

# Impact of Logistics Distribution in Manufacturing Industries in Tanzania, a Case of Miku Investment Limited

Gipson Raphael Ole Kinisa

\* Institute of Accountancy Arusha; Department of Business Management, P.O.Box 2798, Arusha-Tanzania

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**Abstract-** This research study sought to assess the factors affecting logistics distribution in manufacturing industries in Tanzania. The specific research objectives were: To identify the challenges affecting products distribution channels at Miku Investment Limited, to assess the staff competence on performance of the distribution channels and to find out technologies used to increase the performance of the distribution channels at Miku Investment Limited.

The research design adopted was a case study because it sought to discover the relationship between aspects of a problem. The method of data collection used was interview and questionnaire while the sample size used was 50 respondents, and non-probability sampling techniques used are purposive sampling. The validity test methods employed were opinion expert review, to verify the reliability of the tool. Data analysis techniques used were qualitative and quantitative analysis, while findings showed that factors affecting logistics distribution channels in manufacturing industries are completion, legal issues, social cultural, economic challenges, technological challenges.

The researcher concluded that information technology affects the efficiency in logistics performance of trading and distribution firms. From the findings, the study concludes that information technology integration facilitates communication between focal firm and its suppliers and customers, information systems fasten communication between managers in the logistics, information technology integration enhances quality, reduces time and costs, enhances competitiveness and generates future growth and that information technology sharing aids replacement of inventories aiding in fast decision making.

The researcher recommended that there should be developed regulations and procedures on how to manage logistics in manufacturing industries so as to improve the performance of logistics.

**Index Terms-** **Logistics** is defined as the planning, organization, and control of all activities in the material flow, from raw material until final consumption and reverse flows of the manufactured product, with the aim of satisfying the customer's and other interest party's needs and wishes to provide a good customer service, low cost, low tied-up capital and small environmental consequences (Christopher, 2007). Logistics is also defined as those activities that relate to receiving the right product or service in the right quantity, in the right quality, in the right place, at the

right time, delivering to the right customer, and doing this at the right cost.

In most of the cases logistics is seen from the perspective of an operative way of transporting or moving materials from one point to another or producing service. The credibility of this operation is based on how good is the design of the system that leads to this kind of logistics. Logistics systems encompass operative responsibilities, which include administration, operation and purchase and constructive duties as well as detailed design, (Lieb, Millen & Wassenhove, 2013).

**Logistics management** is that part of procurement management that plans, implements, controls the efficient, effective forward, reverses flow, storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer's requirements. Logistics management activities typically include inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory management, supply or demand planning, and management of third party logistics services providers. To varying degrees, the logistics function also includes sourcing and procurement, production planning and scheduling, packaging and assembly, and customer service. It is involved in all levels of planning and execution strategic, operational, and tactical. Logistics management is an integrating function which coordinates and optimizes all logistics activities, as well as integrates logistics activities with other functions, including marketing, sales, manufacturing, finance, and information technology (Morris & Imrie, 2012).

**Distribution** is business activities pertaining to the transportation of finished inventory and/or raw materials in a way that they arrive at the designated place, when needed and in usable condition. Distribution as the steps taken to store and transport a product from the supplier stage to the customer stage in the supply chain. Only two stages are explicitly considered in this definition: supplier and customer. There could be more than two stages in the distribution network, such as a consolidation, break-bulk, or cross-dock distribution centers (DCs).

## I. INTRODUCTION

Nowadays business environment has become increasingly competitive. This causes enormous pressure for many

companies in many industries. In such an environment, companies need to continuously search for ways to design and manufacture new products, and distribute these products in an efficient and effective fashion. For a long time, companies focused their efforts on reducing costs occurring in the manufacturing processes as well as other operations (Hakanson 2004). There are an increasing number of companies looking at distribution and recognizing it as the last frontier for cost reduction. Distribution enhances organizational customer's satisfaction.

Council of Logistics Management, a trade organization based in the United States, defined logistics as the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements (Sheffi, 2004). This is a frequently used definition, which originated in the military. Logistics costs are a large portion of the GDP (gross domestic product) of the United States. Logistics costs constituted about 30% of the cost of the products sold in the United States. In a logistics system, distribution cost is typically the highest single expense, which is usually greater than warehousing cost, inventory cost and order processing cost. Distribution has captured management's attention due to rapid wage and freight rate inflation, critical swing of transportation costs and regulation, the high cost of carrying inventory, and oil market uncertainties.

