

**AN INVESTIGATION OF GREEN MARKETING PRACTICES AMONG
PHARMACEUTICAL FIRMS IN KENYA**

BY

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DECLARATION

This management research project is my original work and has never been presented for a degree in any other University.

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This research project has been submitted with my approval as University Supervisor

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Signature Date

DEDICATION

I dedicate this to my parents, Geoffrey Mungai and Ann Murugi, for raising me as best that they could, and giving me the most important things in my life, Unlimited Love and a good education. Thank you Almighty God, for the blessing of my parents, and their long life.

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First, I acknowledge God the Almighty, for his Goodness, All the time.

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Finally to my parents, family and friends, as I appreciate their love and support, I wish them long life and God's abundant blessings

ABSTRACT

There is an aggressive growing of awareness of the continuous environmental degradation that is facing current and future generations. The green marketing has become a familiar phrase in recent years as organizations have targeted the environmentally conscious consumer and increasing stricter environmental regulations. It describes efforts of designing, promoting, pricing and distributing products that will not harm the environment.

The pharmaceutical industry in Kenya has been characterized by many changes and an increasingly turbulent environment. To survive in such an environment, the firm has to adjust strategic responses and come up with green marketing strategies for dealing with the ever deteriorating environment. This study was therefore an investigation of green marketing practices among the pharmaceutical manufacturing firms in Kenya.

The study was a descriptive survey that involved a study of the 21 manufacturing pharmaceuticals firms targeting marketing manager or production manager in each firm. Primary data was collected by use of questionnaires; the data was analyzed using SPSS and data presented by use tables and percentages.

The study concluded that the green market concept has not been fully embraced by the pharmaceutical industry due to lack of information. However the companies are trying to put in place several measures on green product, green pricing, green promotion and green distribution. They include conserving energy, water and material resources in production to avoid wastages and improve efficiency, product production that meet the legal specifications, product production that do not harm animals and humans. However several challenges like lack of government incentives, financial costs of altering processes, products and waste management, lack of factual information about the green marketing concept to both the industry and to the consumer. The recommendations are that there should be provision of factual information to both the industry and to the consumer, companies should put up measures that ensure that the concept is easily

embraced and practiced by its members and the government should offer incentives for the companies to turn green.

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CHAPTER ONE: INTRODUCTION

1.1 Background

In the recent past, there has been a growing awareness of widespread environmental degradation facing current and future generations. Attention has become so great that environmentalism has been identified as potentially the biggest business issue (Kirkpatrick, 1990). Consumers, who espouse a concern for the environment, or what has come to be labeled a green orientation, are growing in number (Donaton and Fitzgerald, 1992). In fact, according to one survey, as many as eight out of ten American consumers currently claim that they are environmentalists (Gutfield, 1991). It is not surprising, then, that many companies have attempted to capitalize on the public's interest in green issues by positioning themselves as environmentally responsible organizations (Jay, 1990). Unfortunately, business' commitment to the environment has often been more evident in their communications than in their actual practices (Fierman, 1991; Garfield, 1991). Nevertheless, the concept of green marketing has become a familiar buzz-phrase in recent years as organizations have targeted the environmentally conscious consumer (Davis, 1991) and/or have begun to respond to the increasing likelihood of stricter environmental regulations (Porter, 1991).

1.1.2 The Concept of Green Marketing

The term green marketing describes an organization's efforts of designing, promoting, pricing and distributing products that will not harm the environment (Pride and Ferrell, 1993). Clearly, there are a vast number of diverse considerations that may be addressed by companies that choose to pursue a green marketing agenda. Among these are concerns such as: developing offerings that conserve energy and other natural resources in their production process (Porter, 1991); creating advertisements and other promotional messages that accurately reflect a company's commitment to the environment (Kangun *et al.*, 1991); setting prices for green products that balance consumers' sensitivity to cost against their willingness to pay more for environmental safety (Jay 1990); reducing pollutants and conserving resources in the transportation of products to market (Bohlen *et al.*, 1993); and a host of other marketing-related decisions. To align themselves with the green initiative, organizations often focus on one or more of the three broad activities:

reusing, recycling and reducing. Sometimes referred to as the 3 R's formula for environmental management, these practices are aimed at controlling the amount of natural resources waste that often accompanies organizations' marketing pursuits. By reusing packaging (e.g. offering products in refillable containers), recycling materials (e.g. reclaiming elements from used products) and reducing resource usage (e.g. conserving energy in the production process), organizations can play a significant role in protecting the environment. Such practices may also help to position specific organizations as green oriented in the public's mind and attract the increasingly large green consumer segment.

