

**EFFECT OF TEA VALUE ADDITION ON PERFORMANCE OF KENYA TEA
DEVELOPMENT AGENCY MANAGED FACTORIES
IN MURANG'A AND NYERI COUNTIES**

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DECLARATION

This Thesis is my original and unaided work and to the best of my knowledge, it has not been presented in any other university for examination.

Signature.....


Date.....15th APRIL 2014.

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ABSTRACT

This study sought to investigate the effect of tea value addition on the performance of KTDA managed factories in Murang'a and Nyeri counties. The objectives of the study were to; Investigate the effects of inbound logistics on performance of KTDA managed factories; Analyze how product development as a value addition strategy contributes to performance of KTDA managed factories; Assess the effect of outbound logistics on the performance of KTDA managed factories; Explore the extent of tea marketing as a value addition strategy on performance of KTDA managed factories. To achieve its objectives the study used a descriptive survey research design. The population of the study was 90 respondents from 15 factories consisting of 15 directors and 75 factory managers of KTDA managed factories in Murang'a and Nyeri Counties. Purposive sampling was used to select 15 factory directors and 75 factory managers. To collect the data a closed ended questionnaire was distributed. The collected data was analyzed using Statistical Package for Social Scientist and presented in form of frequency tables, graphs and pie chart. A regression model was generated to establish the relationship between the independent variables (inbound logistics, outbound logistics, product development and marketing) and dependent variable (performance of KTDA managed factories). The findings of the study included: The overall findings of the research revealed that there is low level of value addition, specifically; Product development had the highest impact on factory performance with a co-efficient of 0.646 while inbound logistics had the lowest impact with a co-efficient of 0.125. Outbound logistics and marketing had co-efficients of 0.278 and 0.561 respectively.

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