Procurement, manufacturing, distribution, warehousing, inventory and information systems are important logistics functions, among which, distribution is a key function in the entire logistics system and the key link between manufacturers and customers in a supply chain. In addition, distribution is a major driver of profitability in a company, because it has a direct impact on both the logistics cost and the customer experience (Sheffi, 2004). Accordingly, companies have been taking a variety of approaches to reduce distribution costs in order to reach the goal of reducing overall logistics and supply chain costs. Although product features, quality and price are important factors for customers, logistics and supply chain performance is a key to a company's success. A good design of a distribution network could achieve a number of logistics and supply chain goals, ranging from low operational cost to high customer service level.

According to (Britannica, 2009), a Logistics is a dynamic process and involves the constant flow of information, materials, and funds across multiple functional areas both within and between chain members. Members in the chain need to cooperate with their business partners in order to meet customer's needs and to maximize their profit. However, it is a very difficult task in managing the multiple collaborations in a supply chain because there are so many firms involved in the supply chain operations with its own resources and objectives. The interdependence of multistage processes also requires real-time operation and decision making across different tasks, functional areas, and organizational boundaries in order to deal with problems and uncertainties. The strategic move of focus for mass customization, quick response, and high quality service cannot be achieved without more complex cooperation and dynamic structure of supply chains (Britannica, 2009).

Over the years, the manufacturing industry has continued to face growing challenges, from stricter government regulation, political risks, competition, emergent new comers and political

hostilities, which has affected growth and output. Due to the scramble for resources, many manufacturing industries have been driven to explore and produce in some of the most hostile and harsh environments, which in turn tend to be extremely costly. Also, there have been concerns in the industry about the growing scarcity of resources, which underlies fears of not being able to meet production levels and goals. However, in reality, the resources are not the cause of supply restrictions with vast potential still available due to continuous discoveries of alternative materials around the world. The main challenge facing the manufacturing industry is not the availability of resources, but putting into production and delivering the final products to consumers at the minimum cost possible. Thus, a solid supply chain management program will enhance this goal (Lavdon, 2002).

Environmental uncertainties in manufacturing industry lead to a need for higher reliability and flexibility within the production systems and the planning and control systems in the supply chain. Reducing these uncertainties will be achieved by understanding the root causes and how they interact with each other. Change in markets, products, technology, and competitors are occurring at an increasingly rapid pace (Lavdon, 2002). As a result, managers must make decisions on shorter notice, with less information, and with higher penalty costs.

In the manufacturing industry, the supply-chain network is composed of shipping via vessel and trucks, and railway lines that may run across multiple countries. This network is used to transport products from manufacturing, to transport intermediates to distribution centers and finally to the customers (Lavdon, 2002). Any disruptions arising in the global supply chain can have tremendous adverse effects in achieving operational efficiency, maintaining quality, profitability, and customer satisfaction. The adverse events may happen due to uncertainty in supply of products, demand, transportation, market volatility, and political climate. Hence, (Bopp, 2011). Identify that to effectively model a supply-chain design problem, the dynamics of the supply chain ought to be considered and data aggregation techniques for the extensive data set should be employed.

According to Gacuru (2015) who did research on factors affecting efficiency in logistics performance of trading and distribution firms based in Jomo Kenyatta International airport area, The analysis of this study was conducted by discussing different concepts of information technology and staff competence and their impact on logistics performance with conceptual framework. The study found that information technology, level of competence, business to business relationship affects the efficiency of logistics performance in trade and distribution firms based in JKIA area. The study concludes that that information technology and level of competence affects the efficiency of logistics performance in trade and distribution firms. The study recommends that the logistic firms should enhance the use information technologies that are compatible with their logistics activities. The trade and distribution firms should employ a change agents to oversee the staffs of the logistics forms undergo on the job training, in order to improve their skills and capabilities to enhance efficiency of logistics performance

