere for creating and further developing an on-going direct relationship between an organization and its customers.

Accordingly, Gerald (2011) also noted that direct marketing is a promotional mix mainly in the form of advertisement designed to reach out to its target audience without using the traditional and formal channels of advertisement like; TV, newspapers or radio. It involves

the use of fliers, catalog distribution, promotional letters, and street advertising. Its major strength is that the company is able to communicate directly to the target audience without hidden or complicated branding but is straight to the point with clear cut explanations on how to get the offered product, service, or event.

Also, (*Coca-Cola-direct-marketing* n,d), states that, Coca-Cola is considered to be the pioneer of direct marketing strategy and even managed to claim Santa Claus. Today the Santa Claus we all know and love has only gained that momentum because Coca-Cola has been using him as a direct marketing strategy where Coca-Cola began featuring Santa Claus in their ads way back in the 1920s. By making him jolly, plump and dressed in bright red. This has greatly transformed Coca-Cola's business, forever. Coca-Cola always produces direct mail printed adverts of Santa drinking coke as he leaves presents to many people particularly during festive seasons; this has made Coca-Cola to become a part of Christmas to an extent where even a slight change to this advert has caused people to write into the company in protest.

Additional to the above; Share a Coke was a brilliant 2014 direct campaign produced by Coca-Cola. Realizing the importance and the influence of personalization as a key component to all successful direct marketing campaigns, share a coke advertising strategy involved the printing of 150 of the most popular millennial names, and having them displayed on the Coca-Cola bottle packaging. Coke realized that personalization is an irresistible call to consumers, and therefore consumers seeing their names on a Coca-Cola bottle directly encourage them to purchase Coca-Cola drink without giving it a second thought. Fortunately, this idea proved to be an excellent move that saw over 500,000 photos shared globally using the #ShareACoke and more than 25 million followers gained on Face book (Coca-Colacompany n.d).

2.3 Loyalty

For the purpose of definition (Ramachandran, 2015) defined Loyalty as a strategy that creates mutual rewards to benefit firms and customers. Gil-Saura, (2008 cited in Haghkhah et al 2013) postulated that despite the fact that there being numerous ways of defining and measuring loyalty in a consumer market context, the concept of loyalty in a B2B context has not been clearly defined. In a B2B environment, loyalty can enhance the competitiveness of both partners and reducing transaction costs of doing business Ganesan and Hess, (1997 cited in Haghkhah et al 2013).

According to Oliver, (1997 cited in Naghibi & Sadeghi, 2011) customers, loyalty can be examined from four different perspectives; First is the cognitive customers' loyalty (this constitutes the existence of thoughts or beliefs that an entity is preferable over others). Secondly, affective customers' loyalty (favorable like or attitude based on satisfying usage of the entity). Thirdly, conative loyalty (this consists of the development of the intentions based on a higher level of commitment) as stated by, Hennig-Thurau, Gwinner & Gremier, (2002), Janda, Trocchia & Gwinner, (2002), Zeithaml, Berry & Parasuraman, (1996). And finally action loyalty which reflects the transformation of customers' intentions into action

Abdullah (2012) cited in (Trivsel, Khadka, & Maharjan, 2017) argued that during the 1980s, product durability and service quality were the core factors used in evaluating customer loyalty. However, there has been dramatic change from the late 1980s and in 1990s, where the needs and wants of the customers became the most important factors particularly in the retailers market. Further still, in this modern era, companies have changed this concept by focusing on product benefits in order to satisfy customers and eventually win their loyalty. This is mainly attributed to ever-changing market conditions that are characterized by ever-increasing and intense competition with the widespread use of internet and technological

breakthroughs thus creating and maintaining customer loyalty is becoming more complex than it used to be in the past years. It's important to note that customer loyalty is not gained by accident (Thomas and Tobe, 2013 cited in Maharjan et, al 2017) but loyalty-building requires the company to focus on the value of its product and services and to show that it is interested in fulfilling the desires or build the relationship with customers (Griffin 2002 cited Maharjan et, al 2017).

In the work of Gremler and Brown (1999 cited in Maharjan et, al 2017), it was concluded that customer loyalty can be divided into three different categories that include; behavior loyalty, intentional loyalty, and emotional loyalty. Where behavior loyalty; is considered to be repeated purchasing behaviors, while intentional loyalty; is the possible buying intentions and emotional loyalty; is achieved when a customer feels that a brand corresponds with their value, ideas, and passion. Dick and Basu, 1994 cited in Oliver, 1999 postulated that; when testing whether true loyalty exists, a customer should exhibit beliefs that a brand is more preferable to competitive offerings, should demonstrate an affective preference (attitude) for such a brand and should possess a higher intention (conation) to buy the product compared to alternatives.

Another work done by Kartajaya (2003 cited in Heryanto, 2011) found out that, customers loyalty can be divided into five stages which includes; terrorist customer (customers who like a company's brand but are never satisfied with the services provided by such a company), transactional customer (customers who have little relationships with a company and the relationship is limited to the transaction), customer relationship (customers with equity value that is higher than those of terrorist and transactional customers), loyal customers (customers who don't only repeat buying but are very loyal to the company's products and brands), customer advocates (customer who always defends a company's products and brands, they

become good spokesperson to another customer and angry when other people speak ill of the company's brand). The same author also found out that customer loyalty is greatly affected by customer satisfaction, customer characteristic, switching barriers, competition barriers, and value with satisfaction having the greatest impact.

Jacoby and Chestnut (1978 cited in Oliver 1999) argued that consistent purchasing shouldn't be used solely as a determinant of loyalty. They further argued that some customers are forced to consistently buy from one supplier due to the role of other factors like convenience which may be misunderstood for loyalty and that inconsistency purchasing could be misinterpreted to mean disloyalty particularly if such a customer is loyalty to multiple brands. Another reason that can be closely attached to this argument is the fact that some customers consistently buy from a supplier because of the absence of competition or when a supplier is a spatial monopolist. Given the above observations, these authors concluded that it would be very unwise to infer loyalty or disloyalty considering purchase patterns as a sole determining factor without further analysis.

Oliver (1999) further noted that true loyalty should be determined by considering such factors like; consumer beliefs, influence, and intention within the traditional consumer attitude structure. This condition must manifest in a situation where all the three decision-making phases exist and the customer finds two or more brands equally acceptable or perfectly substitutable.

Oliver (1997 cited in Oliver 1999) observed that customers (consumer) loyalty is a process that undergoes several different stages. This growth stage starts with cognitive sense (product preference to its alternatives), then later it advances to affective sense (a liking or attitude toward a product that develops on the basis of cumulatively satisfying past usage), later it progresses to a conative (commitment to repurchase), and finally it enters to behavioral

(willingness of average customers to continue buying the product, and to maintain a vibrant relationship with the supplier), also described as "action inertia."

For the case of Coca-Cola, the company uses such promotion strategies that involve giving of free stuff like bonuses and free bottles of drinks to the channel members which are attractive and enticing in order to win their commitment and loyalty in the distribution (Pathak 2010 cited in Choromides, 2018). In many countries that include India, Uganda, etc, Coca-Cola provides store owners with refrigerators for the exclusive storage of their products, coke also helps small store owners set up their shops provided they agree to buy a certain amount of their products monthly.

Much as Kartajaya (2003 cited in Heryanto, 2011) provided a set of customer loyalty classification (terrorist customer, customer advocates, customer relationship, loyal customers, and transactional customer), this study concentrated on the work of Oliver 1997 that provides a more comprehensive classification of customers loyalty mainly in two broad category as attitudinal and behavioral loyalty. These can be seen in more details as presented below;

2.3.1 The attitudinal loyalty (cognitive, affective, conative and action loyalties)

The most outstanding study that offers an in-depth breakdown of customers' loyalty process building is one study conducted by Oliver (1997 and cited in Oliver 1999). According to this author consumers' (customers for the case of B2B context) loyalty exists in four different stages that is to say; cognitive, affective conative and action loyalty. Similarly, Dick, Basu, (1994, Chaudhuri and Holbrook 2001, Söderlund, 2006 cited in Claudia Bobâlcă, 2013) added that, attitudinal loyalty can be measured in terms of a customer's attitude that is manifested in terms of; attitudes, preferences, commitment and intentions. This author thus defined attitudinal loyalty as a consumer's desire to remain loyal to a product or brand in

spite of the lower prices of the competing product and expression of willingness to recommend the products to his friends. Meanwhile, Torres-Moraga, et al, (2008 cited in Bobalca 2013) postulated that attitudinal loyalty reflects cognitive, affective and conative predispositions of an individual to continue in a relationship with a company or a brand. Rauyruen and Miller, 2007 (cited in Wali, Uduma, & Wright (2016) “*investigated how relationship quality influences B2B customer loyalty in Australian SMEs*”, they thus reported that trust, commitment, satisfaction and service quality influence B2B attitudinal loyalty.

2.3.1.1 Cognitive loyalty

According to Oliver (1999, cited in Taghipourian, Mohammad Javad Bakhsh, Mahsa Mashayekh 2015) whose focus was on B2C settings argued that cognitive loyalty, (or loyalty based on brand belief only) is the first stage of loyalty that consist of the brand attribute or information that is readily available to the consumer thereby indicating that a particular brand (product) is more preferable to its alternatives based on the consumer preference. Loyalty at this stage is directed toward the brand because of the product attributes and performance levels. This consumer state however, is of a shallow nature because the satisfaction is not processed but when the transaction becomes routine, then the depth of loyalty becomes deeper than mere performance. Also if the satisfaction is processed, then it gradually becomes part of the consumer's experience and begins to take on affective overtones.

In a similar way, given the fact that channel members simply represent the interest of their customers (final consumers for the case of retailers) by stocking more of in-demand products, they too tend to undergo a similar process in becoming loyal to any product manufacturer, brand or supplier. A channel member and a final consumer are so similar because they all have specific goals to achieve in everything they buy. For example; to a final consumer, the primary goal is to derive satisfaction from product consumption meanwhile a channel members' goal is business satisfaction through profit maximization either through price or

quantity sold. This objective can only be achieved when a channel member is able to maximize profit from the sales of any product regardless of who actually manufactures it leaving other factors like product quality constant. Any brand therefore capable of giving a channel member more profit is the one to which the channel member will give his loyalty by stocking more quantity of it and stocking it more frequently as well.

It should also be remembered that in the context of FMCGs (first moving consumable goods); profit can best be maximized through more units sold of a product compared to profit maximization through higher price margin and this having been said, no one should, therefore, be penalized for drawing a conclusion that; the same stages through which loyalty manifest among consumers is equally the same stages (process) through which loyalty also manifest among the channel members for a period of time before it's affected by taste and preferences. Channel members' loyalty to any product, in other words, is not their own actual loyalty but a mere reflection of consumers' taste and preferences or actual loyalty to that particular product leaving other factors constant.

A channel members' purchase decision will always lie on the consumers' actual loyalty for any given product that is manifested through demand for such a product. Retailers, therefore, purchase such brands that are considered more popular among the consumers because he is quite sure that it will have ready demands than those brands with little popularity or demand for fear that low demand will tie down his working capital in the short run and cripple his business in the long run.

Based on the information available, cognitive loyalty also effectively applies in the B2B loyalty-building process because cognition is mainly based on previous purchase or second-hand information or recent encounter with a brand or product and it's purely information-based. Because Coca-Cola enjoys worldwide popularity, it's ranked by Forbes as the world's

6th most valuable brand and the most popular beverage closely followed by Budweiser (alcohol) at number 24 and Pepsi at number 29 according to 2019 Forbes world ranking (Forbes n.d). This therefore implies that Coca-Cola eventually enjoys a wide range of cognitive loyalty from very many B2B customers who opt for this brand based on second-hand information they have.

2.3.1.2 Affective loyalty

According to Oliver (1999, cited in Taghipourian, et al 2015), affective loyalty is the second stage of loyalty that is manifested with some kind of attachment to a particular brand developed as a result of pleasant past experience of using the brand. At this particular stage of loyalty, there develops consumer's commitment to the brand that results into emotional loyalty. In the channel of distribution, emotional loyalty equally develops as a result of past success that a channel member must have encountered with a particular brand. Such a customer will make a repeat buy in an effort to maximize sales and revenue from a particular brand or product provided the past purchase experience was a successful one or a channel member will not make any repeat buy in the event that the past purchase experience wasn't successful. It's however not good enough for any supplier to attempt to rely on this type of loyalty since customers can easily switch at this stage. As a matter of fact, it's proven that a large percentage of brand defectors claim to have been previously satisfied with their brand but they still defect (Oliver 1999, cited in Taghipourian, et al 2015).

Given the fact that Coca-Cola is the world's most popular beverage product Kurt.B (2019, September 25th) the world's most valuable brands 2019 ([forbes](#) n.d). From the largest part of the final consumers tend to like most of its brands like; sprite, Fanta, Krest, minute maid, etc. this leads to ready demand in most outlets that deal in soft drinks. For this reason therefore, the previous good encounter most soft drink dealers have with Coca-Cola products leads to the development of affective loyalty among them.

2.3.1.3 Conative loyalty;

According to Oliver (1999, cited in Taghipourian, et al 2015), conative loyalty or (behavioral intention) is the next preceding stage of loyalty which is influenced by repeated positive affection toward a brand. The term conation which can be defined as a special kind of commitment or plans to continue purchasing from a particular supplier or continue purchasing a certain brand (*Oliver 1999*), is a state of loyalty that contains what appears to be a deeply held commitment to buy.

When a business is registering success, the bondage between the manufacturer and the channel member tends to be so tight because such a channel member is encouraged by his desires in attempting to maximize profit from each and every transaction so as to help him achieve his business objectives even faster. Because of large demand for Coca-Cola brands, channel members can't shy away from becoming conatively loyal to Coca-Cola manufacturer. This perfectly proves right what oliver (1999) had stated before.

2.3.1.4 Action loyalty

Additionally, Oliver (1999, cited in Mohammad Javad Taghi Pourian, Mahsa Mashayekh Bakhsh 2015) argued that there is one other type of loyalty known as action loyalty. This type of loyalty is considered to be the last stage of loyalty in which intentions are converted to actions where the consumers are ready to overcome all possible obstacles that could deter them from using certain products. This action is perceived as a necessary result of engaging in all the aforementioned stages of loyalty. Readiness is an indicator of a customer's willingness to hold a deep commitment and continue to purchase a preferred product consistently in the future with determinations to overcome obstacles such as situational influences and marketing efforts with the potential to cause switching behavior.

In conclusion, therefore, the four stages of attitudinal loyalty can be summarized as; cognitive loyalty which focuses on the brand's performance aspects, affective loyalty; which is directed

toward the brand's likeableness, conative loyalty; which is experienced when the consumer focuses on wanting to repeatedly buy the brand and action loyalty; which is commitment to the action of repeated buying. As noted, little work has appeared to corroborate or refute this extended perspective.

2.3.2 Behavioral loyalty

According to Rauyruen, Miller, & Barrett, (2007 cited in Haghkhah, Hamid, Ebrahimpour, Roghanian, & Gheysari, 2013) behavioral loyalty is the willingness of average customers to continue buying a product and maintain a vibrant relationship with the supplier. Işoraitè, (2016) argued that the behavioral loyalty fits with the concept of customers retention because behavioral loyalty is often measured on quantitative (Haghkhah et al., 2013) indices that consist of a customer's number of purchases from one company, the buying frequency, retention level, the amount spent for the products of one specific company, and the client share (Fillip & Constantinescu, 2007).

