**East African Breweries Limited**

**Powers:**

Number of powers that use by EABL in dealing with its distribtors.

* Legitimate power
* Reward power
* Coercive power
* Referent power

**Legitimate power**

It comes from contracts specifying an annual service level agreement with each distributor,as well as legal obligations there is a restriction towards distributors that no one distriburtor can distribute another company’s product of same nature under the contract or agreement with EABL.

**Reward power**

This power is high as incentives has been give to their distributors who give more sales in target time and work effectively and efficiently.distributionship are very lucrative businesses and are in high demand

**Coercive power**

EABL has shown itself willing to be coercive.There are some credentionls (terms and conditions) were defined by EABL totheir ultimate distributors who must follow that credentials othervise against of it coercive power will be exercise.

**Referent power**

EABL enjoys great effects goodwillfrom kenyan consumer market.During contest with SAB the theme of many of the marketing compaign was kenyan-ness of its brand.These factors combine to giveEABL a high level of referent power.

**Strategy**

EABL has a track record of treminating distributors and appointing replacements.Wwll-crafted contractual exit clauses protect EABL’s legal right to do so.In this way EABL focus on competence rather than relationships or social status.Also use bargening power to negotiatebetter marginsthan those accorded to other retailers.