Reviewing these analyses, it seems clear that many of the problems that have hampered the development of effective mainstream marketing in the past have returned to hamper the development of green marketing as well. These problems have contributed to the emergence of five failed manifestations of green marketing. These are: green spinning, green selling, green harvesting, enviropreneur marketing, and compliance marketing (Kalama, 2007).

1.1.3 Pharmaceutical Industry in Kenya

The pharmaceutical industry in Kenya has undergone numerous changes since being liberalized in the early 1990s. There has been an influx of many pharmaceutical companies into the market, either as direct investments or through franchise holders (Ronoh, 2002). The product range within the industry can be broadly categorized into prescription medication and non prescription medication. In 2007, there were 9,640 medical doctors with less than 20% of these being in the public sector (Kenya Medical Directory, 2008/2009). This translates to approximately 15 doctors per 100,000 people. Similarly, there were 3,050 pharmacists, which roughly translate to 6 pharmacists per a population of 100,000.

The target market for the pharmaceutical industry comprises the doctors who eventually prescribe the medicine to the ultimate consumer or the patient. The other growing target market is the pharmacist who is increasingly playing a significant role in influencing or

convincing doctors to change medication in the prescription (Ongubo, 2003). Patients also play a significant role in influencing the doctor's prescription by preferring certain brands on the basis of perceived effectiveness or origin. Though direct marketing of prescription drugs is illegal, patients are increasingly asserting their preference on the medication that doctors and pharmacists recommend particularly in the private health care setup where the patients pay directly for medication and service.

The industry consists of three segments namely the manufacturers, distributors and retailers. All these play a major role in supporting the country's health sector, which is estimated to have about 4,557 health facilities countrywide. Kenya is currently the largest producer of pharmaceutical products in the Common Market for Eastern and Southern Africa (COMESA) region, supplying about 50% of the regions' market. Out of the region's estimated of 50 recognized pharmaceutical manufacturers; approximately 30 are based in Kenya. It is approximated that about 9,000 pharmaceutical products have been registered for sale in Kenya. These are categorized according to particular levels of outlet as free sales over the counter, pharmacy technologist dispensable, or pharmacist dispensable and prescription only.

1.2 Statement of the Problem

Industry attractiveness and competitive conditions are the main sources of challenges for firms and determine strategic direction. According to Thompson and Strickland (1997), a firm's assessment of the industry and competitive environment directly affects how it should try and position itself in the industry, and what its basic competitive strategy should be. With the increasing competition that companies are facing today, rewards will accrue to those who can read precisely what consumers want by continuously scanning the environment and delivering the greatest value to customers.

Ongubo,(2003) is of the view that as the operating environment changes; a more pronounced transformation of the business landscape lies ahead. Therefore, a marketing strategy is vital to the adaptation of the changing business environment. According to the Government of Kenya economic survey (2000), implementation of structural adjustment

programmes and subsequent market liberalization opened the Kenyan market, leaving businesses at the mercy of market forces. As a result, businesses faced increased competition and registered low profits and even losses. This could probably be attributed to lack of good marketing practices (Abdalla, 2001).

The pharmaceutical industry in Kenya has been characterized by many changes and an increasingly turbulent environment. The configuration of competitive forces such as intensity of competition, new entrants, substitute products and supplier and buyer power have transformed the environment a great deal, creating the need for firms to change their competitive positions and adopt green marketing as a strategy (Ndiho, 2001). Various researchers have studied the state of industries in Kenya in relation to changed economic and environmental conditions particularly after environmental degradation and global warming. They found that the changed environment has affected business practices and made firms more proactive and competitive (Abdalla, 2001). To survive in such an environment, the firm has to adjust strategic responses and come up with green marketing strategies for dealing with the ever deteriorating environment.