Oliver (1999 cited in Khazaei, Hanifi, & Reza, 2018) stated that behavioral loyalty is a state in which behavioral intentions change into practice. If a person attaches romantically to a brand, he/she will tend to pay extra money for that brand. For this purpose, the consumer tends to intensely buy the brand. (Sarkar, 2011 cited in Khazaei, Hanifi, & Reza, (2018). If the consumer is fond of a brand, it will be expected that he makes positive statements about the brand. (Işoraitè, 2016) also noted that behavior loyalty is manifested with repeat purchases from the same company, customer perception that the company offers a better price and the quality than competitors.

In conclusion therefore, Rauyruen & Miller, (2007 cited in Wali, Uduma, & Wright (2016) "*investigated how relationship quality influences B2B customer loyalty in Australian SMEs*", they thus reported that satisfaction and service quality had a positive influence on B2B behavioral loyalty.

2.4 Channel relationship management and channel loyalty

According to Christopher et al. (1991 cited in Zineldin 2014), relationship marketing concept is emerging as a new focal point that is attempting to integrate customer service and quality with a market orientation. This view is also in agreement to what Francis Buttle, (2011) also argued out that the term customer relationship management (CRM) hasn't yet existed for a long time and therefore, there isn't yet any universal consensus on even the definition of customers' relationship management. For an example, the meaning of the three-letter acronym CRM (customer relationship management) is heavily contested, and to other people this same acronym is used to mean, customer relationship marketing meanwhile those Information and communication technology (IT) companies have also tended to use the same acronym CRM to describe the software applications that automate the marketing, selling and service functions of businesses. Despite all the above controversies, the importance and contribution of relationship management is one thing that is never contested by any scholar. Relationship management in marketing is an important tool that helps organizations to identify, establish, maintain, and enhance relationships with customers and other stakeholders, at a profit. Relationship Management focuses on customer attractions via relationship, interactions, and networking and yet it's a good way to gain a competitive advantage, Álvarez SL, Casielles VR, Diaz Martin MA (2011 cited in Zineldin, 2014).

Given the fact that channel members are equally customers to the suppliers and manufacturers, this research will specifically focus on customer relationship management, its importance, and application in the context of customers involved in the channel of distribution or channel members only. This research will, therefore, use the three-letter acronym CRM not to mean customer relationship management but rather channel relationship management.

Egan (2000 cited in Zineldin, 2014) argued that, in a B2B setting, there is no need for customers to be loyal to one or a portfolio of suppliers particularly for undifferentiated markets because the customer is at liberty to take the best deal regardless of who provides it. Palmatier et al. (2006 cited in Zineldin, 2014) found that relationship management strategies work best in markets with high business to customer interaction, and not that important in B2B arrangement. Buckinx and Van den Poel, (2005 cited in Zineldin, 2014) added that in a B2C, setting, even small or temporary defections from loyal customers can have a great impact on the retailer's profitability, and can lead to total defection in the long run though that may not apply in a B2B setting directly but also an important factor because most channel members in Gulu city sells to both B2B and B2C as well.

In that regards, Streukens, van Hoesel, and de Ruyter (2011 cited in Wali, Uduma, & Wright 2016), Investigated *"returns on marketing investments in B2B customer relationships management context"* and found out that, investment on B2B customer relationship has a significant positive impact on optimizing marketing investment in terms of profitability. That proves well how CRM is as well very important in B2B context.

Maharjan & Kabu, (2017) opined that; in the service sector, customers have different needs and demands on how they would prefer to be treated, therefore organization should deal with the customers in different ways trying to put this factor into consideration because failure to do this imposes great danger on customers' retention and loyalty in an organization.

It's therefore not a secret that customers frequently meet and interact with each other and influence fellow customer's perceptions about; a company, product or service, and for that reason, this principle equally applies to any company dealing in product sales as well. Given the fact that there seems to be a universal consensus that in business when one customer is mishandled, such a customer goes ahead and spread bad word of mouth about a company to

many other customers, any kind of negligence to pay attention to customers' preference will directly affect the company's image as well as all efforts put forward to build customers loyalty and retention.

Kabu & Soniya (2017) further argued that maintaining customer relationship does not just happen accidentally; they require customers centered approach that should be constructed through the service and or product provided. It's through good relationships building with customers that result into loyalty and loyal customer multiplies the transactions.

Swift (2001 cited in Kabu & Soniya (2017) stated that in today's competitive age, customers require flexibility, availability, creativity and price advantages from the supplier. Therefore, new attributes are required for an organization to succeed in a dynamic world where customers'; wish, preferences, behavior, and loyalties are all equally of great importance. Today, in order to maintain a relationship with a customer: the phrase a "*Customer is always right*" has highly been given importance. Meanwhile according to Kumar and Petersen (2012), the companies who have implemented the idea of customer relationship management are the most successful ones regardless of their business field. Therefore, managing customer relationships and relationships with other parties requires a service oriented culture that will in turn result into loyalty with all its associated benefits.

Berry & Parasuraman (1991 cited in Kabu & Soniya (2017) also added that, customer relationship marketing is the biggest and the best contemporary marketing strategies for companies to satisfy their customers' needs and wants which is concerned with attracting, developing and retaining customer relationship. Relationship management therefore helps a company to identify, establish, maintain, enhance and terminate the relationship with customers and other stakeholder.

Zeng et al. (2003 cited in Wali, Uduma, & Wright, 2016) Investigated “*the role of customer relationship management in B2B sectors*”, and they found out that holistic customer relationship management adoption in the B2B sectors is essential to the success of sales, marketing, customer service, and information support. Also Gil-Saura et al. (2009 cited in Awa, Uduma, and Wright (2016) explored how relationship value, trust, commitment and satisfaction intention are created and defined in a B2B relationship context in the Spanish manufacturing sector. Their findings indicated that relationship value has a positive impact on trust, commitment, satisfaction, and loyalty towards the B2B suppliers. More specifically, trust showed a direct positive impact on commitment, while loyalty also showed a positive impact on the satisfaction of B2B suppliers.

2.5 Operational CRM (channel relationship management)

According to (Buttle, 2004) operational customer/channel relationship management is a practice that focuses on system automation (Speier & Venkatesh, 2002; Tan et al., 2002 cited in Buttle, 2004) like Sales force automation that involves the application of technology in the management of selling activities so as to optimize sales productivity by improving the speed and quality of information flow to improve internal communications between the sales force and management projects within the front office of an organization to influence sales, marketing and service.

Lun et al 2008, Zhang et al 2006, Raisinghani 2005, & Dyche 2002 cited in Rababah, (2011) all pointed to the fact that; operational customer relationship management deals with customers' processes automation that includes marketing automation, sales-force automation, and service automation. It's, therefore, a branch of customer relationship management that is concerned with automation and streamlining of the workflow at the front office centering on data collection, transaction processing, and controlling workflow at the sales, marketing, and services.

Tan et al., (2002 cited in Rababah, 2011) observe that marketing automation involves the application of technology to marketing processes so as to help organizations in managing their marketing programs by automating their service operations with an overall objective of increasing customer satisfaction through inquiry and feedback that accelerates this process across multiple communication channels.

According to *Coca-Cola Company: 2018 Integrated Annual Report*, (2018), the company has invested massively in sales force automation as a mechanism to open up new opportunities and add value. This is seen in using machines for analyzing patterns for cooler door openings alongside sales data. This system helps to ensure that coolers are well placed to maximize growth and those with internet connections can automate inventory assessments. The most important benefit of this system is that it helps to free up time for the sales team to focus on selling beverages to customer with the best possible level of service.

2.5.2 Analytical CRM (channel relationship management)

Payne & Frow (2005 cited in MM & Buttle, 2007) defined analytical customer/channel relationship management as the practice of information management that rotate around data collection, accumulation, and analysis of customer information from customer interfaces. Lun et al, (2008, Zhang et al 2006, Grefen et al 2002, & Dyche 2002 cited in Rababah, 2011) all stated that analytical CRM is a customers' relationship management practice that focus on increasing customer and organization value using customers' data. It builds on operational customer (channel) relationship management and analyzes customers' data to create information about customer segmentation, customer behavior, and customer value to the organization using statistical analysis tools especially data mining.

MM & Buttle (2007) further noted that analytical customer (channel) relationship management practice involves the use of technology to accumulate, store, organize, interpret,

distribute, and exploit customer data. Analysis of customer information is important for developing customers' profiles and analyzing opportunities that will be delivered to improve channels of distribution for the better. According to (Rababah, 2011), analytical CRM builds on operational CRM and analyzes customer data to create information about customer segmentation, customer behavior, and customer value to the organization using statistical analysis tools especially data mining.

Accordingly (SAS, 2002 cited in MM & Buttle, 2007) adds that; analytical CRM practice has a direct impact on revenue increase in an organization that can be achieved by cross-selling and up-selling campaigns, sales forecasting, and identifying high-value customers, increasing brand awareness, and promoting customer satisfaction, loyalty, and customers referrals.

2.5.3 Collaborative CRM (channel relationship management)

A Keramati, N. Mojir, and H. Mehrabi, 2009 cited in Rababah, (2011) stated that collaborative CRM is a customers' relationship management practices that focuses on the use of technologies, such as e-mail and web to allow for the interaction between the company and the customers with the help of collaborative technologies that include different communication means such as email, phone call, fax, and website pages by which the customers may use so as to interact with the suppliers.

Coca-Cola as a multinational corporation uses collaborative customer (channel) relationship management practices strongly as a mechanism to interact with all its customers. Coca-Cola provides several platforms through which anyone globally can link directly with its customers care service attendants. Coca-Cola provides automated online platforms that offer immediate answers for every concern that may be raised by anyone globally (www.https:Coca-Colacompany.com). There are also several social media platforms that customers can use to

voice their concerns directly to Coca-Cola headquarter in Atlanta, Coca-Cola Africa, Coca-Cola India, etc. They include; Face book, Instagram, Twitter, LinkedIn and YouTube.

2.5.4 Strategic CRM (channel relationship management)

According to Buttle (2004 cited in MM & Buttle, 2007), Strategic customer (channel) relationship management refers to as “a top-down perspective, which views channel relationship management as a core customer-centric business strategy that aims at winning and keeping profitable customers”. Lin and Su (2003) added that Strategic channel relationship management gives a company ample opportunity to leverage customer knowledge and create for them such values that in the end, helps the company to understand and fulfill current and potential customers’ needs. MM & Buttle, (2007) adds that strategic channel relationship management encompasses the strategy and value creation process and therefore attempts to answers questions such as “what business are we in?”, “which customers do we serve?”, and “how do we create and deliver value to these customers?” this is of great importance in loyalty creation because with the help of operational channel relationship management, a company can focus on the management of the virtual and physical channels through which customers and organization communicate and transact.

As for the case of Coca-Cola in line with strategic channel relationship management practices, Coca-Cola company decided to terminate “my coke reward” loyalty program in order to allow it leverage a digital technology to make it easier for consumers to participate in the loyalty programs, so as to drive engagement and satisfaction while ensuring brands have a deep set of user data that can be mined for insights (businesstoday n.d).

2.6 Switching cost and channel loyalty

Fornell (1992 cited inGuo et al., 2013) observed that switching costs can be defined as all those unavoidable costs and losses that a customer experiences in the process of switching

from an old supplier to a new supplier. Lee and Chung, 2011 cited in Magasi, (2016) pointed out that there are three types of switching costs that firms experience in the processes of shifting from one supplier to another. They include; procedural switching cost, financial switching cost and relation switching costs.

Claes, (1992 cited in Magasi, 2016) added that switching costs includes many other aspects of cost that are not only economic in nature, they include; search costs, transaction costs, learning costs, loyal customer discounts, customer habit, and emotional cost. Burnham et al., (2003; Jones, Mothersbaugh, and Beatty, 2002; Fornell, 1992 cited in Guo, Fu, & Shih, 2013) pointed out that switching cost can be classified into money cost, time cost, relationship cost, learning cost, effort cost, and search cost.

According to Lee, and Feick (2001 cited in Cheng, 2012), where switching costs is low, there should be few false loyalty among the customers. This is so because, dissatisfaction should result in changing suppliers, but also the low switching cost will encourage the presence of many mercenary customers who are satisfied but disloyal since the low switching costs make changing of suppliers so easy. On the contrary, in situations where switching costs are high, there will be a strong likelihood to find many false loyalties among customers who may not be satisfied in the actual sense but due to the high cost of switching, they are constrained of switching options thereby making them to conditionally remain with a particular supplier.

Guo et al., (2013) conducted a study on *“The Effect of Trust, Satisfaction, and Switching Cost on Consumer’s Loyalty, a Model of On-line Auction”* with objectives of finding out factors that influence, consumer’s loyalty among on-line auction users in addition to exploring the relationship among trust, satisfaction, switching cost and consumer’s loyalty. He concluded that consumers’ switching cost has a negative relationship with loyalty but when switching cost is high, then loyalty will also be high. Shukla (2009 cited in Haghkhah

et al., 2013) also observed a strong connection between contextual factors (family, friends, lifestyle, self-esteem, the image of the product) and behavioral loyalty, which is measured by the decision of buying and switching the brand.

In their empirical research on switching cost's impact in chemical product and solution in B2B industry, Blut et al., (2015 cited in Samudro, Sumarwan, Yusuf, & Simanjuntak, 2018) found out that relational switching costs have a positive effect on the customer's cross-buying behavior across firm's product and service categories, and also firm's share of wallet. In the other direction, relational switching costs have a negative effect on the customer's switching behavior.

Blut et al., 2015 cited in Samudro et al., (2018) stated that since financial switching cost involves quantifiable financial losses, such losses can be measured in monetary terms because the firm will incur expenses in the process of switching to a new supplier. Meanwhile, a relational switching cost involves psychological or emotional discomfort that results from the breakup of bonds that develops in a relationship. Both procedural and relational switching costs are intangible cost because they exist in terms of time and efforts that a firm meets in the process of getting a new supplier (Dick & Basu, 1994; Kim et al., 2003; Klemperer, 1995 cited in Samudro et al., 2018).

According to Jacada review of the *communications Industry Report of 2008*, in today's competitive landscape; several companies are trying to device new tactics in a bid to retain customers particularly in industries where differentiation (whether it be on price, plans, or phones) seems to be extremely difficult to maintain. Among the proven strategies that can be employed to win customers loyalty and retain them at the same time are; product bundling (offering several products or services for sale as one combined product or service), the more

products a consumer has from a single manufacturer, the higher the exit barrier and hence the loyalty.

2.7 Trust and channel loyalty in distribution

According to Sitkin and Roth, (1993 cited in Claro & Claro, 2007) trust refers to the belief, attitude or expectation that the actions or outcomes of another individual, group or organization will be accepted or will serve the partner's interest. Patrick (2002 cited in Leninkumar 2017) considered customer trust as those elements consisting of thoughts, feelings, emotions, or behaviors that are manifested by customers whenever they feel that a producer can be relied upon to act in their best interest when upon giving up direct control.