The complexities in marketing manufacturing logistics management impose enormous challenges to the Logistic Management (LM). LM in the manufacturing marketing

companies in Tanzania was studied in a qualitative and quantitative survey that covered different manufacturing companies in Tanzania, with the purposes of identifying the challenges facing the SCM in manufacturing industries and determining the extent to which the manufacturing industries in Tanzania are adopting best practices to manage challenges in their supply chain. The findings show that challenges facing supply chain management in the manufacturing industries in Tanzania occur in one or more of the supply chain components; transportation, equipment, communication, suppliers, customers, labor and finance. In an effort to manage their supply chain and reduce costs, manufacturing industries are outsourcing their logistics functions to third-party logistics companies to manage their supply chains. Manufacturing industries also engage in strategic planning, E-procurement, close partnership with suppliers, use of external consultants, outsourcing non-core activities, dealing with few suppliers, engaging in vertical integration and Supply Chain Benchmarking.

The researcher recommends that there is need to improve the infrastructure in Tanzania to improve transportation capacity and as a result reduce the cost of product and raw material transportation. The manufacturing industries need to train their personnel so as to appreciate the concept of logistics and the best practices and systems that are significant in mitigating the challenges of logistics management. They also need to develop customer relationship management, supplier relationship management and engage in closer cooperation with other industries, government and regional players. Further, manufacturing industries in Tanzania need to invest in IT systems (Lavdon, 2002). In the manufacturing industries, the logistics distribution is composed of shipping via vessel, trucks, trains and airlines that may run across multiple countries.

Environmental uncertainties in manufacturing industry lead to a need for higher reliability and flexibility within the production systems and the planning and control systems in the supply chain. Reducing these uncertainties will be achieved by understanding the root causes and how they interact with each other. Change in markets, products, technology, and competitors are occurring at an increasingly rapid pace (Defee & Fugate, 2010; Iyer, 2011). As a result, managers must make decisions on shorter notice, with less information, and with higher penalty costs. Therefore, a reliable yet flexible system is fundamentally needed to assist the management in making decisions that might prove to be the make-or-break decision for their companies. There is a general acceptance of the existence of market failure which requires government intervention to rectify. Such failure has three sources. The existence of imperfect competition arising from the presence of monopoly power and asymmetric information, the presence of ownership externalities and finally the existence of public goods defined as goods where consumption is non-rival and exclusion from access technically infeasible. Solutions to these problems of market failure lay in corrective taxes and subsidies, regulation, price controls, planning and ultimately government ownership (Sandelands, 1994).

For the logistics of raw materials used by manufacturing firms and supply of goods manufactured by manufacturing firms to be smooth, there must be an effective logistics management. Any weaknesses in the supply chain management can severely affect production and delivery of products to consumers. This may

have negative impacts on the profitability of the manufacturing companies. Lack of awareness of upcoming technologies, telecommunications and IT impediments and energy supplies unreliable. Full package production and fast replenishment demands adequate IT systems to connect the buyer and supplier. This requires a modern and reliable telecommunications infrastructure, and backup from IT professionals (Lavdon, 2002). Burt, et al (2003), De Boer, et al (2001), Sarkar, A (2006), and academic studies on factors affecting supply chain management in public institution, but none of them addressed assessment of logistic distribution in manufacturing Industries. As a result, there is a knowledge gap that needs to be addressed. It is the objective of the study to fill that knowledge gap by focusing on assessment of the factors affecting logistic distribution in manufacturing Industries at Miku investment limited Tanzania as a case study.

### **Objectives**

Specifically the study intends to; identify the challenges affecting products distribution channels, assess the staff competence on performance of the distribution channels and to find out technologies used to increase the performance of the distribution channels at Miku Investment Limited.

## **II. LITERATURE REVIEW**

### **Theoretical literature review**

#### **Economic Theory of Competition**

Competition between logistics could also be regarded as emergent (Storey et al., 2006), along with other forms such as co-competition and national competition whereby the behaviour causing competition arises from the interaction between logistics for resources, innovation and advantage of particular sort. Building on the process orientation discussed above, emergence extends this idea to a logical conclusion by looking at interaction from the opposite end, i.e. in terms of results. Thus, emergence focuses on the behavioral outcome of interactions between entities and treats these outcomes as a result of the very same interaction between entities. Over time, this should allow certain outcomes to be expected of certain types of interaction and possibly vice-versa. Based on this, emergence expressly assumes that competition (competitive interaction) must involve more than one entity. To be accommodating to logistics competition, theories must place equal emphasis on process orientation as they do on emergence. For supply chains, doing this may be instrumental to understanding how some of the complexities of supply chains play in to affect how supply chains compete.