Whereas previous studies by Ndiho (2001), Wachira (2001), Ronoh (2002), and Ongubo (2003), have focused on marketing practices within the pharmaceutical industry in Kenya, strategic alliances, and strategic responses in the pharmaceutical industry, while Obuya (2003), Kiongera (2003), Kalama(2007), and Odhiambo (2008) have focused on green marketing by various firms, but none has specifically confronted the application of green marketing as a practice in the pharmaceutical manufacturing firms in Kenya. Yet, this remains a very crucial issue in as far as the marketing of pharmaceutical products is concerned.

This study is based on the premise that the passage of time and the very numerous and significant changes in the business environment have led to totally different responses to environmental challenges by firms. For example, The *Sunday nation* of August 2,2009 reported that thousands of Kenyans are losing money in deadly scams operated by alternate medicine clinicians with wild claims that their products are “health and natural”

when indeed they are chemical compounds with serious side effects. There is a need for a study that will update the existing knowledge about green marketing and green products especially in the pharmaceutical industry.

Moreover, the pharmaceutical industry is unique and is among the fast moving consumer products. For instance, it is estimated that annually Kenya produces around 20-34 million tablets and capsules and over 400,000 litres of suspension and syrup. Thus this production can have an enormous impact in our environment. It is with this knowledge that the study aims to investigate the green marketing practices in the industry, so that the stakeholders and interested parties can know the environmental impact of their marketing, production and disposal of products.

1.3 Objectives of the Study

The main objective of the study was to investigate green marketing practices among manufacturing pharmaceutical companies in Kenya

1.3.1 Specific Objectives

The specific objectives of this study were to:

1. Determine the extent to which manufacturing pharmaceutical firms in Kenya have implemented green marketing practices.
2. Determine the challenges of manufacturing pharmaceutical firms in implementing green marketing.

1.4 Significance of the Study

To the pharmaceutical industry, this study will provide insights into green marketing and a framework on which industry players can build their competitive marketing strategies based on green marketing.

To the government, this study will provide hints, on how pharmaceutical create a conducive environment for green marketing and sustains pharmaceutical industry in the country.

To the academicians, this study will benefit through the knowledge generated by this study, enabling other researchers to improve and develop a better understanding of green marketing by manufacturing pharmaceutical firms.

1.5 Scope of Study

The study was a descriptive survey and it was covering all twenty one manufacturing pharmaceutical firms that are currently operating in Kenya. Secondary data was collected from the various publications by the pharmacy and poisons board of Kenya, Journals and publications from the various manufacturing pharmaceutical firms. The primary data was collected using questionnaires delivered to the manufacturing pharmaceutical firms.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Since the 1980s, green marketing has gone through several stages. After a backlash in the 1990s, green marketing made an upswing in the Western markets from 2000 onwards (Ottman *et al.*, 2006).

Market orientation and an emphasis on the use of market instruments in environmental policymaking have gained increasing popularity in western market economies. The World Bank (Steer, 1996), for example, advocates the use of economic incentives and public information campaigns, arguing that economic policy instruments are just, more efficient and more feasible solutions to environmental degradation than the highly enforcement-intensive regulatory environmental policy measures. Market-based approaches to environmental policy (Turner *et al.*, 1994) usually emphasize the role and responsibility of consumers and private business enterprises in the production of environmental quality and in the transition to sustainable global economy.

Green consumerism is seen as a powerful market force, which, in well functioning markets, boosts environmental innovation and drives firms toward environmentally responsible conduct and business ethics, efficiently and with little government intervention. Informed by microeconomics and marketing literature, advocates of market-based environmental policy believe that the greening of consumers' values not only compels firms to integrate environmental concerns into their business strategy, but also creates new business opportunities (Ottman *et. al.*, 2006).