Morgan and Hunt (1994) defined trust as confidence that one party has on another because of the honesty and reliability of the other partner. Morgan and Hunt's commitment-trust theory of relationship marketing, states that trust is underpinned by shared values, communication, non-opportunistic behavior, low functional conflict, and cooperation. Trust explicitly linked to commitment in the context of customer-supplier relationships. (Francis Buttle, 2011)

Rauyruen and Miller, (2007 cited in Wali, Uduma, & Wright (2016) "*investigated how relationship quality influences B2B customer loyalty in Australian SMEs*", they thus reported that trust, commitment, satisfaction and service quality influence B2B attitudinal loyalty, whereas satisfaction and service quality alone had a positive influence on B2B behavioral loyalty.

Gil-Saura et al. 2009 (cited in Wali, et al (2016) Explored how relationship value, trust, commitment and satisfaction intention are created and defined in a B2B relationship context in the Spanish manufacturing sector. They found that relationship value has a positive impact on trust, commitment, satisfaction, and loyalty towards the B2B suppliers. More specifically,

trust showed a direct positive impact on commitment, while loyalty also showed a positive impact on the satisfaction of B2B suppliers

Ndubisi (2007 cited in Sarwar, Abbasi, & Pervaiz, 2012) concluded that trust is the most important factor that can help a company built customers loyalty and there is a significant and positive relationship between trust and loyalty, Harris & Goode, 2004 cited Sarwar, et al (2012) also found out that significantly literature suggests positive relationship between trust and loyalty. Using questionnaires used by Zhang & Feng, Sarwar, et al (2012), found out that correlation matrix indicated a strong correlation between customer trust and customer loyalty.

Sarwar et al., (2012) conducted a study on “*The Effect of Customer Trust on Customer Loyalty and Customer Retention*” with a core objective to establish the effects of customer trust on customer loyalty and customer retention in underdeveloped countries. Using questionnaire adopted from Zhang & Feng (2009), the author found that; whereas there are several factors that determines customer loyalty, the role of customer trust was found to have a strong correlation with customer loyalty thereby indicating that customer loyalty is greatly affected by customer trust, thereby coming to a conclusion that once trust has been established by a customer on a product or service offered by a company, then they become loyal to such a company.

Leninkumar (2017) while studying; the “*Relationship between Customer Satisfaction and Customer Trust on Customer Loyalty*”, he found out that there exists a significant positive correlation between customer trust and loyalty. Using questionnaires administered to 300 respondents with the aid of convenience sampling, the author found that; there is a significant positive relationship between customer trust and customer loyalty. The study further found out that customers who don’t exhibit trust were very unlikely to be loyal.

Earlier studies conducted by Chow and Holden (1997; Doney & Cannon 1997; Morgan and Hunt 1994; Moorman, Zaltman & Deshpande 1992 cited in Gerald, 2011), the author argued that there are those elements such as honesty, competence, benevolence, reliability, and customer orientation on the parts of the seller which upon its establishment leads to the creation of long (Morgan and Hunt 1994; Moorman et al. 1992; Crosby et al. 1990 cited in (Gerald, 2011) term relationship, commitment and future purchase intentions in the context of buyer-seller relationships and business-to-business relationships and eventually loyalty. This argument is added weight by argument forwarded by Urban, Sultan et al. (2000) as cited in (Gerald, 2011) who proposed that customer trust is an essential element in building strong customer relationships and sustainable market share.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology used to carry out this study. It highlights the research design, study population, sampling techniques, data sources, data processing and analysis. The chapter will end with a review of the limitations and delimitations encountered during the study and ethical considerations that were put forward.

3.1 Research Design

This study adopted a descriptive survey design to investigate the impact of push and pull promotion strategies and channel relationship management on loyalty formation in the channel of distribution (B2B) while catering for the specific influence of switching cost and trust.

The study used a quantitative approach that aimed at getting numerical data from the respondents on the variables under investigation. Further to that, this approach was fairly structured to enable objectivity since the data collected was quantifiable. The use of quantitative approach was deemed sufficient to meet the objectives of the study.

A cross-sectional time frame was adapted since the researcher only intended to determine the effects of promotion strategies, channel relationship management on loyalty formation in the channel of distribution over a five year period. The data collection and analysis was done once as opposed to a longitudinal approach that requires data collection, analysis, and interpretation to be undertaken after every established interval.

This study also adopted a survey as a strategy for ensuring that the right data was collected from the right respondents. The rationale for selecting the survey strategy is however concretized by the limited time available to the researcher to complete this study.

3.2 Study Population

The study population consisted of; the stockiest, retailers; Coca-Cola's direct sales representatives (DSR) and regional sales manager (RSM). Whereas the stockists or retailers and their employees provided useful information about channel loyalty and disloyalty, Coca-Cola's direct sales representative and regional sales manager provided useful data on the push and pulls promotion strategies, channel relationship management practices used by Coca-Cola directed towards winning channel loyalty.

Table 3.1 : Number and categories of respondents

S/n	Category	Target population	Accessible population	Sample size
1.	Regional sales managers	01	01	01
2.	Direct Sales representatives	03	03	03
3.	Stockists	25	25	24
4.	Retailers	1000	420	201
	Total	1029	449	229

Source; CAMAIT enterprises ltd: MAC Mobile system (September 2019)

3.3 Sample size

The study sample used in this study was derived from the study population mentioned above. A non-probability sampling method was used to guide data collection based on the convenience of the respondents.

3.4 Sampling techniques

Stratified sampling was also used to classify the respondents into different sub-groups from which meaningful information was drawn. Classification of the respondents per strata was proportionately done leading to a sample size of; 24 stockists, 201 retailers, three direct sales representatives (DSR), and one regional sales manager (RSM). Simple random sampling was then used to select the participants that took part in the study from the starter

3.5 Data Collection Method

The researcher used questionnaires for data collection. This was because questionnaire was deemed to be the most suitable tool for collecting quantitative data and hence the justification for the choice of questionnaire.

3.6 Data Collection Instruments

Questionnaires were used for data collection from the respondents due to its proven suitability and ability to collect quantitative data comprehensively.

3.6.1 Questionnaires

This study used questionnaires distributed to respondents consisting of structured close-ended questions. This instrument was chosen because it's a more effective tool for collecting survey data.

Detailed structured questionnaires were designed to examine Coca-Cola's promotion strategies, channel relationship management practices while considering the effects of switching cost, and trust in the channel of distribution. The questionnaires were distributed to respondents and sometime allowance was allocated to allow them to study the nature of the questions well and provide the most appropriate answers. Before distributing the final questionnaires, a pilot study

was conducted to ensure that all questions were comprehensible and that there was no complexity in answering the questionnaires during the actual data collection exercise.

3.6.2 Data management and quality control

Given the fact that the quality of any research findings cannot rise above the quality of its data (Odiya 2009), the researcher made efforts to ensure that critical measures were taken to guarantee excellent data collection so that the study findings were of un-doubtable quality. This was done through ensuring that all the questionnaires were closely examined and approved by the research supervisors and before the actual data collection exercise was executed, a pretest exercise was carried out. By sampling 40 respondents in the pretest exercise, the researcher with help of the research supervisors made efforts to adjust all questions that appeared to have imposed challenges to the respondents when answering them. All the extraneous variables were avoided in the questionnaire design process and further adjustments were done after the pretest exercise.

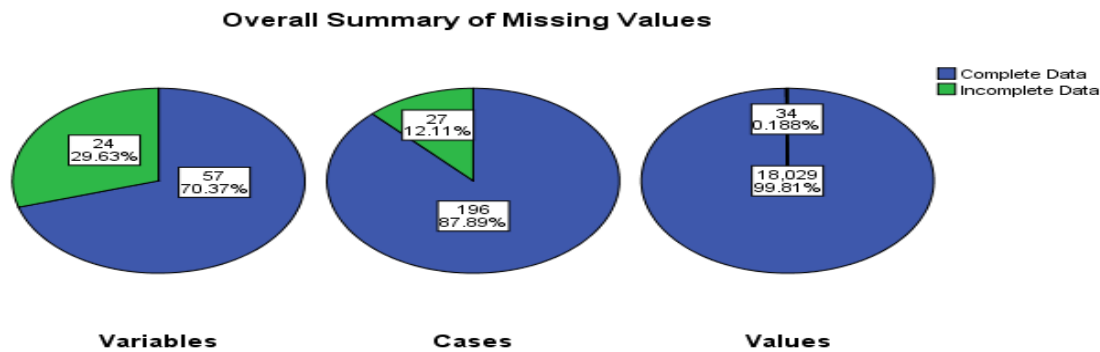
The researcher also designed a very effective strategy of issuing and collecting the questionnaires. This was done by using CAMAIT enterprises limited (this the Coca-Cola's authorized distributor in the entire west Acholi sub-region that comprises of four districts of Gulu, Amuru, Nwoya, Omoro and Gulu city) town-service salesmen and distribution truck. This ensured that only the most relevant and or the actual businesses proprietors were used to answer the questionnaires.

3.6.3 Missing value analysis (MVA)

The missing values analysis attained at 0.2% is way below the recommended minimum of 0.5%. The Missing value analysis (MVA) was then replaced by means of nearby points to ensure that

all items used for further analysis had no missing values and further to that there weren't any missing values going forth. This can be seen from the below summary.

Figure 3. 1 : Summary of missing values



Source; primary data, November 2019

3.6.4 Validity of the Research Instrument

Prior to actual data collection, a Validity test was carried out by the researcher with support from the research supervisors to ensure that the researcher's instrument measured what was meant for measurement. The researcher issued out the questionnaire to the research supervisor and colleagues as a way to ensure that a thorough checking of content and clarity of the instrument was done and to test the ability of the instrument in collecting data that is relevant to the objectives of the study. All these persons were also requested to check and comment on the length of each question and the amount of time it would take a respondent to complete each questionnaire. All the feedback was taken care of and corrections were made accordingly to the final questionnaire that was meant for actual data collection.

3.6.5 Reliability of the research instrument

The research questionnaires were developed and administered to 40 respondents (during the pretest exercise) in their respective categories as per the purposive sampling guide. From their

responses in accordance to each question of the questionnaire, the researcher with a guide from the research supervisors was thus able to eliminate some questions that were considered misleading or rephrase some questions before finally administering the questionnaires to the rest of the respondents for the actual data collection. This can be seen from the table below

Table 3.2 : Reliability test

Variables	Anchor Points	Reliability Statistics	
		Cronbach's Alpha	N of Items
Promotion strategies	5	.788	23
Channel Loyalty	5	.852	27
Channel Relationship Management	5	.799	21
Switching Cost	5	.755	5
Trust	5	.700	5

Source; primary data, November 2019

The table above shows the statistical content of the questionnaires base on the number of questions administered per every variable used in the study. The dimension of promotion strategies, channel loyalty, channel relationship management, switching cost and trust were all measured on a scale of; 1= strongly disagree (SD), 2= disagree (D), 3= not sure (NS), 4= agree (A), and 5= strongly agree (SA). From the above presentation, therefore, the Cronach's alpha values ranged from 0.852 to 7.00. With the aid of Rostow's earlier recommendations that states that; a Cronbach's Alpha values of 0.60 and above has to be considered to have passed a reliability test, the researcher therefore considered this measurement of the data collection instrument to have successfully passed the reliability test.

3.7 Data Analysis and Presentation of the findings

Quantitative data obtained from the field was analyzed using a computer-based program of Statistical Package for Social Sciences (SPSS) 25th edition. The findings were then grouped in accordance with major themes of the study after the frequency count of the tallies was made and converted into percentages so as to illustrate central tendencies and dispersion. By the use of descriptive and inferential statistical analysis, the study results enabled the researcher to achieve the mean, frequency distribution and percentage results of this research work. Statistically, the study enabled utilization of the following statistical tools: Analysis of Variance (ANOVA), Correlation Coefficient and Regression Analysis in testing the research questions.

3.8 Ethical Considerations

The researcher adhered to all ethical guidelines which according to Polit & Beck (2004) refer to a system of moral values that is concerned with the degree to which research procedures adhere to professional, legal and sociological obligations to the study participants.

Specifically, the researcher obtained an introductory letter from Gulu University Institute of Research and Graduate Studies. Further, permission was got from the regional manager of Coca-Cola whose employees and customers were considered for this study. Consent from each respondent was sought and assurance to each one of the despondence of the confidentiality of the study was made. Those who expressed unwillingness to participate in this study were left out.

Lastly, the data collected was kept in safe place away from unauthorised person's accessibility while the final results was submitted to Gulu university faculty of business and development studies, other copies will be disseminated to the other key stakeholders and study participants who will show interest in this report.

3.9 Study Limitations and Delimitations

This section examines the challenges that the researcher faced during data collection and the ways through which such challenges were mitigated so that the objectives of the study were successfully attained without compromising the quality of the data collected.

The followings were some of the limitations and delimitations that the researcher faced during the data collection exercise;

Given the busy nature of businesspeople in Gulu city, the researcher met some challenges during the data collection exercise specifically with some key respondents who were way too busy to give their full attention to the data collection exercise. The researcher therefore used Coca-Cola sales trucks and salesmen to distribute the questionnaires to such respondents and made follow-ups in the next delivery as to closely follow up on whether or not the questionnaires were filled. The researcher also used a wider period of up to one month for the data collection exercise so as to widen the data collection period as a way to cater for such respondents who had countless excuses for not filling the questionnaires meanwhile constant follow-ups were done on daily basis. In this way, the researcher was able to establish contact with respondents easily with minimal resistance.

Like it was anticipated by the researcher during the research proposal, the researcher met some level of hostilities from some respondents who had some suspicions that the data being collected would be used for other purposes other than those stated in the questionnaires. This challenge was addressed with the help of data collection approval from all relevant authorities (Gulu University and the management of CAMAIT enterprises limited backed by approval from the regional sales manager) who provided adequate proof to such respondents as a way to overcome such suspicion and gave assurance that the data was strictly meant for academic purposes only.

Some respondents were also very reluctant and never took the questionnaires seriously (this justifies why only 223 questionnaires were recovered out of 300 questionnaires issued). They alleged that they were very sure that even if they were to commit to filling the questionnaire, they wouldn't get any benefits at all from such a study. They claimed the research was only of benefits to the researcher and as a way to motivate them, they demanded for monetary payments from the researcher. This challenge was addressed through well-articulated and clear-cut explanations to such respondent to educate them on how this research can help different stakeholders in different capacities and for different purposes, for instance the policy makers can use this research to develop policies that will protect them (channel members) against exploitation from the manufacturers, the management of Coca-Cola and her competitors can use this research findings to design beneficial promotions campaigns that will help to boost their businesses and finally this research can also help their own children and siblings for further studies but those who hesitated, were not forced.

The scope of this study was limited to the case study only; however, the results attained reflect the bigger picture of channel of distribution in Uganda as a whole and hence the generalization. Also, the businesses are located in Gulu city to which the study was geographically limited to as far as the geographical scope is concerned.

The questionnaires were administered only to outlets dealing in Coca-Cola products in Gulu city which is a relatively a small population when compared to the national statistics.