#### **Operation Management Theory of Production**

The theory of Production is concerned with the problem of combining various inputs to produce certain level of output. It analyses the physical relationships between inputs and outputs. It provides a base for analyzing the relation between costs and output and therefore helps the firm to determine its profit maximizing output. It also provides a base to analyze the demand for the factors of Production and, therefore, helps to determine the prices of the factors. Thus the theory of Production plays an important role in the theory of value.

#### **Distribution channels of logistics**

A distribution channel is a set of interdependent organizations that help make a product available for use or consumption by the consumer or business user. Channel intermediaries are firms or individuals such as wholesalers, agents, brokers, or retailers who help move a product from the producer to the consumer or business user. A company's channel decisions directly affect every other marketing decision. Place decisions, for example, affect pricing. Marketers that distribute products through mass merchandisers such as Wal-Mart will have different pricing objectives and strategies than will those that sell to specialty stores. Distribution decisions can sometimes give a product a distinct position in the market. The choice of retailers and other intermediaries is strongly tied to the product itself. Manufacturers select mass merchandisers to sell mid-price-range products while they distribute top-of-the-line products through high-end department and specialty stores. The firm's sales force and communications decisions depend on how much persuasion, training, motivation, and support its channel partners need. Whether a company develops or acquires certain new products may depend on how well those products fit the capabilities of its channel members (Moneszka et al, 2002).

### **Functions of Distribution Channels**

Distribution channels perform a number of functions that make possible the flow of goods from the producer to the customer. These functions must be handled by someone in the channel. Though the type of organization that performs the different functions can vary from channel to channel, the functions themselves cannot be eliminated. Channels provide time, place, and ownership utility (Moneszka et al, 2002). They make products available when, where, and in the sizes and quantities that customers want. Distribution channels provide a number of logistics or physical distribution functions that increase the efficiency of the flow of goods from producer to customer. Distribution channels create efficiencies by reducing the number of transactions necessary for goods to flow from many different manufacturers to large numbers of customers. This occurs in two ways. The first is called breaking bulk. Wholesalers and retailers purchase large quantities of goods from manufacturers but sell only one or a few at a time to many different customers. Second, channel intermediaries reduce the number of transactions by creating assortments providing a variety of products in one location—so that customers can conveniently buy many different items from one seller at one time. Channels are efficient. The transportation and storage of goods is another type of physical distribution function. Retailers and other channel members move the goods from the production site to other locations where they are held until they are wanted by customers. Channel intermediaries also perform a number of facilitating functions, functions that make the purchase process easier for customers and manufacturers. Intermediaries often provide customer services such as offering credit to buyers and accepting customer returns. Customer services are oftentimes more important in B2B markets in which customers purchase larger quantities of higher-priced products (Moneszka et al, 2002).

### **Staff Competence**

The level of competence is a determinant of the efficiency of logistics performance in manufacturing firms. It is necessary to

have staff with sufficient skills to ensure efficient logistics performance of a company, professional qualification of logistics staffs affects efficiency of logistics performance in a company and the level of education of logistics staff affect the efficiency of logistics performance. Training of logistics staffs have an effect on the efficiency of logistics performance in the trade and logistics distribution firms. Staff competence helps in applying acquired educational skills in logistics activities, it plays a major role in determining the job/role/tasks that can be performed by a given staff and makes work easier in regard to understanding what needs to be done in a given area of operation.

### **Technologies**

Information technology affects the efficiency of logistics performance in trade and distribution firms. IT is a major determinant of the efficiency of the logistics distribution performance. IT ensures future viability for the firm and its position in value chain and information technology have increased the ability of logistic firms to conduct their business faster and more accurate over a wide range of time at reduced cost with the ability to customize. IT integration facilitates communication between focal firm and its suppliers and customers, information systems fasten communication between managers in the supply chain, information technology integration enhances quality, reduces time and costs, enhances competitiveness and generates future growth and that information technology sharing aids replacement of inventories aiding in fast decision making. IT also promotes and facilitates more frequent communication, interaction and information sharing between a supplier and a buyer and that information technology helps managers in redesigning their business strategy to add more value to resources.

