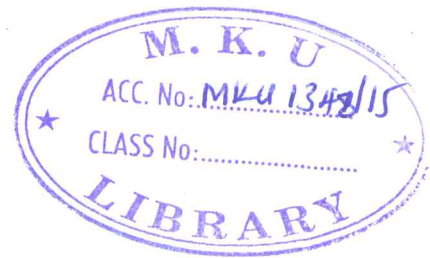


**FACTORS AFFECTING PROFITABILITY OF DAIRY FIRMS IN KENYA: A
CASE STUDY OF NEW KENYA CO-OPERATIVE CREAMERIES (K.C.C)
NAIROBI BRANCH.**



BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
AWARD OF BACHELOR OF BUSINESS MANAGEMENT-MARKETING TO
MOUNT KENYA UNIVERSITY**

MARCH 2015

ABSTRACT

The main aim of this study was to find out the factors affecting the profitability of dairy industries in Kenya with specific reference to The New Kenya Cooperative Creameries. The specific objective chosen for this study focused on how training, technology, infrastructure and competition affect the profitability of dairy industries. The significance of the study was to come up with suggestions on how best the industry can be improved so that the products they engage in can compete globally and enhance their profits. The research used descriptive research design whereby the data was collected through administering questionnaires. Stratified random techniques were used since the population was heterogeneous. The target population was 60 employees and a sample of 40 respondents was chosen. The researcher used questionnaires in collecting data and thereafter analyzed the data and reported accordingly.

Competition affects profitability of dairy firms as indicated by 90% of the respondent, 90% of the respondents said that infrastructures is a big challenge and thus it needs attention, 87% of the respondents were in agreement that the industry has been training the employees so that it achieves the best, only a small percentage of 13% indicated that they had not been trained and thus the management should offer training to them so that they achieve the set goals. 80% of the total respondents suggested that technology affects profitability.

The use of the technology has become effective nowadays for many business organizations to carry out their activities and to gain competitive advantage. For an organization to achieve its goals, It should get everyone in the business involved and committed to a series of specific action targets providing for continuing improvement. The organization needs to invest heavily on its service delivery. They should also seek support from experts who have effectively advised firms on how to improve their efficiency in transport operation. The new K.C.C should always provide training to the employees so as to be familiar with the expectations of the customer and improve on dairy firm's services. Dairy firm institution should be able to encourage interpersonal

interaction with customers and relevant training needs should be determined to provide effective training skills that can improve sales performance in the sector.