The above key considerations points out the effort made by the researcher in as far as adherence to all ethical standards is concerned. It further helped in the attainment of authentic results that makes the study fully dependable.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

This chapter of the study is presented for the purpose of unlocking the field data findings having under taken a rigorous data; sorting, categorization, coding, presentation, and analysis, as an approach to facilitate the interpretation of the field data. Using Likert scale of; strongly disagree (*SD*), disagree (*D*), not sure (*NS*), agree (*A*), strongly agree (*SA*), the researcher used closed ended questionnaires only for field data collection since it was considered the most suitable instrument for collecting quantitative data through which the research objective could be attained. The field data was collected from four different categories of respondents, that's; one Coca-Cola regional sales manager in charge of northern Uganda, two Coca-Cola direct sales representatives, 28 stockiest and 192 retailers. The data collected was purposed to address the study objectives that was carefully guided by the formulation of several study questions as a way to facilitate the achievement of the study objectives.

The data in this chapter has mainly been presented in tabular form to cater for respondents' bio-data, control variable, descriptive statistics, non-parametric test, and inferential statistics.

4.1 Description of respondents' Bio-Data

The researcher noted that it was important to put into consideration the different biographical information about the respondents that would help to categorize them and aid in generating as much detailed information as possible. The study catered for the respondents' business orientations or categories, gender, the highest level of education attained, their business interest, number of years they have been in active business operations and the other soda companies that compete with Coca-Cola but the respondents' deals with.

Table 4.1 : showing respondents by categories

Respondent's		
Categories	Frequency	Percent
Region Sales Manager	1	.4
Direct Sales Representatives	2	.9
Stockiest	28	12.6
Retailers	192	86.1
Total	223	100.0

Source; primary data, November 2019

The table above shows the different categories of respondents that were involved in this study expressed in percentage besides the actual number of respondents in each category. From the table above, it's pretty clear that Coca-Cola Uganda has only one (0.4%) RSM in northern Uganda, the company has three DSR attached to Gulu but only two (0.9%) of them managed to take part in this study since one was away on a month-long annual leave. The table also shows that the majority of the respondents were the retailers totaling to 192 (86.1%) who operate small scale businesses all over Gulu city followed by stockists numbering 28 (12.6%).

4.1.1 Gender of respondents

The results show that the male dominated the distribution business in the beverage industry. Observably all the top positions in the distribution sector are occupied by the male notably the regional manager, direct sales representative positions. There are some few females (28%) in the stockiest position while the majority is still males (79%). The retailers are fairly occupied by female (48%) as compared to males (52%) as seen (Table 4.2) below.

Table 4. 2 : gender of respondents

Respondent's			
Categories		Frequency	Percent
Regional sales manager	Male	1	100.0
Direct sales representative	Male	2	100.0
Stockiest	Male	20	71.4
	Female	8	28.6
	Total	28	100.0
Retailers	Male	100	52.1
	Female	92	47.9
	Total	192	100.0

Source; primary data, November 2019

4.1.2 Respondents' age bracket

As noted earlier in table 4.1 above, four categories of respondents participated in this study as presented in the table below.

Table 4. 3 : Respondents' age bracket

Respondent's			
Categories		Frequency	Percent
Regional sales manager	46-55 years	1	100.0
Direct sales representatives	26-35 years	2	100.0
Stockiest	16-25 years	18	64.3
	26-35 years	8	28.6
	36-45 years	2	7.1
	Total	28	100.0
Retailers	16-25 years	62	32.3
	26-35 years	82	42.7
	36-45 years	28	14.6
	46-55 years	10	5.2
	above 56 years	9	4.7
	Total	191	99.5
	Missing System	1	.5
	Total	192	100.0

Source; primary data, November 2019

Retailer; the study findings indicates that there were 192 retailers out of which, 82 (42.9 %.) retailers were found to be in the 26-35 years age bracket, 62 (32.5%) retailers were found to be in the 16-25 years age bracket, 28 (14.7%) retailers were found to be in the 36-45 years age bracket, 10 (5.2%) retailers were found to be in the 46-55 years age bracket and only 9 (4.7%) retailers were found to be in the above 56 years age bracket.

To sum it up, the majority of retailers were male and belonged to the 26-35 years age bracket followed by the 16-25 years age bracket, then followed by the 36-45 years age bracket, and then followed by the 46-55 years age bracket and last but not least, the above 56 years.

Stockiest; There were 28 stockists with the age breakdown as follows; 18 (64.3%) stockists were found to be in the 16-25 years age bracket, and 8 (28.6%) stockists were found to be in the 26-35 years age bracket, only 2 (7.1%) stockists were found to be in the 36-45 years age bracket. In conclusion thus, it can be stated that; the majority of the stockists are youths found in the age bracket of 16-25 years with 64.3%.

Direct sales representatives; there were two male direct sales representatives who are both in 26-35 years age bracket.

Regional sales manager; There was one regional sales manager who is in the age bracket of 46-55 years of age.

4.1.3 Respondent's level of education

The table below shows the details of the respondents' level of education in their respective categories;

Table 4. 4 : Level of education

Respondent's			
Categories		Frequency	Percent
Regional sales manager	Tertiary level	1	100.0
Direct sales representative	University level	2	100.0
Stockiest	Primary level	2	7.1
	Secondary level	10	35.7
	Tertiary level	10	35.7
	University level	6	21.4
	Total	28	100.0
Retailers	Primary level	33	17.2
	Secondary level	67	34.9
	Tertiary level	53	27.6
	University level	38	19.8
	Total	191	99.5
	Missing System	1	.5
	Total	192	100.0

Source; primary data, November 2019

Retailer; in the this category, there were 33 (17.2%) retailers who were found to have attained primary education as their highest level of education, 67 (34.9%) retailers were also found to have attained secondary education as their highest level of education, 53 (27.6%) retailers were as well found to have attained tertiary education as their highest level of education, and finally 38 (19.8%) retailers were found to have attained university education as their highest level of education.

Stockiest; in this category, only two (7.1%) stockists were found to have attained primary education as their highest level of education, 10 (35.7%) stockists were found to have attained

secondary education as their highest level of education and 10 (35.7%) stockists were found to have equally attained tertiary education as their highest level of education and, six (28.6%) stockists were found to have attained university education as their highest level of education.

DSR; since only two (100%) participated in this study, it was established that both had attained university education as their highest level of education.

RSM; only one (100%) had attained diploma education as the highest level of education

4.1.4 Respondent's marital status

Taking a close look at the respondents' marital status, this study found out that;

Table 4. 5 : Marital status

Respondent's			
Categories		Frequency	Percent
Regional sales manager	Married	1	100.0
	Single	1	50.0
Direct sales representative	Married	1	50.0
	Total	2	100.0
Stockiest	Single	17	60.7
	Married	11	39.3
	Total	28	100.0
Retailers	Single	94	49.0
	Married	87	45.3
	Widowed	2	1.0
	Divorced	6	3.1
	Total	189	98.4
	Missing System	3	1.6
Total		192	100.0

Source; primary data, November 2019

Retailer; in the retailers sub-category; 94 (49.7%) retailers were found to be single, 87 (46.0%) retailers were found to be married, six (3.2%) retailers were found to be divorced, And only 2 (1.1%) retailers were found to be widowed.

Stockiest; in the stockists sub-category, 17 (60.7%) stockists were found to be single and 11 (39.3%) stockists were found to be married.

DSR; out the two DSRs who took part in this study, only one (50.0%) DSR was found to be married and the other one (50%) was found to be single.

RSM; the regional sales manager was found to be married

4.1.5 The period respondent has been in active business operation

This study also found it important to consider the period the respondents have been in active business operations. The findings were thus analyzed as follows;

Table 4. 6 : Experience in business

Respondent's			
Categories		Frequency	Percent
Regional sales manager	Above 20 years	1	100.0
Direct sales representative	1-5 years	2	100.0
Stockiest	1-5 years	14	50.0
	6-10 years	8	28.6
	10-20 years	5	17.9
	above 20 years	1	3.6
	Total	28	100.0
Retailers	1-5 years	122	63.5
	6-10 years	44	22.9
	10-20 years	12	6.3
	above 20 years	9	4.7
	Total	187	97.4
	Missing System	5	2.6
	Total	192	100.0

Source; primary data, November 2019

Retailer; as for this sub-category, 122 (63.5%) retailers were found to have been in active business operations for a period ranging between 1-5 years, 44 (22.9%) retailers were found to have been in active business operations for a period of 6-10 years, 12 (6.3%) retailers were found to have been in active business operations for a period of 10-20 years. And finally, only 9 (4.7%) retailers were found to have been in active business operations for more than 20 years. Quite unusual is the fact that 5 (2.6%) retailers never indicated the period their business had been in active operation.

Stockiest; as for this sub-category, 14 (50.0%) were found to have been in active business operations for a period of 1-5 years, 8 (29%) stockists were found to have been in active business operations for 6-10 years, 5 (19%) were found to have been in active business operations for 11-20 years, and only 1 (3.6%) was found to have been in active business operations for more than 20 years.

DSR; 2 (100%) both had worked for Coca-Cola for less than 5 years

RSM; he had worked for Coca-Cola for more than 20 years.

4.1.6 Respondent's business interest

It was equally important for this study to examine the different types of businesses that Coca-Cola channel members had interest in, the findings were as follows;

Table 4. 7 : Nature of business

Respondent's Categories		Frequency	Percent
Regional sales manager	Beverages	1	100.0
	Beverages	2	100.0
	Beverages	12	42.9
	Grocery	13	46.4
	Boutique	1	3.6
	Bar	2	7.1
	Total	28	100.0
Retailers	Beverages	55	28.6
	Grocery	49	25.5
	Boutique	15	7.8
	Bar	47	24.5
	Restaurant	23	12.0
	Total	189	98.4
	Missing System	3	1.6
Total		192	100.0

Source; primary data, November 2019

Retailer; in this category, 55 (28.6%) retailers were found to have interest in beverage business, 49 (25.5%) retailers were found to have interest in grocery business, 47 (24.5%) retailers on the other hand were found to have interest bar business, 23 (12.0%) retailers were found to have interest in restaurant business while, 15 (7.8%) retailers were found to have interest in boutique business.

Stockists; meanwhile in the stockists category, 13 (46.4%) stockists were found to have interest in grocery business, 12 (42.9%) stockists were found to have interest in beverage business, 2 (7.1%) stockists were found to have interest in bar business and there was only one (3.6%) stockists who had interest in the boutique business.

DSR; the 2 (100%) direct sales representatives were found to have interest in beverage business.

RSM; meanwhile the regional sales manager (100%) had interest in beverage business too.

4.1.7 Other soda companies the respondent deals with

Meanwhile, this study also examined all the soda manufacturers that the respondents were dealing with and findings can be seen in the table below;

Table 4. 8 : Other companies the respondent deals with

Respondent's			
Categories		Frequency	Percent
Regional sales manager	Riham only	1	100.0
Direct sales representatives	Coca-Cola only	2	100.0
Stockiest	Coca-Cola only	8	28.6
	Pepsi only	1	3.6
	Pepsi, Riham, others	19	67.9
	Total	28	100.0
Retailers	Coca-Cola only	74	38.5
	Pepsi only	9	4.7
	Riham only	1	.5
	Pepsi, Riham, others	103	53.6
	Total	187	97.4
	System	5	2.6
	Total	192	100.0

Source; primary data, November 2019

Retailer; according to the above analysis, 103 (53.6%) retailers were found to be dealing with Coca-Cola, Pepsi, Riham and other soda companies, 74 (38.5%) retailers were also found to be dealing with Coca-Cola only, 9 (4.7%) retailers were found to be dealing with Pepsi only, and only 1 (0.5%) stockists was found to be dealing with Riham only.

Stockiest; in the stockists category, 19 (67.9%) stockists confessed to be dealing with Coca-Cola, Pepsi, Riham and other soda companies, 8 (28.6%) stockists were dealing with Coca-Cola only and there was only 1 (3.6%) stockists who deals with Pepsi only, and finally, no stockists deals with Riham only.

DSR; both of the two Coca-Cola direct sales representatives were found to be dealing with Coca-Cola only.

RSM; the regional sales manager was found to be dealing with Coca-Cola and Riham.

4.2 Control variable statement;

Given the fact that the researcher had anticipated that the control variables (respondents' business interest, the period the respondents have spent in active business operations and the other soda companies the respondents' deals with) could have some influence on determining loyalty in the channel of distribution, there was thus a great need to provide for its separate analysis so that the potential influence of such variables should be determined and eliminated in final results. The justification of this separate analysis is that the researcher wanted to precisely determine the influence of independent variables on the dependent variable without any other control variable influence that could affect the accuracy of the final results. From that point therefore, the results of the data analysis shows that the control variables mentioned above had no significant effects on channel loyalty at a rate of 95% level of confidence.

4.3 Descriptive Statistics

The importance of descriptive statistics is that it permits for the description of the data and its subsequent presentation in a more meaningful way thereby further allowing for simple interpretation of the data thereafter. It's equally important to be reminded that this study successfully collected data from the respondents as indicated earlier with core objectives of establishing the influence of manufacturers' promotion strategies, channel relationship management on channel loyalty in the distribution channel of Coca-Cola in Gulu city. This

section therefore focuses on summarizing groups of data using a combination of table descriptions and statistical explanation.

From the table below, different variables have been categorically analyzed to determine the mean, std. deviation, chi-square, degree of freedom and asymmetrical significance so as to determine the degree of differences in opinion among the respondents.

Table 4.9 : Non Parametric Tests

		Test Statistics				
	N	Mean	Std. Deviation	Chi-Square	df	Asymp. Sig.
Push Promotion Strategies	223	3.17	.655	135.794 ^a	88	.001
Pull Promotion Strategies	223	3.21	.533	116.534 ^b	91	.037
Channel Loyalty	223	3.58	.469	156.574 ^c	56	.000
Channel Relationship Management	223	3.12	.532	163.233 ^d	53	.000
Switching Costs	223	3.32	.816	123.278 ^e	19	.000
Trust	223	3.57	.722	158.794 ^e	19	.000

Source; primary data, November 2019

The above results show that channel loyalty is significant on the higher side with a mean value of 3.58 and trust also had a high mean value of 3.57. Furthermore, the result shows that push and pull promotion strategies had average mean values of 3.17 and 3.21 respectively. While channel relationship management had also an average mean value of 3.12, switching costs also had a mean value of 3.32. The views of the respondents were assessed using structured instrument on a 5 point Likert scale as earlier on explained in the introduction to this chapter.

4.4 Inferential statistics

With the aid of inferential statistics, the data collected were analyzed and conclusions were drawn to enable predictions be made about the study population.

4.4.1 Correlations

Pearson correlations analysis was used in order to establish the relationship between the independent variables and the dependent variable while controlling for the potential influence of intervening variables. From the analysis, the following results were attained.