### **Empirical literature review**

#### **Foreign studies**

According to Quesada (2012) who did research on Critical Factors Affecting Supply Chain Management: A Case Study in the US Pallet Industry, with the objectives of identifying the factors that affect the supply chain management industries, he found that the factor that affect the supply chain are environmental uncertainty, company environment, government support, uncertainty aspects from overseas, information technology and communication tools and planning tools. The researcher concluded that information technology is only one part of a successful supply chain management. The need to establish good supply chain relationships with internal and external members, from suppliers to customers, should be based on trust and information sharing. Also the researcher recommended that in order to improve the supply chain management the industries should make sure that improves Customer service, Customer satisfaction, Innovation, Marketing strategy, Process performance, Process strategy.

According to Kabare (2015) who did research on Factors affecting efficiency in logistics performance of trading and distribution firms based in Jomo Kenyatta International Airport area. The study sought to establish factors affecting efficiency of logistics performance in trading and distribution firms based in Jomo Kenyatta International Airport (JKIA). The analysis of the study was conducted by discussing different concepts of information technology, competence and business to business

relationship and their impact on logistics performance with conceptual framework.

The study found that information technology, level of competence, business to business relationship affects the efficiency of logistics performance in trade and distribution firms based in JKIA area. The study concludes that that information technology, level of competence and business to business relationship affects the efficiency of logistics performance in trade and distribution firms. The study recommends that the logistic firms should enhance the use information technologies that are compatible with their logistics activities. The trade and distribution firms should employ a change agents to oversee the staffs of the logistics forms undergo on the job training, in order to improve their skills and capabilities to enhance efficiency of logistics performance. Efforts should reach across the entire logistics industry to help streamline essential infrastructure and processes to enhance service delivery, reduce costs and improve responsiveness to customer demand in the logistics activities.

According to Mutugi (2014) who did research on factors influencing the effectiveness of logistics management information systems in public health sector: a case study of Kenya medical supplies authority with the aim of determining the factors influencing the effectiveness of LMIS in the Public Health Sector a case of KEMSA. The particular objectives that were analyzed include to determine the factors influencing the effectiveness of LMIS in the Public Health Sector and to establish the challenges of LMIS usage in the Public Health Sector. The research findings indicated that LMIS effectiveness was as a result inbound logistics, performance management, information quality, usability, reliability, logistic cost and inventory control. The study was of great importance to KEMSA, Kenyan government and donors it assisted in identifying areas of improvement in LMIS process. The study suggests that future researchers should do the same using other factors not only the information system factors but from other corresponding factors that influence the effectiveness of the information systems.

#### **Local studies**

According to Salume (2013) who did research on Factors Affecting Supply Chain Management in Manufacturing Companies in Tanzania: Case Study of Tanzania Distillers Limited (TDL) The study Specifically, aimed to establish supply chain management practices used by TDL, assess the effectiveness of supply chain management practices at TDL and identify factors affecting supply chain management at TDL. The methodology used to conduct this study was case study research and involved the use of various data collection methods and tools such as questionnaires and interviews. The study found that the main factors that affect supply chain management practices by order of significance were; employees' incapability, high management cost, low product quality performance, process and technology incapability, improper production scheduling, policies and regulatory appliance, improper distribution time management and supplier(s) misbehave. Others were breakage of beverage bottles during transportation, high transportation costs for distributing finished products to dealers scattered throughout the country, poor road infrastructure which causes delays in distribution of products to consumers and the unreliability of suppliers of raw materials. To avoid supply management challenges arising from the supplier

side; the study recommends that TDL should only consider reliable suppliers. To overcome the challenge of lack of awareness on supply management practices among its staff members, TDL should provide frequent training to staff members on the best practices of supply chain management in form of seminars and workshops.