2.2 The “4 Green Ps”

The elegant “4Ps” or marketing mix model, first presented as the theory of parameters by Rasmussen (1955), and then developed by McCarthy (1960) and finalized by Kotler (1967), grew out of economic theory and also embedded some of its key assumptions into the marketing analysis tool. From its origin, the marketing mix was a resource allocation model, resting on the assumption that the relevant resources involved in the exchange process, including the products, are homogeneous, i.e. the economic value is independent

of how they are combined (Bennett, 2005). With this underlying assumption, the allocation problem first shows up as an issue of how much to allocate to marketing in total. The next issue is to decide how much to allocate to each of the different means – which in the green marketing mix model are the “4 ‘green’ Ps”; ‘green’ product, ‘green’ price, ‘green’ place and ‘green’ promotion. In order to work, the model has to add another important assumption: that there is a linear dependency between the resources put into a mean and the outcome. In other words, each mean must be assumed to have a specific influence on the outcome

2.2.1 ‘Green’ Products

According to Bennett (2005), when making empirical observations of exchange, the product is regarded as one of the most visible indications of what is going on. In the green marketing mix model, the product is also credited with the role of being the basic resource involved in the exchange process. Assuming green marketing, the product is treated as given but also as being generic in nature. Consequently, the product is seen as the result of a production system from which its features and value are independent, and it is regarded as an input in a user system that affects neither its features nor its value. In other words, there is no need to pay attention to the system that handles the product's supply and use. Instead the focus can be concentrated on how the product is composed and presented by the producing company. In comparison to the green marketing mix model other Ps, however, this first one is supposed to have a distinguished position in the exchange process. The homogeneous and solitary product is given the double role of being a basic parameter determining the borders of the market and a means that, in combination with the other three Ps, has a direct influence on the outcome (Sahlins, 2004).

Around the world there has been an increasing number of firms which have introduced green products (Carson and Fyfe, 1992). There is a growing amount of evidence indicating that consumers are choosing products or avoiding others based on their impact on the natural environment (Coddington, 1993; Davis, 1993; McDougall, 1993; Ottman, 1992a; The Roper Organization, 1990)

Environmentally concerned customers have shown that their purchase decisions can encompass factors that go beyond conventional processes to take into account 'externalities' involved in production. Thus customers may reject a technically excellent product because they become aware of the environmental harm caused in production or disposal, or because they disapprove of some activities of a producer, its suppliers or investors.

In overall, the green products should communicate environmental performance in their production, packaging and disposal. The products should be produced from safe ingredients, with package from recyclable, biodegradable and reusable materials.

2.2.2 'Green' Price

When considering how pricing is approached in the green marketing mix model, once again the heritage from economic theory becomes clear. Due to the green marketing assumption, it is solely through its price that a product can contribute to creating revenue. Kotler (2003) comments: Price is the only element in the marketing mix that produces revenue; the other elements produce costs. According to traditional economic theory, however, a company does not have to worry about price. The price of a product is independent of any individual user's preferences, and by how the product is combined with other resources. The price is given by the interplay between supply and demand.

Since markets are driven by prices. The price of a product usually covers the direct and indirect costs of production plus a profit margin to reward the investors and for reinvestment. The socio-environmental costs of production, product use and disposal are largely excluded from the price that consumers pay. The debate about the environment and marketing has been underpinned by an assumption that greener products will necessary cost more, and by discussion about how much green premium the customers are willing to pay. However, evidence suggests that where a 'clean technology' approach is followed, developing new technologies from first principles, which reduce the inputs needed and the amount of pollution and waste produced, such initiatives can be cost-effective (Irwin and Hopper 1992)

The green price sometimes is relatively high because 'green' consumers are willing to pay extra for the 'greening' of the product. The benefits accrue to green firms because of low costs of production due to recycling and reusing the materials coupled with efficiency use of resources.

2.2.3 'Green' Place

In the green marketing mix model the place issue is equal with handling a distribution channel that brings the given product to its potential users, and the main task is to link an existing supply with an existing demand. Or, to use the wording of Bennett (2005), it is the marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption. Since the distribution channel is a cost and a means that can create a certain outcome, attention is directed to how to balance it by choosing between different kinds of internal or external channel solutions and creating a suitable mix between it, the price, and the promotion of the product. In accordance with its heritage from traditional economic theory, in the green marketing mix model's interpretation the chosen channel is regarded as having no influence on the resources distributed through it (Bennett, 2005).