Table 4.10 : Correlations

	Std.		1	2	3	4	5	6
	Mean	Dev.						
Push Promotion Strategies (1)	3.17	.655	1					
Pull Promotion Strategies (2)	3.21	.533	.384**	1				
Channel Relationship Management (3)	3.58	.469	.327**	.457**	1			
Switching Costs (4)	3.12	.532	.290**	.220**	.363**	1		
Trust (5)	3.32	.816	.330**	.291**	.336**	.415**	1	
Channel Loyalty (6)	3.57	.722	.411**	.549**	.816**	.414**	.506**	1

** Correlation is significant at the 0.01 level (2-tailed).

N = 223

Source; primary data, November 2019

The table above presents descriptive statistical findings derived from the results of a Pearson correlations analysis with the aim of explaining the respondents' views on the study variables and correlation coefficients to show the direction and the extent of relationships amongst the study variables. From the table, the mean values indicated that there was a high level of channel relationship management (Mean = 3.58, Std. Dev. = .469) as well as a high level of channel loyalty (Mean = 3.57, Std. Dev. = .722). While we could observe that push promotion strategies,

pull promotion strategies, switching costs, and issues of trust had average levels of agreement from the respondents' point of view (Mean = 3.17; 3.21; 3.12; and 3.32 respectively). The correlation coefficients indicated that: first there is a significant positive relationship between push promotion strategies and channel loyalty ($r = .411$, $p < .01$); secondly, there is a more significant and positive relationship between pull promotion strategies and channel loyalty reflected by ($r=.549$, $p < .01$), thirdly, a very strong significant and positive relationship also exists between channel relationship management and channel loyalty ($r=.816$, $p < .01$), switching cost also has a significant and positive relationship with channel loyalty ($r=.414$, $p < .01$) and finally, there is a significant and positive relationship between trust and channel loyalty ($r=.506$, $p < .01$).

4.4.2 Regression analysis

Hierarchical regression analysis was done to explain the effects of the independent variables on the dependent variables with; respondents' business interest, the period the respondents have spent in active business operations and the other soda companies the respondents' deals with as control variables. The results can be seen in the table below;

Table 4. 11 : regression analysis

Periodic variable	Model 1	Model 2	Model 3	Model 4	Model 5	Zero order	Partial	Part
(Constant)	3.191**	1.664**	.854**	.749**	.622**			
Respondent's business interest	.026	.024	.27	.034	.036	.091	.088	.087
The period the respondent has been in active business operation	.005	-.034	-.033	-.024	-.027	.009	.010	.010
Other soda companies the respondent deals with	.039	.154**	.022	.019	.026	.134	.132	.132
Push promotion strategy		.154**	.069*	.057	.041	.409	.262	.217
Pull promotion strategy		.355**	.135**	.137**	.115**			
Channel relationship management			.604**	.583**	.542**	.820	.762	.593
Switching cost				.097**	.060	.414	.250	.169
Trust					.138**	.512	.292	.192
R	.160	.433	.840	.843	.864	N/A	N/A	N/A
R ²	.026	.187	.705	.710	.746	N/A	N/A	N/A
Adjusted R ²	.011	.171	.689	.702	.737	N/A	N/A	N/A
ΔR ²	.026	.162	.518	.005	.036	N/A	N/A	N/A
F change	1.793	40.384	354.478	3.648	28.448	N/A	N/A	N/A
Significant F. change	.150	.000	.000	.058	.000	N/A	N/A	N/A
Significance	.150	.000	.000	.000	.000	N/A	N/A	N/A

Source; primary data, November 2019

The regression analysis done above produced 5 models that can be observed as follows;

1. In model one, the findings on the effects of control variables on channel loyalty shows that, the control variables (respondents' business interest, the period the respondents have spent in active business operations and the other soda companies the respondents' deals

with) have no statistical significant effects on channel loyalty at a rate of 95% level of confidence.

2. In model two, the results shows that; push and pull promotion strategies have significant and positive effects on channel loyalty explaining 16% level of variation in channel loyalty ($\Delta R^2 = .162$, $p < 0.01$). Furthermore, we also noted that, any improvement in emphasis on push promotion strategies would directly influence channel loyalty by about 15 times ($\beta = 0.154$, $p < 0.01$) while more emphasis on pull promotion strategies would influence channel loyalty by about 36 times ($\beta = 0.355$, $p < 0.01$).
3. In model three, the results also show that channel relationship management practices have got a positive and significant impact on channel loyalty explaining 52% level of the variation in channel loyalty ($\Delta R^2 = 0.518$, $p < 0.01$). Additionally, the result shows that a unit emphasis on channel relationship management would produce improvement of about 60 times in current level of channel loyalty ($\beta = 0.604$ $p < 0.01$)
4. In model four; the results also shows that there is no statistical significant effect of switching cost on channel loyalty ($p > 0.05$).
5. And lastly, in model five; the results further shows that trust has got a significant positive effect on channel loyalty explaining about 4% level of variation in channel loyalty ($\Delta R^2 = 0.039$, $p < 0.01$). This implies that when emphasis is put on trust, it will influence channel loyalty by 14 times ($\beta = 0.138$, $p < 0.01$).

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter of the study presents the research finding, which is discussed and summarized according to the existing literature and research questions earlier on presented. This research focused on assessing the impact of manufacturers' promotion strategies, channel relationship management practices on channel loyalty, especially in B2B context. The study was therefore driven to address four specific study objectives that were guided by four well formulated study questions as well. These research questions were as follows; What influence does promotion strategies have on channel loyalty to manufacturing companies?, What influence does channel relationship management practices have on channel loyalty to manufacturing companies?, to what extent does switching costs influence channel loyalty among the channel members of Coca-Cola Uganda in Gulu city?, and finally; to what extent does trust influence channel loyalty among the channel members of Coca-Cola Uganda in Gulu city. From the above, the following are presented to summarize the key findings of this study;

5.1 Summary of key findings

According to the study objectives, this research found out the followings;

1. Manufacturers' promotion strategies (push and pull) have a positive effect on channel loyalty.
2. Channel relationship management practices equally proved to have a very strong significant effect on channel loyalty.
3. Statistically, switching cost has no significant effect on channel loyalty.

4. And finally, the study also proved beyond doubt that trusts have a low significant statistical effect on channel loyalty.

Meanwhile on the other hand, this study also found out that;

- The control variables (the year's respondents have been inactive business operations, their nature of the business operation) had no significant influence on channel loyalty.
- According to the analysis of variance (ANOVA) finding which was focused on establishing whether or not the differences in respondents opinion was of any importance to this study, its finding indicated that there is an important and significant relationship between the independent (IV) and dependent variables (DV).
- While attempting to analyze the effects of Manufacturers' promotion strategies, Channel relationship management practices on channel loyalty, the study found out that;
- The respondents' categories had a significant effect on channel loyalty while the period the respondent has been in active business operations and their business interest had no significant effects on channel loyalty.

5.2 Discussion of key findings

This study found out that all the variables (except switching cost) under considerations, had significant effects on the dependent variable. The control variable (respondents' business interest, the period the respondents have spent in active business operations and the other soda companies the respondents' deals with) had no significant effects on channel loyalty at a rate of 95% level of confidence. This finding is correct to a greater extent simply because those who deal in beverage products in Gulu city have got little to worry about suppliers right from the start of their preferred business (business interest). This study finding proves right what Ehikwe,

(2002 cited in Ehikwe and Egboro 2014) also found out earlier on. Their study had found out that; Coca-Cola distributors in Nigeria were involved in very intensive distribution where the company intensively sells directly to individual consumers including those with single crates and by-pass the middlemen to enable them sell directly to the final consumers. This practice was thus identified as a major source of channel conflict in Coca-Cola's channel of distribution. This study findings also further reaffirms what Kaketo (2015) stated earlier that, the current state of Uganda's soda market had reached a level of hyper-competition.

Secondly, given the fact that this research finding revealed that Coca-Cola channel members do not get any kind of special treatment from Coca-Cola (or its distributor), their business success and failure therefore has no association with their level of loyalty. This implies that channel member's businesses had no immunity from collapsing whether they were loyal to Coca-Cola or not. Another important fact to remember is that CAMAIT Enterprises limited (coca distributor in Gulu city) don't sell to channel members on credit terms. This can further explain why those control variable pointed above have no impact on channel loyalty.

Thirdly, the research findings also found out that 56.5% of the respondents were dealing with many soda companies compared to 38% of those who were dealing in Coca-Cola products only. This finding can best be taken to justify the major cause of channel disloyalty among B2B's firms earlier on pointed in the literature by Mela, Jedidi, and Bowman, (1998 cited in Dawes, Meyer-Waarden, & Driesener, (2015) who stated that, the major cause of channel disloyalty today results from the impact of price loyalty, growth in the number of brands available, wide range of product variants offered, and more channel sensitivity. This study also noted that most of the channel members preferred to stock a wide variety of brands (from different manufacturers) so as to enable them serve a wide range of customers' needs as well.

5.3 Promotion strategies and channel loyalty

According to this study finding, manufacturers' promotion strategies (push and pull) have got significant and positive effects on channel loyalty. This relationship is explained by 34% level of the variation in channel loyalty.

In reference to the above submission, the study tends to point out that push promotion strategies have got an important influence on channel loyalty. This findings provides an accurate prove to what Banutu earlier on stated in the literature review that; Coca-Cola has attachment to all sorts of restaurants globally including the burger king and McDonald as a way to bring the brand closest to customers and eliminate competing products (Essay, UK 2018 and Taylor, 2005 cited in Banutu, 2012). As similarly practiced in Peru (Salas cited in Banutu 2012)) and other countries globally, this study finding confirmed that Coca-Cola in Uganda also provides free branded table mats, free refrigerators, free outlets and schools signage, free wall paintings as well as co-branding as a push promotional strategy. This study also confirmed that Coca-Cola indeed uses push promotion strategies in various dimensions as confirmed by the respondents. For example 42.2% of the respondents confirmed that Coca-Cola gives them price discounts whenever there is an ongoing promotional discount, 37.8% also confirmed that Coca-Cola helps channel members when starting up businesses that deal in their products while 36.4% attested to the fact that coca gives free branding materials, free refrigerators, free table mats to channel members. This therefore shows the magnitude to which push promotion strategy, is helping Coca-Cola in as far as building channel loyalty is concerned.

Similarly, this research finding also evidenced a significant influence of pull promotion strategy on channel loyalty. In fact, the respondents when asked questions on advertisement, public relations, and direct marketing, their responses provided prove that pull promotion strategy

influences channel loyalty two times more than push promotion strategy. This findings provides a concrete prove to what Hair, Lamb, & McDaniel, (2006), and Steinberg & Vranica, (2004) earlier on stated that, one of the key foundation upon which Coca-Cola was built and has so far registered significant success is heavy advertising and marketing investments where the company spends most of its revenue to maintain the brands awareness and creation of strong visibility to its target market through the use of many forms of advertisements that ranges from TV ads, radio ads, social media ads to magazines and billboard ads (Hair et al 2006). This study finding thus means that, for equal investments exerted in line with push and pull promotion strategies, the pull promotion approach would earn more than twice the results of push promotion approach.

5.4 Channel relationship management practices and channel loyalty

The findings obtained from this study also indicated that channel relationship management practices have got positive and a very strong significant impact on channel loyalty explained by 52% level of variation in channel loyalty.

This result provides a concrete prove that channel loyalty can't be obtained without investment on relationship marketing with the customers on the part of the manufacturer. This findings agrees to what Kabu Khadka & Soniya Maharjan (2017) argued out earlier on by stating that, maintaining customer relationship does not just happen accidentally, it require the use of customers centered approach that should be constructed through the services and or the products provided. Also Swift (2001 cited in Kabu Khadka & Soniya Maharjan 2017) stated that in today's competitive age, customers require flexibility, availability, creativity and price advantages from the supplier. This finding therefore proves that Coca-Cola globally doesn't take customers relationship management issue lightly. It was earlier on observed that; Coca-Cola has

invested significantly in customers' relationship management through availing several platforms that include both online and offline medium for every concerned person to communicate with the company directly.

But unfortunately, at 52% level of variation in channel loyalty, this finding also tends to undermine the much expected contributions and importance of relationship marketing vis-a-vis Coca-Cola's global investment on relationship marketing. Probably, the best reasons to explain this result is the fact that during the data collection exercise, the researcher was able to detect some loopholes in as far as relationship management is concerned among the Coca-Cola sales team and thus paid extraordinary and very close attention in studying Coca-Cola's sales team's interaction and relationship management with the channel members and noted that there was a significant and visible gap in customers' engagement and handling among the sales team.

Closely connected to the above, the researcher also paid another close attention to examine how the DSRs were engaging with the customers in an attempt to try to zero in on the possible reasons for the visible gaps in customers' relationship management. From the above critical analysis, the researcher therefore noted that;

First and foremost, Coca-Cola Uganda (for Gulu city's case) to a greater extent relies on the distributor's truck salesmen and helpers (unfortunately these people are lowly paid with much emphasis on the use of sales commission payments method compared to salary and field facilitation allowance that's paid to the DSRs, sales supervisor and the sales manager) to handle most of the sales activities as well as customers concerns on daily basis. This was further proven right by closely observing the level of interactions, friendship and the bond between the distributor's sales team vis-a-vis the customers' bond and the level of interactions and or

friendliness with DSRs. From that, it was easy to conclude that the customers tended to be friendlier and leaned more on the distributor's sales team than on the DSRs for all their purchase concerns.

The most unfortunate part of this over reliance on the agent's sales team is the fact that the researcher discovered that this team has low level of education with little expatriates in sales and customers handling compared to the DSRs who were found to be university graduates and better trained in sales and customers handling than the distributor's sales team. Further to that is the fact that this over reliance on the distributor's truck sales team results into the creation of gaps in customers' service and handling that goes beyond mere product delivery of a customer's daily order collection. It's important to remember that the researcher also discovered from distributor's sales team that due to their low payments and more so based on commission for quantity sold in a month, they have been forced to narrow their focus only on the quantity ordered per customer and with a high tendency to neglect those other customers with little order as well as new outlets who may not be having clear product knowledge or any direct contact to the depot. One of the dangers of this kind of operation is that the scope of the market served keeps on narrowing thereby resulting into the creation of a vacuum in the market that can easily be taken advantage of by the competitors. Another danger of this kind of operation is that it further directly affects a company's effort towards customers' attraction, development and retention in the long run as earlier on argued out by Swift (2001 cited in Kabu Khadka & Soniya Maharjan (2017).

Secondly, the researcher also noticed that, further gaps existed in the sales team composition because all the three DSR, the regional sales supervisor, the regional sales manager, some depot staff and even some of the route truck helpers were non Luo (the most dominant language in Gulu and northern Uganda as a whole) speakers who are not capable of holding any meaningful

conversation in Luo language or even if they can but none of them was profitably using Luo language to bond with customers for sales purposes. Their tendencies of relying on English language for sales activities was not paying as most people in this city prefer to use their mother (Luo) tongue or the local language for most of their daily business communications. As a result of that Coca-Cola sales team in Gulu city lacked the attachment to the market due to such weakness on customers' relationship management.

Thirdly, the researcher also noticed that there were some visible gaps in supervision of the truck sales team. This was mainly attributed to the fact that the three DSRs are outnumbered compared to the number of the routes and town service trucks. In order for them to work and supervise all these trucks, they are supposed to rotate from one truck to another. But unfortunately, given the numerous workloads of the DSRs (checking for product expiry, taking orders and ensuring timely delivery, convincing customers to try new products, arranging cooler displays, putting up posters, etc) on daily basis, these gentlemen haven't been able to closely monitor the agent's sales team. A common practice that was also observed by the researcher in line with this is that the DSRs often tell the agent's salesmen to drive ahead and they agree on where to meet after some time interval. This practice greatly affects the work of the DSRs and results in undercutting them from visiting all the outlets and attending to the customers' individual concerns as they should have actually done on daily basis.