According to Mwakilambo (2015) who did research on Factors for the performance of the integrated logistics system for essential medicine: the case of Rukwa region, Tanzania. Despite the introduction of the ILS in Tanzania, still there is inadequate supply of essential medicine in public health facilities. The main evaluation question for this study was on the influencing factors for the performance of ILS with respect to availability of essential medicine, timeliness of delivery, order fulfillment rate, and storage practice. The findings showed that factors affecting the performance of ILS were: Timeliness of reporting, availability and use of IS tools, training and supervision. The performance of ILS in public health facilities is still low, with respect to availability of medicine, lead time, and fulfillment rate and storage practice. If CHMTs are not putting an emphasis on making sure that R&R forms are timely submitted, ILS tools are available and utilized properly, on job training are conducted, and regular supportive supervisions are conducted, then the performance of ILS will be even worse for this reason stock out problem will never be solved. According to Ngandaku (2011) who did research on factors and impacts of logistics innovation in Tanzania with main objectives: to identify logistics capacity in Tanzania, to identify factors of logistics innovation and to identify effects of logistics innovation in Tanzania. The study used survey method which involved forty participants from twenty different companies based in Dar es Salaam. Data were collected using semi-structured questionnaires. The results were summarized and discussed to discover the patterns and deviations to patterns. The major findings were the following: it was found that there is a positive correlation between knowledge resources, financial resources, managerial resources, and technological resources with logistics innovation. Other factors which contribute to logistics innovation are competition and capital availability. The major effects found, was that the logistics innovation can lead to competitive advantage of the firms; and this can improve their opportunities in today's globalized world.

#### **Conceptual Framework**

The study will be guided by conceptual framework. According to the conceptual framework, logistics distribution in manufacturing industries includes independent variables and dependent variable the independent variables are distribution channel, staff competence and technology where by the dependent variable is effectiveness of logistics distribution.

### **III. METHODOLOGY**

The study was conducted by using a case study design. The design is particularly useful to the study since it seeks to describe the problem in more detail to look at it as a whole and through it conclusion can be prepared (Saunders, 2000). It involves the exhaustive study of a phenomenon in its natural behavior, in such a way that the common relationship of relevant factors remains intact, (Kothari, 2006). Since the design is flexible in the use of

data collection techniques it brings deeper insight and better thoughtful of the problem in the selected case area.

To accomplish this task effectively and efficiently the researcher was interviewed a total of 50 respondents, due to time limits and also because the researcher was dealing with supplies and distribution teams and some from other departments (Kothari, 2006).

**Table 3.1 Percentage of respondents**

S/ N	Category of respondent	Population	Number of respondent	% of respondent
1	Management	6	3	6
2	Supplies	20	8	16
3	Stores	26	9	18
4	Marketing	18	10	20
5	Transportation	9	5	10
6	Sales	32	15	30
7	<b>Total</b>	<b>111</b>	<b>50</b>	<b>100%</b>

Source: Researcher (2018)

#### IV. FINDINGS, ANALYSIS AND DISCUSSIONS

##### Age of Respondents

The study revealed that the study respondents are in different age categories. This is as indicated in table 4.1 below

**Table 4.1 Ages of Respondents**

Age category	No. of respondents	Percentage (%)
18-28 years	16	32
29- 39 years	25	50
40-50 years	06	12
Above 50 years	03	6
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Data, 2018

Table 4.1 above presents the age of the respondents, from the table above the results show that 32% of the respondents were 18-28 years old, 50% were between 29 – 39 years old, 12% were 40-50 years old, and 6% Of the total respondents were above 50 years old. This shows that the number of respondents involved in logistics management at Miku Investment Limited are under the age group of 18 to 40 years old. This situation shows that the majority of the respondents are young and energetic to supply their mental and physical efforts to the organization.

##### Working experience

The study revealed that the study respondents are in different working experiences. This is as indicated in table 4.4

**Table 4.4 work experiences**

Work experiences	No. of respondents	Percentage (%)
0-5 years	27	54
0- 7 years	15	30
0- 9years	5	10
Above 10 years	03	6
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Data, 2018

Table 4.4 above presents the working experiences of the respondents, from the table above the results show that 54% of the respondents were 0-5 years, 30% were between 0 – 7 years, 10% were 0-9 years, and 6% Of the total respondents were above 10 years. This situation shows that the majority of the respondents have experience of the logistics management which leads to logistics distribution performance. In organizations, experience enhances good performance.