The place issue includes more than the question of how to connect a given supply with a given demand, as has been articulated by scholars engaged in environmental research. Although these research traditions represent a rather wide variety of approaches, emphasizing the role of competition as well as co-operation, they share the common understanding that place is not only a cost driver, but includes features that can create benefits. These benefits are mainly seen in the learning processes that can occur within special places, within environments where the traditional, anonymous market exchange due to proximity has been replaced by interaction and relationships. The localization of related environments within clusters facilitates knowledge spillover (Scott, 2003).

The place-related qualities are nothing that grows out of special geographical areas where the traditional market exchange is played out in favour of relationships. Whether or not there is any geographical proximity between the parties engaged in the exchange process,

the activated resources are characterized by place related features. Any resource, a product, a production facility, a business unit or business relationship, can include place related features. These can be both costs and benefits, depending on how resources are combined (Scott, 2003). This understanding has important consequences for how to view functions that in a green marketing perspective are treated as being solely a cost and a means, such as the distribution channel. Like any resource involved in the exchange process, these resource combinations appear as important sources for the development of new features of resources and thus for the creation of economic benefits.

The green place (distribution) involves both forward and reverse distribution. The reverse logistics include reducing, managing and disposing waste from packaging and products. In the pharmaceutical industry it involves recalling short date expiries, expired and 'wrong' products from the market. It involves activities to collect, disassemble the products and materials in order to ensure a sustainable and a friendly environment. The reversed products are either; further treated, reused in the production process or destroyed in an environmental friendly way.

2.2.4 Green Promotion

The promotion issue is, in the green marketing model's interpretation, a question of how to send a message about a given green product to potential users. Promotion or communication, according to Kotler (2003) is a must, companies must also communicate with present and potential stakeholders, and the general public, every company is inevitably cast into the role of communicator and promoter. Like the price and place elements, promotion is not supposed to have any effect on the features of the products involved. Nor is the promotion endeavour considered to have any influence on the structure that is related to the production and use of the promoted products (Fitchett and McDonagh, 2006). Assuming a green marketing practice, promotion appears as an issue of how to create an optimal mix of communication tools in order to get a product's message from the producer to the user. Although feed-back is ascribed an important role in this process, its content is mainly considered as evidence of how well the company has succeeded in communicating a certain message.

Green promotion involves modifying the entire corporate culture to ensure that environmental issues are integrated into all operational aspects (McDaniel and Rylander, 1993); Therefore, if marketers of consumer goods are going to be able to use green marketing in an effective manner they need to develop strategies to overcome green promotion problems. One strategy that organizations have recently adopted to make their environmental marketing activities more effective is to form a strategic alliance with an environmental group (Coddington, 1993). Another strategy is product endorsements with the environmental group. The group endorses a product after it has ensured that the product meets some set of established criteria. For example, assessment of the product and the fact that the product provides some distinctive environmental benefits.

More green strategies include corporate sponsorships which operate differently than product endorsements. In these situations organizations are trying to obtain environmental recognition for specific activities. In all situations the firms are directly contributing to the environmental alliance partner, monetarily or in kind. The types of activities that firms are seeking recognition for include: direct involvement in specific environmental causes; undertaking fundraising for environmental causes; or having all their activities operating in a less environmentally harmful manner. These types of alliances are extremely desirable as they assist in the building of a socially responsible corporate image

Generally, in green promotion, companies communicate information about environmental performance of their products and operations. The message is of corporate environmental responsibility and stewardship through their production, packaging and even disposal. The promotion tools like posters, brochures and adverts should reflect environmental concern by being biodegradable and reducing pollution.

2.3. The challenges of green marketing

The challenges of green marketing can be due to government, company and consumers (NCCSD, 2006). The government regulation can discourage green marketing. The government can discourage public sector from buying green products and services by

itself not buying green products and sustainable products, and not reducing resource consumption. The government can encourage green buying by providing incentives such as tax incentives and grants for installing energy efficient technology and or itself leading by example of buying green products.