The researcher also observed that the DSRs often find themselves in great conflicts on daily basis in deciding whether to administer quality and in-depth services to each and every customer that should have helped in building strong relationship with the customers or to succumb to the distributor's sales team demand of simply focusing on customers' orders and leaving out the other customers' services behind. Unfortunately this conflict tends to favor the distributor's sales

team since they are the one in-charge of the trucks and eventually the DSRs are left with little or no choice but to attend to just a few outlets, offer minimal customers services and move on with the truck since it's the only official means of transport the company provides them. In conclusion therefore, the factors pointed above accurately explain why relationship marketing couldn't produce a much better result than the 52% impact it has on channel loyalty.

5.5 Switching costs and channel loyalty

According to this study objective number three, the study aimed at finding out the extent to which switching cost affect channel loyalty. The finding eventually confirmed that switching cost has no effect on channel loyalty. This study findings therefore tends to disagree with what, Blut et al., (2015 cited in Samudro, Sumarwan, Yusuf, & Simanjuntak, 2018) earlier on found out in their empirical research on the impact of switching cost on chemical product and solution in B2B industry. According to their study findings, switching costs had a positive effect on the customer's cross-buying behavior across firm's product and service categories, and also the firm's share of wallet. This differences can however be attributed to the differences in the industry and the product nature in question.

This finding is substantial enough to point out to the fact that switching costs is no longer a significant factor for any manufacturer in building channel loyalty. This finding simply means that channel members have got a very high level of switching from on manufacture to another with no withholding barriers related to the difficulty associated with switching. This finding therefore implies that given the ease of product substitutability between Coca-Cola and its competitors, channel members find it so easy to switch from one manufacturer to another.

Another important factor that makes it so easy for channel members to switch is the use of disposable plastic bottles by all soft drinks manufacturers in Uganda today. This has eventually

made it so easy for the channel members to switch manufacturers unlike in the past where the channel members were first required to invest a large part of their working capital on buying empties (glass bottle, and crates) from each manufacturer they intended to deal in their product to renting large storage spaces. Today, the use of plastic packaging means that channel members can stock and sell a combined variety of products from different manufacturers in one single package or carton without having to worry about empty bottles and crates anymore.

Further reasons why switching cost is increasingly becoming insignificant in building channel loyalty is the fact that this study also clearly found out that the majority (55%) of the channel members in Gulu city preferred to deal with multiple manufacturers as opposed to sticking to selling Coca-Cola (37%) product only. From that point, we can conclude that since they are able to stock all the different manufacturers' brands without any withholding barrier, switching cost therefore continues to become insignificant.

But this study findings therefore reaffirms what, Guo et al., (2013) found out when they conducted a study on; *"The Effect of Trust, Satisfaction, and Switching Cost on Consumer's Loyalty, a Model of On-line Auction"*, in their findings, they concluded that consumers' switching cost had a negative relationship with loyalty.

5.6 Trust and channel loyalty

The findings from this study also provided prove that trust has got a significant positive effect on channel loyalty explaining about 4% level of the variation in channel loyalty. Accordingly, the relationship between trust and loyalty is best explained by the fact that the respondents agree that elements such as the ability of Coca-Cola to be a leading quality soda manufacturer, charging of faire prices that enables channel members to make good profits margins, excellent customer care

services, and absolute transparency in business are some of the core reasons why channel members have developed a high degree of trust on Coca-Cola Uganda. These reasons therefore, make the channel members less bothered in trying to consider absolute switch from coca-cola to other manufacturers and that is why the study finding showed that 37% of the respondents preferred to deal in Coca-Cola only. This percentage is far higher than that of all its competitors on individual account. This study also noted that in the presence of mutual trust between two parties in any business undertaking, the level of relationship and bondage tend to grow therefore providing the justification for the 4% level of influence of trust on loyalty.

Similar studies earlier on conducted with objectives to investigate the impact of trust on loyalty in B2B context also found that trust has got positive significant effects on loyalty. According to Ndubisi (2007 cited in Sarwar, Abbasi, & Pervaiz, 2012) trust is the most important factor that can help a company built customers loyalty and there is a significant and positive relationship between trust and loyalty. Using questionnaires used by Zhang & Feng, Sarwar, et al (2012), also found out that correlation matrix indicated a strong correlation between customer trust and customer loyalty.

In conclusion therefore, earlier studies conducted by Chow and Holden 1997; Doney and Cannon 1997; Morgan and Hunt 1994; Moorman, Zaltman and Deshpande 1992 cited inGerald, (2011), the authors argued that there are those elements such as honesty, competence, benevolence, reliability, and customer orientation on the parts of the seller which upon its establishment leads to the creation of long (Morgan and Hunt 1994; Moorman et al. 1992; Crosby et al. 1990 cited inGerald 2011) term relationship, commitment and future purchase intentions in the context of buyer-seller relationships and business-to-business relationships and eventually loyalty.

CHAPTER SIX

CONCLUSIONS, RECOMMENDATIONS, AND AREAS OF FURTHER STUDIES

6.0 Introduction

This chapter of the study is dedicated at drawing meaningful conclusion attained from this study as well as putting forward recommendations and not forgetting areas for further studies. This study had four main study objectives upon which the conclusions have been drawn. They were; to assess the influence of promotion strategies on channel loyalty to manufacturing companies, to assess the influence of channel relationship management practice on channel loyalty to manufacturing companies, to examine the effects of switching costs on channel loyalty among the channel members of Coca-Cola Uganda in Gulu city, and finally to examine the effects of trust on channel loyalty among the channel members of Coca-Cola Uganda in Gulu city. All the above objectives were all successfully attained.

6.1 Conclusion

In trying to achieve the study objectives, the researcher found out the followings;

Manufacturers' (push and pull) promotion strategies had significant positive effects on channel loyalty. This implies that, it is of great importance for soda manufacturing companies in Uganda to invest in promotion as a master strategy to win channel loyalty.

The study also found out that pull promotion strategy had two times more influence on channel loyalty than push promotion strategy. This would therefore means that for the same amount of investment on both push and pull promotion strategy, a soda manufacturer would get twice the return on channel loyalty through pull strategy compared to the push promotion strategy leaving other factors constant.

Similar to the above, this study also found out that channel relationship management practices had a strong positive and significant impact on channel loyalty. It's important to be reminded that, this study made efforts to cater for several aspects of channel relationship management such; operational, analytical, strategic, and collaborative channel relationship management practices that should facilitate and in-depth finding as to whether or not relationship management practices could have any influence on channel loyalty and indeed it was proven that all these aspects of channel relationship management had a positive and significant influence on channel loyalty.

Additionally, this study also established that switching cost had no effects on channel loyalty. This finding implies that given the ease of product substitutability between Coca-Cola and its competitor, channel members are therefore dealing with all the manufacturers without any challenge attributed to switching barriers (Ural, 2014). Another important factor that makes it so easy for channel members to switch is the use of disposable plastic packaging (bottles) by soda manufacturing companies in Uganda today. This makes it so easy for the channel members to switch between such manufacturers unlike in the past where dealing in soda required for a large part of the working capital to be injected in buying empty glass bottles and crates from each soda company and renting a very large storage space before the actual product is purchased.

On the other hand, this study finding also further showed that trust has got a significant and positive effects on channel loyalty. Also earlier studies conducted by Chow and Holden (1997; Doney and Cannon 1997; Morgan and Hunt 1994; Moorman, Zaltman and Deshpande 1992 cited in Gerald, 2011) stated that there are those elements such as honesty, competence, kindness, reliability, and customer orientation on the parts of the seller which upon its establishment leads to the creation of long (Morgan and Hunt 1994; Moorman et al. 1992; Crosby et al. 1990 cited in

Gerald 2011) term relationship, commitment and future purchase intentions in the context of buyer-seller relationships and B2B relationships and eventually loyalty. This was found to be true given the fact that much as Coca-Cola's direct sales representatives are non Luo language speakers, but the distributor (CAMAIT Enterprises limited) employs the local boys fluent in Luo speaking with some years of experience in sales as a way to connect easily and bond with customers. This helps in developing trust that in turn leads to loyalty.

6.2 Recommendations

Given the findings from this study, the following recommendations and suggestion would be of great help to soda manufacturing companies in as far as winning of channel loyalty is concerned. Given the fact that the research findings showed that for equal amount of investment in promotion strategies, pull promotion strategies would give a double return in loyalty from the channel members, it would therefore be more profitable for soda manufacturing companies to put more emphasis on the use of pull promotion strategies compared to push promotion strategies.

The study findings also further demonstrated that; price loyalty seems to be the new form of loyalty that is causing a lot of disruption in brand loyalty. This therefore implies that, soda manufacturing companies need to get more cost effective production method that enables them to minimize production cost so that the final product price is equally low. Any soda manufacturing company capable of offering lower price product with greater profit margins to the channel members will always win loyalty from the channel members.

However, much as any soda manufacturing company would strive to achieve a lower cost of production, the final product quality shouldn't be compromised by all means. This study also noted that, when Coca-Cola took a huge price cut on their 350ml soda bottles commonly known

as “kamini” towards the end of 2019 from 12.000 shillings to 10.000 a carton and RRP of 1200 to 1000 shillings only per bottle, it had a great impact on the market in terms of sudden change in demand of Coca-Cola “kamini” brands that rose significantly. This greatly affected the competitors like Riham that offers 320ml for the same amount of RRP 1000 shillings and 9000 shillings a carton. When the product quality is right and pricing is right too, channel loyalty can easily be attained.

Much as relationship marketing is a great tool for success in sales and distribution, Coca-Cola Uganda has overlooked the importance of this factor for the case of Gulu city and the surrounding markets. This is so in a way that Coca-Cola Uganda has three direct sales representatives in Gulu but the most unfortunate part of this three man sales team is that none of them can fluently speak the local language. The matter is even worst because the regional sales supervisor and the regional sales manager plus some depot staff and route truck helpers are as well unable to speak the local language fluently. This same challenge was also noticed from the depot where 2/3 of the employees can’t speak the local language fluently. This should be the major reason why relationship management practices couldn’t score so highly since much of the direct sales activities have been left in the hands of the distributor’s sales team. This brings about a gap that could be closed when people fluent in the local language were employed in direct sales roles.

From this study, the researcher also noticed that unlike in the past, the increasing use of plastic disposable bottles by all soda manufacturing companies in Uganda has significantly reduced on the impact of switching cost as a holding barrier for channel members to commit loyalty to a single manufacturer.

The level at which products can be substituted among different soda manufacturing companies in Uganda today is so high that has made the channel members to be at liberty to buy any product from any manufacturer capable of offering lower prices with higher profit margin since switching barriers like empty glass bottles or empty crates have already been overcome. The rate at which brand substitutability is high goes to the extent where in many cases, the first distributor's sales representative to visit and deliver products to an outlet on daily basis ends up taking nearly all the money budgeted for soda purchase on that particular day in such an outlet. With this information at hand, it's high time manufacturers should consider developing other capabilities that will help them offer lower prices with wider profit margin to the channel members if they are to win channel loyalty for a longer period of time. As this study have revealed, greater emphasis can be put on channel relationship management and pull promotion strategies since the study findings showed that these two factors had greater impact than all the other factors considered in this study in winning channel loyalty.

Much as Coca-Cola uses musicians from Uganda in their popular coke-studio Africa promotion, people from northern Uganda or Gulu city in particular have shown a high level of disassociation to this program. The researcher therefore established the main reason for this disassociation to come from the fact that since the inception of this popular promotion, not even a single musician from northern region has ever featured in this promotion. This has resultantly made it a 'Kampala thing' to the people of Gulu and maybe perhaps northern Uganda as a whole. As a suggestion going forward, it would be of great importance if the management of Coca-Cola could try to adjust this promotion to be an all-inclusive program that would draw musicians from all over Uganda putting focus on regional balance so as to have a greater impact on the entire

country. Where possible, Coca-Cola Uganda could even start a similar program and brand it ‘coke studio Uganda’ where many local entertainers would actively participate.

As a core component of trust, honesty from the part of the manufacturer and their distributors or employees was also discovered to be something of great importance in as far as winning channel loyalty is concern. As for Coca-Cola, the respondents never raised any serious concerns about dishonesty but they were very fast to voice their discontents in regards to fraudulent promotion activities Riham recently carried out in 2019 as one of the major player in the soda industry in Uganda. Accordingly, the researcher established from the respondents that when Riham carried out their just concluded “Sip-Sip Simulula” promotion, there was a high level of fraudulent act that was administered by this manufacturer or its representative to the lucky winners of that promotion prizes countrywide. The respondents observed that Riham manipulated the prize winners and never gave out the prizes they had actually won under the disguise of what they said was terms and conditions of the promotion. The winners who had put efforts to drink a lot of Riham products or collected bottle tops with the hopes of winning TV sets, cash prizes, mobile phone, and bicycles were all greatly cheated by Riham and eventually received nothing. The majority of the people who went to collect their prizes like 32 inch TV screen, smart phones, cash money, bicycles, etc came back with a few bottles of sodas or even empty handed according to a number of respondents who expressed their disappointment to the researcher.

Such act of dishonesty breeds in discontents and mistrust that should be avoided whenever possible by any manufacturer. It’s better for soda manufacturing company to effectively plan organize a small and manageable promotion within their budgets that will help them in building trust than go for such fraudulent promotion activities that can result into mistrust and the spread of bad words of mouth among the channel members and final consumers alike.

The researcher also noted that Coca-Cola Uganda in Gulu city has been very consistent with transferring their employees. This has been handled so well that even the distributor's employees were discovered to have worked with previous Coca-Cola distributors. Maintaining employees in an area for a longer period of time is crucial in the sales of fast moving consumable products. When an employee stays for a longer period of time in a specific area, their influence on the market tends to increase due to the fact that they are able to build relationship with the market over time. As for Coca-Cola in Gulu, much as the entire Coca-Cola direct staff (regional manager, regional sales supervisor, and direct sales representatives) may not be capable of speaking Luo language fluently, their presence in the market for a longer period of time has resultantly helped them to relate with customers so well.

This therefore implies that for any manufacturer to easily succeed in sales of first moving consumable goods, those employees who comes into direct contact with customers on daily basis should preferably be the locals of that particular area, and those who can adequately speak the local language fluent enough to solve customers' problems first hand without seeking for the service of a translator and such employees should be given time in a specific market.

6.3 Area of further studies

It's important to note that this research was limited in focus to addressing manufacturers' promotion strategies and channel loyalty in Gulu city only. This therefore implies that similar studies can still be conducted to focus on manufacturers' promotion strategies and channel loyalty in other geographical location anywhere in Uganda, east Africa, or whatever the case might be.

Similar study can still equally be carried out with focus on the beverage market but with specific attention on beer and alcohol industry as this study focused on soda or soft drinks industry.

Further studies can also be focused on the following virgin areas of study;

Impact of fraudulent promotion activities on channel commitment and sales performance of a manufacturer in the long run,

How frequent transfers of sales representative affect sales growth of a company,

The competitive impact of local language proficiency of sales team and or those used in add materials on sales performance of a company.

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Appendix A

Regional sales manager (RSM)

Dear respondent,

This data is being collected for and on behalf of Mr. Okwera Denis, a student of Gulu University pursuing Master's Degree in Business Administration (MBA). His topic of study is; ***“manufacturers’ promotion strategies, channel relationship management and loyalty: the case of Coca-Cola Uganda in Gulu city”***. This questionnaire presented to you aims at collecting relevant information in line with the above topic purely for academic purpose only and therefore the information you provide and your identity will be treated with the highest level of confidentiality it deserves never to be revealed at any time whatsoever. You have been selected to take part in this research due to the nature of your business/employment and I shall be grateful if you could spare a few minutes to answer the questions that follow. Kindly respond to the questions by either ticking or filling in the spaces provided

SECTION A: GENERAL INFORMATION (*Please tick the most suitable option*).