##### Challenges affecting products distribution channels at Miku Investment Limited

**Table 4.5 Challenges Affecting Products Distribution channel at Miku Investment Limited**

Challenges	N	Min	Max	Mean	Std dev
Competition	10	4	5	4.7	0.48
Legal issues	10	2	4	3.3	0.67
Social – cultural	10	2	3	2.2	0.42
Economic challenges	10	4	5	4.8	0.42
Managerial challenges	10	2	3	2.9	0.31
Technological challenges	10	2	5	3.10	0.99

Source: Researcher, 2018

From Table 4.5 the study sought to find out from the respondents the challenges affecting the products distributions channels significantly .The respondents were requested to state the challenges significantly affecting products distribution channels in their supermarket. From the findings the study found that economic and competition challenges were very significant as indicated by a mean of 4.8 and 4.7 with a standard deviation of 0.42 and 0.48 in each case .Managerial challenges were also very significant as indicated by a mean of 2.9 with a standard deviation of 0.32.The challenges affecting Miku products distribution and

were significantly felt were legal issues and technological challenges with means of 3.30 and 3.10 with standards deviation of 0.67 and 0.99 respectively. Social-cultural challenges were fairly significant as indicated by a mean of 2.20 with a standard deviation of 0.42.

This implies that economic, competition and managerial challenges were very significantly affecting Miku distribution channel in their supermarkets .The impact of legal issues, technological and social – cultural challenges were affecting the distribution of the Miku products greatly. Thus the management of Miku company product should find measure to eliminate the challenges affecting Miku distribution channel so as to increase the sale performance of the products.

**Table 4.6 Suggestion for the challenges of Miku distribution channels**

Suggestion for the challenges	N	Min	Max	Mean	Std dev
Improve competitive intelligence	10	1	2	1.1	0.32
Fair government regulation	10	1	2	1.3	0.48
Improve public awareness	10	1	1	1.0	0.00
Allocation of more resources	10	1	1	1.0	0.00
Special training for managers	10	1	2	1.3	0.48
Invest in technology	10	1	2	1.3	0.48

Source: Researcher, 2018

From Table 4.6, the study sought from respondents the suggestions for the challenges facing Miku distribution channels as highlighted in the table. The respondents were required to give suggestions on the challenges affecting Miku distribution channels. From the finding in the table 4.6, the study found out that allocation of resources , and improve public awareness were suggested by all the respondents as indicated by a mean of 1.00 .The other measures suggested were investing in technology, offering special training to the managers and seeking fair government regulations indicated by most respondents as indicated by a mean of 1.30 in each case with standard deviation of 0.48 for investing in technology, special training and seeking fair government regulation. Improving competitive intelligence were also advocated as indicated by a mean of 1.10 with a standard deviation of 0.32.This implied that improving public awareness, allocating more resources fair government regulations, investing in technology, special training for managers and improve competitive intelligence were critical suggestion to challenges affecting Miku distribution channels to improve performance of its products.

**Staff competence on performance of the distribution channels at Miku investment**

The study found that the level of competence is a determinant of the efficiency of logistics performance in logistic firms. It is necessary to have staff with sufficient skills to ensure efficient logistics performance of a company, professional qualification of logistics staffs affects efficiency of logistics performance in a company and the level of education of logistics staff affect the efficiency of logistics performance. The study found that training of logistics staffs has an effect on the efficiency of logistics performance in the trade and distribution firms. The study established that staff competence helps in applying acquired educational skills in logistics activities, it plays a major role in determining the job/role/tasks that can be performed by a given staff and makes work easier in regard to understanding what needs to be done in a given area of operation.

**Adequate knowledge of logistics management issues**

The study sought to find out the adequate knowledge of logistics management issues influences logistics performance. Results are given on Table 4.7.

**Table 4.7 Knowledge of logistics management issues**

Strongly disagree	Disagree	Agree	Strongly agree
0	10	20	20
0	20%	40%	40%

Source: Research Data (2018)

From the findings, majority of the respondents, 80% agree that adequate knowledge of logistics management issues influences logistics distribution performance followed by 20% disagree on the adequate knowledge of logistics management issues to influences logistics distribution performance.

**Adequate information to support the making of logistics management**

The study sought to find out the adequate information to support the making of logistics management influences logistics distribution performance. Results are given on Table 4.8.

**Table 4.8 Information to support the making of logistics management**

Strongly disagree	Disagree	Agree	Strongly agree
0	5	15	30
0	10%	30%	60%

Source: Research Data (2018)

From the findings, majority of the respondents, 90% agree that adequate information support making logistics management performance followed by 10% who disagree that adequate information support the making of logistics management performance to a great extent.

**Regularly improvement of learning related to logistics management**

The study sought to find out if there regularly improvement of learning related to logistics management to influences logistics distribution performance. Results are given on Table 4.9.

**Table 4.9 Regularly improvement of learning related to logistics management**

Strongly disagree	Disagree	Agree	Strongly agree
0	2	13	35
0	4%	26%	70%

Source: Research Data (2018)

From the findings, majority of the respondents, 96% agree that there regularly improvement of learning related to logistics management performance followed by 4% who disagree that there regularly improvement of learning related to logistics management performance to a great extent.

**Knowledge Management**

The study sought to find out about Knowledge Management in logistics distribution management. Findings are given on Table 4.1

**Table 4.10: Knowledge Management**

Knowledge	Mean	Std. Dev.
Organization ensures that all employees are knowledgeable in most of the organization aspects	3.46	1.12
Miku continuously trains employees distribution department	3.67	1.45
Miku has put in place mechanisms for knowledge management	3.44	1.01
Miku encourages individual learning	3.12	1.11

Source: Research Data (2018)

From the findings, whether Miku encourages individual learning had a mean of 3.12, whether Miku has put in place mechanisms for knowledge management had a mean of 3.44, whether the organization ensures that all employees are knowledgeable in most of the organization aspects had a mean of 3.46 while whether Miku continuously trains employees from then distribution department had the highest mean of 3.67. This means the organization invests resources in the training of its employees in the distribution department. The findings are in agreement Inkpen et al (1998) who posits that knowledge management is a critical part of logistics distribution performance. It can be a major advantage for a party that knows more about the other. According to Laudon et al (2004), the approach to logistics management must

be a team approach, not only to capture knowledge but also to ensure that the organization is not dependent on an individual to make the right decisions, have the right information on manage.

**Extent of Influence of Knowledge Management**

The study sought the respondents' opinion about the extent to which Knowledge Management influences logistics distribution performance. Findings are given on Table 4.11.

**Table 4.11: Extent of Influence of Knowledge Management**

Extent	Frequency	Percent
Very great extent	20	40
Great extent	15	30
Moderate extent	10	20
Little extent	4	8
No extent at all	1	2
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Research Data (2018)

From the findings, majority of the respondents, 40% said that Knowledge Management influences logistics distribution performance to a very great extent and 30% said to great extent.

**V. CONCLUSIONS AND RECOMMENDATIONS**

**Conclusion**

Fair prices being charged to different goods and service, would contribute much on improving business to Suppliers and even to Buyer because of every part to the contract would be enjoying the Principle of win- win and at last business of both parties would be improving. Quality commodities being ordered and supplied by Suppliers of Miku would help to improve the logistics between both parties, this is because every part to the contract would be enjoying what they have been expecting from their partner to Business. Supplying and receiving Right goods, from the Right price, from the right source and being delivered to the place would contribute to the improvement of the logistics distribution performance.

**Recommendation to the Miku Investment Limited**

Since the study established that information technology affects efficiency of logistics performance in trade and distribution firms, the study recommends that the Miku should enhance the use information technologies that are compatible with their logistics activities. In this regard there is need for urgent changes to allow IT to be utilized to facilitate free and expeditious flow of real time information within the logistics firms responsible for ensuring efficiency of logistics performance in the firms. They will enable in dealing with processes, products and services and technological knowledge/skills, roadblocks to collaboration between departments which hinders logistics performance.

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#### AUTHORS

**First Author** – Gipson Raphael Ole Kinisa Institute of Accountancy Arusha; Department of Business Management  
P.O.Box 2798, Arusha-Tanzania, M  
+255756880238/+255787880238, E  
raphaelgipson@yahoo.com/Golekinisa@iaa.ac.tz