Name (optional)

1. What is your Gender?

(a) Male.

(b) Female

2. What is your Age bracket?

(a) 16 - 25 years

(b) 26 - 35 years

(c) 36 - 45 years

(d) 46 - 55 years

(e) 56 - above

3. What is your Level of Education?

(a) Primary level

(b) Secondary level

(c) Tertiary level

(d) University level

4. What is your marital status?

(a) Single

(b) Married ☐

(c) Widowed ☐

(d) Divorced ☐

5. How long have you been in Coca-Cola
operations?

(a) 1-5 years ☐

(b) 6-10 years ☐

(c) 10-20 years ☐

(d) Above 20 years ☐

6. What is your business interest?

(a) Beverages ☐

(b) Grocery ☐

(c) Boutique ☐

(d) Bar ☐

(e) Restaurant ☐

7. Which soda companies do you deal
with?

(a) Coke only ☐

(b) Pepsi only ☐

(c) Riham only ☐

(d) Pepsi, Riham, others ☐

In all the sections that follows below, please tick in the box that you consider correct in your own view using a scale of; SD= Strongly Disagree, D= Disagree, NS= Not sure, A= Agree, SA= Strongly Agree

1.0	PROMOTION STRATEGIES					
i.	Statement on Personal Selling	SD	D	NS	A	SA
	I communicate directly to customers on pricing					
	I communicate directly to customers on distribution					
	I teach customers about product expiry dates					
	I call customers before going on rout					
ii.	Statement on sales promotion	SD	D	NS	A	SA
	I give product bonus to our customers during promotions					
	I give price discounts to our customers					
	I give free gifts to our customers					
	I work with my customers' favorite musicians					
	My customers sell more easily because I advertise for them					
iii.	Statement on advertisement	SD	D	NS	A	SA
	I communicate to customers through TV adverts					
	I communicate to customers through radio adverts					

	I communicate to customers through social media adverts					
	I communicate to customers through billboard adverts					
	I communicate to customers through posters adverts					
iv.	Statement on public relations	SD	D	NS	A	SA
	Customers prefers my products because I cares about waste management					
	Customers prefers my products because of I sponsors copa Coca-Cola football tournament yearly					
	Customers buy my products more because I care for refugees welfare					
	Customers buy my product more because I support their children's schools					
	Customers buy my product more because I sponsors health issues in Uganda					
v.	Statement on direct marketing	SD	D	NS	A	SA
	Customers sell my brand more because I use their favorite musician					
	Customers sell my brand more because I use Santa Claus during Christmas season					
	Customers sell my brand more because my soda bottles has their names					
	Customers sell my brand more because my soda bottles has their					

	customers' names					
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2.0	Statement on loyalty					
i.	Statement on Cognitive loyalty	SD	D	NS	A	SA
	Customers buy my brand more because I have the best product design					
	Customers buy my brand more because I have the best product quality					
	Customers buy my brand more because I have the most attractive brands					
	Customers buy my brand more because I got the best product packaging					
	Customers buy my brand more because I have product variety					
	Customers buy my brand more because I am the biggest soda company					
ii.	Statement on affective loyalty	SD	D	NS	A	SA
	Customers sell my products more because I have the best design					
	Customers sell my products more because I have the best quality					
	Customers sell my products more because I have the most attractive brands					
	Customers sell my brand more because I got the best packaging					
	Customers sell our products more because we offer a variety					
iii.	Statement on conative loyalty	SD	D	NS	A	SA

	Customers will persist on selling my products because I have the best design					
	Customers will persist on selling my products because I have the best quality					
	Customers will persist on selling my products because I have the most attractive brands					
	Customers will persist on selling my products because I have the best packaging					
	Customers will persist on selling my products because I have product variety					
iv.	Statement on action loyalty	SD	D	NS	A	SA
	Customers will stick to selling my products because I got the best design compared to all competitors					
	Customers will stick to selling my products because I got the best quality compared to all competitors					
	Customers will stick to selling my products because I got the most attractive brands compared to all competitors					
	Customers will stick to selling my products because I got best packaging compared to all competitors					
	Customers will stick to selling my products because I got a variety compared to all competitors					

v.	Statement on behavioral loyalty	SD	D	NS	A	SA
	My channel members continue to purchase my products willingly.					
	My channel members maintain a vibrant relationship with me willingly.					
	My channel members make many purchases from me all the time.					
	My channel members buy from me from time to time.					
	My channel members buy my brands in large quantities.					
	My channel members spend huge sums of money on my products.					

3.0	CHANNEL RELATIONSHIP MANAGEMENT					
i.	Statement on operational channel relationship management	SD	D	NS	A	SA
	I use mobile technology for selling my products					
	I frequently post field activities using mobile phone					
	I captures customers details using mobile phone					
	I use mobile phone for serving customers with my refrigerators					
	I follow up field activities using mobile phone					
ii.	Statement on analytical channel relationship management	SD	D	NS	A	SA
	I have all my customers' business information on my mobile phone					
	I have all my customers' purchase records on my system					

	I have all my customers' contacts saved on my system					
	I know all my customers' by business details					
	I analyze all my customers purchase performance periodically					
iii.	Statement on collaborative channel relationship management	SD	D	NS	A	SA
	I communicate directly with customers through email					
	I communicate directly with customers through phone call					
	I communicate directly with customers through fax					
	I communicate directly with customers through website					
	I communicate directly with customers through post office					
iv.	Statement on strategic channel relationship management	SD	D	NS	A	SA
	My channel members know exactly the kind of business I deal in.					
	My channel members are fully aware of how I create value.					
	My channel members are fully aware of how I deliver value.					
	I am fully aware of the type of customers I serve.					
	I use a lot of electronic means of communication with my channel members.					
	I use a lot of physical means communication with my channel members.					

4.0	Statement on switching cost	SD	D	NS	A	SA
	Customers fear leaving my products because they will lose a lot of money					
	Customers fear leaving my products because they can't find a better soda manufacturer than me					
	Customers fear leaving my products because they will lose the good relationship they have with me					
	Customers fear leaving my products because they don't trust other manufacturers					
	Customers fear leaving my products because they will lose all their current coke's customers					
5.0	Statement on trust	SD	D	NS	A	SA
	Customers trust my products because I produces the best quality					
	Customers trust my products because I charge fair prices					
	Customers trust my products because of transparency in business					
	Customers trust my products because I am dependable					
	Customers trust my products due my excellent customers care					

The end

Thanks for your contribution

Appendix B:

Questionnaire sales representatives

Dear respondent,

This data is being collected for and on behalf of Mr. Okwera Denis, a student of Gulu University pursuing a Master's Degree in Business Administration (MBA). His topic of study is; ***“manufacturers’ promotion strategies, channel relationship management, and loyalty: the case of Coca-Cola Uganda in Gulu city”***. This questionnaire presented to you aims at collecting relevant information in line with the above topic purely for academic purposes only and therefore the information you provide and your identity will be treated with the highest level of confidentiality it deserves never to be revealed at any time whatsoever. You have been selected to take part in this research due to the nature of your business/employment and I shall be grateful if you could spare a few minutes to answer the questions that follow. Kindly respond to the questions by either ticking or filling in the spaces provided

SECTION A: GENERAL INFORMATION (*Please tick the most suitable option*).

Name (optional)

8. What is your Gender?

(c) Male. ☐

(d) Female ☐

9. What is your Age bracket?

(f) 16 - 25 years ☐

(g) 26 - 35 years ☐

(h) 36 - 45 years ☐

(i) 46 - 55 years ☐

(j) 56 - above ☐

10. What is your level of Education?

(e) Primary level ☐

(f) Secondary level ☐

(g) Tertiary level ☐

(h) University level ☐

11. What is your marital status?

(e) Single ☐

(f) Married ☐

(g) Widowed ☐

(h) Divorced ☐

12. How long have you been in Coca-Cola
operations?

(e) 1-5 years ☐

(f) 6-10 years ☐

(g) 10-20 years ☐

(h) Above 20 years ☐

13. What is your business interest?

(f) Beverages ☐

(g) Grocery ☐

(h) Boutique ☐

(i) Bar ☐

(j) Restaurant ☐

14. Which soda companies do you deal
with?

(e) Coke only ☐

(f) Pepsi only ☐

(g) Riham only ☐

(h) Pepsi, Riham, others ☐

In all the sections that follow below, please tick in the box that you consider correct in your own view using a scale of; SD= Strongly Disagree, D= Disagree, NS= Not sure, A= Agree, SA= Strongly Agree

1.0	PROMOTION STRATEGIES					
I.	Statement on Personal Selling	SD	D	NS	A	SA
	We communicate directly to our channel members on pricing					
	We communicate directly to our channel members on distribution					
	We teach our channel members about product expiry dates,					
	We call our channel members before going on route					
ii	Statement on sales promotion	SD	D	NS	A	SA
	We give product bonus to our channel members during promotions					
	We give price discounts to our channel members					
	We give free gifts to our channel members					
	We work with our channel members' favorite musicians					
	Our channel members sell more easily because we advertise for them					
iii.	Statement on advertisement	SD	D	NS	A	SA
	We communicate to our channel members through TV adverts					
	We communicate to our channel members through radio adverts					

	We communicate to our channel members through social media adverts					
	We communicate to our channel members through billboard adverts					
	We communicate to our channel members through posters adverts					
iv.	Statement on public relations	SD	D	NS	A	SA
	Our channel members prefer our products because we care about waste management					
	Our channel members prefer our products because we sponsor Copa Coca-Cola football tournament yearly					
	Our channel members buy more of our products because we take concern about refugees welfare					
	Our channel members buy more of our products because we support their children's schools					
	Our channel members buy more of our products because we sponsor health issues in Uganda					
v.	Statement on direct marketing	SD	D	NS	A	SA
	Our channel members buy our brands more because we use their favorite musicians					
	Our channel members buy our brands more because we use Santa Claus to attract for them more buyers during Christmas and festive season					
	Our channel members buy our brands more because of we print their names					

	on the soda bottles					
	Our channel members buy our brands more because of we print their customers' names on the soda bottles					

2.0	Statement on loyalty					
I.	Statement on cognitive loyalty	SD	D	NS	A	SA
	Our channel members buy our brands more because we have the best product design					
	Our channel members buy our brands more because we have the best product quality					
	Our channel members buy our brands more because we have the most attractive products					
	Our channel members buy our products more because we have the best packaging					
	Our channel members buy our products more because we have brand variety					
	Our channel members buy our brands more because we are the biggest soda company					
ii.	Statement on affective loyalty	SD	D	NS	A	SA
	Our channel members buy our products more because we have the best					

	design					
	Our channel members buy our products more because we have the best quality in the market					
	Our channel members buy our products more because we have the most attractive brands					
	Our channel members buy our products more because have the best packaging					
	Our channel members buy our products more because we offer product variety					
iii.	Statement on conative loyalty	SD	D	NS	A	SA
	Our channel members will persist in selling my product because we have the best design					
	Our channel members will persist in selling our products because we have the best quality					
	Our channel members will persist in selling our products because we have the most attractive brands					
	Our channel members will persist in selling our products because we have the best packaging					
	Our channel members will persist in selling our products because we have product variety					

iv.	Statement on action loyalty	SD	D	NS	A	SA
	Our channel members will stick to selling our products because our company offer the best product design compared to all competitors					
	Our channel members will stick to selling our products because our company offer the best product quality compared to all competitors					
	Our channel members will stick to selling our products because our company offer the most attractive brands compared to all competitors					
	Our channel members will stick to selling our products because our company offer the best product packaging compared to all competitors					
	Our channel members will stick to selling our products because our company offer the best product variety compared to all competitors					
v.	Statement on behavioral loyalty	SD	D	NS	A	SA
	Our channel members continue to purchase our products willingly.					
	Our channel members maintain a vibrant relationship with us willingly.					
	Our channel members make many purchases from us all the time.					
	Our channel members buy from us from time to time.					
	Our channel members buy our brands in large quantities.					

3.0	CHANNEL RELATIONSHIP MANAGEMENT	SD	D	NS	A	SA
I.	Statement on operational channel relationship management					
	We use mobile technology for selling our products					
	We frequently post field activities updates using a mobile phone					
	We capture our channel members' details using a mobile phone					
	We use mobile phone for serving channel members' with our refrigerators					
	Our supervisor follow up field activities using a mobile phone					
ii.	Statement on analytical channel relationship management	SD	D	NS	A	SA
	We have all our channel members' business information on our mobile phone					
	We have all our channel members' purchase records on our system					
	We have all our channel members' contacts saved on our mobile phone					
	We know all our channel members by their business nature					
	We analyze all our channel members' performance periodically					
iii.	Statement on collaborative channel relationship management	SD	D	NS	A	SA
	We communicate directly with our channel members through email					
	We communicate directly with our channel members through phone call					

	We communicate directly with our channel members through fax					
	We communicate directly with our channel members through the website					
	We communicate directly with our channel members through the post office					
iv.	Statement on strategic channel relationship management	SD	D	NS	A	SA
	Our channel members know exactly the kind of business we deal with.					
	Our channel members are fully aware of how we create value.					
	Our channel members are fully aware of how we deliver value.					
	We are fully aware of the type of customers we serve.					
	We use a lot of electronic means of communication with our channel members.					
	We use a lot of physical means of communication with our channel members.					

4.0	Statement on switching cost	SD	D	NS	A	SA
	our channel members fear to leave our products because they will lose a lot of money					
	our channel members fear to leave our products because they can't find a better soda manufacturer than us					

	our channel members fear to leave our products because they will lose the good relationship they have with us					
	our channel members fear to leave our products because they don't trust other manufacturers					
	our channel members fear to leave our products because they will lose all their current Coca-Cola customers					

5.0	Statement on trust	SD	D	NS	A	SA
	our channel members trust our products because we produce the highest quality					
	our channel members trust our products because we charge fair prices					
	our channel members trust our products due to our transparency in business					
	our channel members trust our products because we are dependable					
	our channel members trust our products due to our excellent customers care					

The end

Thanks for your contribution

Appendix C

Questionnaire for wholesalers

Dear respondent,

This data is being collected for and on behalf of Mr. Okwera Denis, a student of Gulu University pursuing a Master's Degree in Business Administration (MBA). His topic of study is; ***“manufacturers’ promotion strategies, channel relationship management, and loyalty: the case of Coca-Cola Uganda in Gulu city”***. This questionnaire presented to you aims at collecting relevant information in line with the above topic purely for academic purposes only and therefore the information you provide and your identity will be treated with the highest level of confidentiality it deserves never to be revealed at any time whatsoever. You have been selected to take part in this research due to the nature of your business/employment and I shall be grateful if you could spare a few minutes to answer the questions that follow. Kindly respond to the questions by either ticking or filling in the spaces provided

SECTION A: GENERAL INFORMATION (*Please tick the most suitable option*).

Name (optional)

1. What is your Gender?

(e) Male. ☐

(f) Female ☐

2. What is your Age bracket?

(k) 16 - 25 years ☐

(l) 26 - 35 years ☐

(m) 36 - 45 years ☐

(n) 46 - 55 years ☐

(o) 56 - above ☐

3. What is your level of Education?

(i) Primary level ☐

(j) Secondary level ☐

(k) Tertiary level ☐

(l) University level ☐

4. What is your marital status?

(i) Single ☐

(j) Married ☐

(k) Widowed ☐

(l) Divorced ☐

5. How long have you been in Coca-Cola
operations?

(i) 1-5 years ☐

(j) 6-10 years ☐

(k) 10-20 years ☐

(l) Above 20 years ☐

6. What is your business interest?

(k) Beverages ☐

(l) Grocery ☐

(m) Boutique ☐

(n) Bar ☐

(o) Restaurant ☐

7. Which soda companies do you deal
with?

(i) Coke only ☐

(j) Pepsi only ☐

(k) Riham only ☐

(l) Pepsi, Riham, others ☐

In all the sections that follow below, please tick in the box that you consider correct in your own view using a scale of; SD= Strongly Disagree, D= Disagree, NS= Not sure, A= Agree, SA= Strongly Agree

1.0	PROMOTION STRATEGIES					
I.	Statement on Personal Selling	SD	D	NS	A	SA
	I get direct communication from Coca-Cola on their pricing					
	I get direct communication from Coca-Cola on their distribution					
	Coca-Cola taught me about product expiry dates,					
	I get calls from Coca-Cola before they come on route					
ii.	Statement on sales promotion	SD	D	NS	A	SA
	I am given a product bonus during promotions					
	I receive price discounts from Coca-Cola					
	I receive free gifts from Coca-Cola					
	Coca-Cola works with favorite musician					
	I sell more easily because Coca-Cola advertises for me					
iii.	Statement on advertisement	SD	D	NS	A	SA
	I get communication from coca through TV adverts					
	I get communication from coca through radio adverts					

	I get communication from Coca-Cola through social media adverts					
	I get communication from coca through billboard adverts					
	I get communication from coca through posters adverts					
iv.	Statement on public relations	SD	D	NS	A	SA
	My customers prefer Coca-Cola products because the company cares for waste management					
	My customers prefer Coca-Cola products because the company sponsors Copa Coca-Cola football tournament yearly					
	My customers buy more Coca-Cola products because the company is concerned about refugees welfare					
	My customers buy more Coca-Cola product because the company supports our children's schools					
	My customers buy more Coca-Cola product because the company Sponsors health issues in Uganda					
v.	Statement on direct marketing	SD	D	NS	A	SA
	I buy more Coca-Cola products because the company uses my favorite musicians					
	I sell more Coca-Cola product because the company uses Santa Claus during Christmas					
	I buy more Coca-Cola products because the company's soda bottles have					

	my name					
	I buy more Coca-Cola products because their soda bottles has my customers' names					

2.0	Loyalty					
I.	Statement on Cognitive loyalty	SD	D	NS	A	SA
	I buy more Coca-Cola brands because I think that it has the best product design					
	I buy more Coca-Cola brands because I think that it has the best product quality					
	I buy more Coca-Cola brands because I think that it has the most attractive products					
	I buy more Coca-Cola brands because I think that it has the best product packaging					
	I buy more Coca-Cola brands because I think that it has product variety					
	I buy more Coca-Cola brands because I think that it is the biggest soda company					
ii.	Statement on affective loyalty	SD	D	NS	A	SA
	I buy more Coca-Cola brands because I believe that it has the best product design,					

	I buy more Coca-Cola brands because I believe that it has the best product quality,					
	I buy more Coca-Cola brands because I believe that it has the most attractive brands					
	I buy more Coca-Cola brands because I believe that it has the best product packaging					
	I buy more Coca-Cola brands because I believe that it has product variety					
iii.	Statement on conative loyalty	SD	D	NS	A	SA
	I will persist in selling Coca-Cola products because I realized that it has the best design					
	I will persist in selling Coca-Cola products because I realized that it has the best quality					
	I will persist in selling Coca-Cola products because I realized that it is the attractive brands					
	I will persist in selling Coca-Cola products because I realized that it has the best packaging					
	I will persist in selling Coca-Cola products because I realized that it has product variety					
iv.	Statement on action loyalty	SD	D	NS	A	SA

	I will stick to selling Coca-Cola products because I know that it has the best product design compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the best product quality compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the most attractive brands compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the best product packaging compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the best product variety compared to competitors					
v.	Statement on behavioral loyalty	SD	D	NS	A	SA
	We know exactly the kind of business Coca-Cola deals with.					
	We are fully aware of how Coca-Cola creates value.					
	We are fully aware of how Coca-Cola delivers value.					
	We are fully aware of the type of customers Coca-Cola serves.					
	We use a lot of electronic means of communication with Coca-Cola					
	We use a lot of physical means of communication with Coca-Cola					

3.0	CHANNEL RELATIONSHIP MANAGEMENT					
I.	Statement on operational channel relationship management	SD	D	NS	A	SA
	Coca-Cola use mobile phones for selling their products					
	Coca-Cola frequently post field activities using mobile phones					
	Coca-Cola capture our details using mobile phones					
	Coca-Cola uses mobile phones for serving customers with their refrigerators					
	Coca-Cola supervisor follow up field activities using the mobile phone					
ii.	Statement on analytical channel relationship management	SD	D	NS	A	SA
	Coca-Cola has my business information kept in their mobile application					
	Coca-Cola has my purchase records kept in their system					
	Coca-Cola has my contacts saved in the mobile phones					
	Coca-Cola knows my business nature					
	Coca analyze my business performance periodically					
iii.	Statement on collaborative channel relationship management	SD	D	NS	A	SA
	I communicate directly with Coca-Cola through email					
	I communicate directly with Coca-Cola through phone calls					
	I communicate directly with Coca-Cola through fax					

	I communicate directly with Coca-Cola through website					
	I communicate directly with Coca-Cola through post office					
iv.	Statement on strategic channel relationship management	SD	D	NS	A	SA
	I know exactly the kind of business Coca-Cola deals in.					
	I am fully aware of how Coca-Cola creates value.					
	I am fully aware of how Coca-Cola deliver value.					
	I am fully aware of the type of customers Coca-Cola serve.					
	I use a lot of electronic means of communication with Coca-Cola					
	I use a lot of physical means communication with Coca-Cola.					

4.0	Statement on switching cost	SD	D	NS	A	SA
	I fear leaving Coca-Cola because I will lose lot of money					
	I fear leaving Coca-Cola because I can't find a better soda manufacturer than coke					
	I fear leaving Coca-Cola because I will lose the good relationship the company					
	I fear leaving Coca-Cola because I don't trust other manufacturers					
	I fear leaving Coca-Cola because I will lose all my current Coca-Cola customers					

5.0	Statement on trust	SD	D	NS	A	SA
	I trust Coca-Cola products because the company produces best quality					
	I trust Coca-Cola because the company charge fair prices					
	I trust Coca-Cola because the company is transparency in business					
	I trust Coca-Cola because the company is dependable					
	I trust Coca-Cola due to its excellent customer care					

The end

Thanks for your contribution

Appendix D:
Questionnaire for retailers

Dear respondent,

This data is being collected for and on behalf of Mr. Okwera Denis, a student of Gulu University pursuing Master's Degree in Business Administration (MBA). His topic of study is; ***“manufacturers’ promotion strategies, channel relationship management and loyalty: the case of Coca-Cola Uganda in Gulu city”***. This questionnaire presented to you aims at collecting relevant information in line with the above topic purely for academic purpose only and therefore the information you provide and your identity will be treated with the highest level of confidentiality it deserves never to be revealed at any time whatsoever. You have been selected to take part in this research due to the nature of your business/employment and I shall be grateful if you could spare a few minutes to answer the questions that follow. Kindly respond to the questions by either ticking or filling in the spaces provided

SECTION A: GENERAL INFORMATION *(Please tick the most suitable option).*

Name (optional)

15. What is your Gender?

(g) Male. ☐

(h) Female ☐

16. What is your Age bracket?

(p) 16 - 25 years ☐

(q) 26 - 35 years ☐

(r) 36 - 45 years ☐

(s) 46 - 55 years ☐

(t) 56 - above ☐

17. What is your Level of Education?

(m) Primary level ☐

(n) Secondary level ☐

(o) Tertiary level ☐

(p) University level ☐

18. What is your marital status?

(m) Single ☐

(n) Married ☐

(o) Widowed ☐

(p) Divorced ☐

19. How long have you been in Coca-Cola
operations?

(m) 1-5 years ☐

(n) 6-10 years ☐

(o) 10-20 years ☐

(p) Above 20 years ☐

20. What is your business interest?

(p) Beverages ☐

(q) Grocery ☐

(r) Boutique ☐

(s) Bar ☐

(t) Restaurant ☐

21. Which soda companies do you deal
with?

(m)Coke only ☐

(n) Pepsi only ☐

(o) Riham only ☐

(p) Pepsi, Riham, others ☐

In all the sections that follows below, please tick in the box that you consider correct in your own view using a scale of; SD= Strongly Disagree, D= Disagree, NS= Not sure, A= Agree, SA= Strongly Agree

1.0	PROMOTION STRATEGIES					
I.	Statement on push Personal Selling	SD	D	NS	A	SA
	I communication to Coca-Cola on pricing through the stockists					
	I communication to Coca-Cola on distribution through the stockiest					
	Coca-Cola taught me about product expiry dates					
	I get calls from Coca-Cola before they come on route					
ii.	Statement on sales promotion	SD	D	NS	A	SA
	I receive product bonus from Coca-Cola during promotions through stockiest					
	I receive price discounts from Coca-Cola through stockiest					
	I receive free gifts from Coca-Cola through stockiest					
	Coca-Cola works with consumers favorite musician					
	I sell more easily because Coca-Cola advertise to final consumers for me					
iii.	Statement on advertisement	SD	D	NS	A	SA
	Consumers get communications from Coca-Cola through TV					
	Consumers get communications from Coca-Cola through radio					
	Consumers get communications from Coca-Cola through social media					

	Consumers get communications from Coca-Cola through billboard					
	Consumers get communications from Coca-Cola through posters					
iv.	Statement on public relations	SD	D	NS	A	SA
	Our customers prefer Coca-Cola products because the company cares for waste management					
	Our customers prefer Coca-Cola products because the company sponsors Copa Coca-Cola football tournament yearly					
	Our customers buy more Coca-Cola products because the company is concerned about refugees welfare					
	Our customers buy more Coca-Cola product because the company supports their children's schools					
	Our customers buys more Coca-Cola product because Coca-Cola sponsors maternal health issues in Uganda					
v.	Statement on direct marketing	SD	D	NS	A	SA
	I buy more Coca-Cola products because consumers like the company for using their favorite musicians					
	I buy more Coca-Cola product because consumers like the company for using Santa Claus to attract consumers during Christmas season					
	I buy more Coca-Cola products because the company pack soda in bottles that has my name					
	I buy more Coca-Cola products because it has consumers' names on the soda bottles					

2.0	Loyalty	SD	D	NS	A	SA
	I buy more Coca-Cola products because I think that it has the best product design					
	I buy more Coca-Cola products because I think that it has the best product quality					
	I buy more Coca-Cola products because I think that it has the most attractive products					
	I buy more Coca-Cola products because I think that it has the best product packaging					
	I buy more Coca-Cola products because I think that it has a wide range of product variety					
	I buy more Coca-Cola products because I think that it is the biggest soda company in Uganda					
ii.	Statement on affective loyalty	SD	D	NS	A	SA
	I buy more Coca-Cola products because I believe that it has the best product design,					
	I buy more Coca-Cola products because I believe that it has the best product quality,					
	I buy more Coca-Cola products because I believe that it has the best product color that makes their products so attractive					
	I buy more Coca-Cola product because I believe that it has the best					

	product packaging that makes it so convenient and easy to transport					
	I buy more Coca-Cola product because I believe that it has the best product variety					
iii.	Statement on conative loyalty	SD	D	NS	A	SA
	I will continue to sell Coca-Cola products because I realized that it has the best product design					
	I will continue to sell Coca-Cola products because I realized that it has the best product quality					
	I will continue to sell Coca-Cola products because I realized that it has the most attractiveness product					
	I will continue to sell Coca-Cola products because I realized that it has the best product packaging					
	I will continue to sell Coca-Cola products because I realized that it has a wide range of product variety					
iv.	Statement on action loyalty	SD	D	NS	A	SA
	I will stick to selling Coca-Cola products because I know that it has the best product design compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the best product quality compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the most attractive brands compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the					

	best product packaging compared to competitors					
	I will stick to selling Coca-Cola products because I know that it has the best product variety compared to competitors					
v.	Statement on behavioral loyalty	SD	D	NS	A	SA
	We know exactly the kind of business Coca-Cola deals in.					
	We are fully aware of how Coca-Cola creates value.					
	We are fully aware of how Coca-Cola delivers value.					
	We are fully aware of the type of customers Coca-Cola serve.					
	We use a lot of electronic means of communication with Coca-Cola					
	We use a lot of physical means of communication with Coca-Cola					

3.0	CHANNEL RELATIONSHIP MANAGEMENT					
i.	Statement on operational channel relationship management	SD	D	NS	A	SA
	Coca-Cola uses mobile phone for selling their products					
	Coca-Cola frequently post field activities using mobile phone					
	Coca-Cola captures our details using mobile phone					
	Coca-Cola use mobile phone for serving customers with their refrigerators					
	Coca-Cola supervisor follow field activities using mobile phone					

ii.	Channel relationship management (analytical)	SD	D	NS	A	SA
	Coca-Cola has my business information kept on their mobile phone					
	Coca-Cola has my purchase records in their system					
	Coca-Cola has my contacts saved in the mobile phone					
	Coca-Cola knows my business nature					
	Coca-Cola analyzes my business performance periodically					
iii.	Collaborative channel relationship management	SD	D	NS	A	SA
	I communicate with Coca-Cola through email					
	I communicate with Coca-Cola through phone call					
	I communicate with Coca-Cola through fax					
	I communicate with Coca-Cola through website					
	I communicate with Coca-Cola through post office					
iv.	Strategic channel relationship management	SD	D	NS	A	SA
	We know exactly the kind of business Coca-Cola deals in.					
	We are fully aware of how Coca-Cola creates value.					
	We are fully aware of how Coca-Cola delivers value.					
	We are fully aware of the type of customers Coca-Cola serve.					
	We use a lot of electronic means of communication with Coca-Cola					

	We use a lot of physical means communication with Coca-Cola.					
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4.0	Statement on switching cost	SD	D	NS	A	SA
	I fear leaving Coca-Cola because I will lose a lot of money					
	I fear leaving Coca-Cola because I can't find a better soda manufacturer than Coca-Cola					
	I fear leaving Coca-Cola because I will lose the good relationship the company					
	I fear leaving Coca-Cola because I don't trust other manufacturers					
	I fear leaving Coca-Cola because I will lose relationship with Coca-Cola dealer					

5.0	Statement on trust	SD	D	NS	A	SA
	I trust Coca-Cola products because the company produces the best quality					
	I trust Coca-Cola because the company charge fair prices					
	I trust Coca-Cola because the company is transparent in business					
	I trust Coca-Cola because the company is dependable					
	I trust Coca-Cola due to excellent customer care					

The end

Thanks for your contribution