The company's poor perceived importance of environmental compliance. For example some companies lack green standards for producing green products and packages, conserve energy, reduce waste and to recycle products. However proper designed environmental standards can trigger innovation that lower the total costs of products and improve its value. Moreover some companies lack environmental sensitive corporate culture, individual and company commitment to sustainability is very low. Bansal and Roth (2000) found that firms motivated by ecological responsibility often pointed to a single individual who championed their ecological responses. Indeed, Lamming and Hampson(1996) noted that 'environmental illiteracy' or lack of management commitment(Min and Galle 2001)as key challenge to green marketing.

Consumer challenges have been a problem in green marketing. For example, in the past some organizations appeared to be simply "exploiting" consumers' increased environmental awareness, i.e. changing their marketing claims without modifying their products or production process. When these gaps in corporate behaviour and marketing claims comes to light, extensive negative publicity is generated, resulting in consumers boycotting the offending companies (Lawrence, 1991; Ottman, 1992b).

Negative publicity generated by one firm's poor environmental marketing performance can have detrimental effects on other firms. It may taint existing and future green marketing activities of these other firms or it may discourage firms which are not yet using green marketing activities from doing so. There is evidence that when a negative backlash to green marketing has occurred, consumers become increasingly circumspect of green claims in general (Carlson et al., 1993; Cude, 1993; Kangun et al., 1991; Rawsthorn, 1990; The Roper Organization, 1990). While this skepticism has not

dissuaded all manufacturers of consumer goods from using green marketing, some firms reduce their green marketing activities (Lawrence, 1992).

Green marketers need to develop strategies which will allow them to overcome problems of poor credibility, consumer cynicism, and consumer confusion (Carlson et al., 1993; Davis, 1993; Said, 1994). If these problems cannot be overcome, it is questionable whether environmental marketing, as a whole, can be effective. The lack of credibility on the part of consumers is partially the result of some firms' poor past environmental performance. To ask consumers to believe the green marketing claims of a firm or industry that has "mislead" them in the past is always a difficult task. Furthermore, many firms might promote their products as environmentally responsible without integrating environmental awareness into their corporate culture. This has resulted in some firms producing "environmentally responsible products" in an environmentally harmful fashion or alongside environmentally harmful products, leading to further reductions in environmental marketing credibility. The problem of consumer cynicism is also related to green marketing's past history, as many producers simply jump on the green marketing bandwagon without considering the full ramifications of their actions (Pitt, 1991). In the US firms "jumped off" the green bandwagon, after the firms and the Federal Trade Commission (FTC) "agreed" that some of the firms' green claims were "deceptive" (Triplett, 1994).

In other cases the bandwagon approach has resulted in the failure of products which made green marketing claims. For example, between 1989 and 1990, 14 green cleaning products were introduced in Australia (CHOICE, 1990; Millar, 1994), but by 1994 at least seven of those products had been withdrawn from the market. Having jumped on the green marketing bandwagon without carefully considering all implications of their actions resulted in some of these 14 products making misleading or totally meaningless environmental claims (CHOICE, 1990), which ultimately resulted in these products' "disappearance" from the market. Consumer confusion over environmental claims is an ongoing problem. The lack of factual information has been called the "greatest environmental hazard" facing consumers (Schlossberg, 1993a). In many cases, even if

consumers do understand specific claims, they are usually in no position to evaluate effectively the accuracy of these claims. Can consumers be able to determine the availability of recycling facilities or exactly which materials were recycled?

2.4 Green Marketing Strategies

Marketing literature on greening products/firms builds on both the societal and social marketing research. Societal marketing implies that organizations (governments, businesses and nonprofits) need to determine the needs of target markets and to deliver the desired satisfactions in a way that enhances the consumer's and the society's well being. Social marketing focuses on designing and implementing programs that increase the acceptability of a social idea, cause, or practice in (a) target group(s) (Kotler, 1994).

Traditionally, marketers focus on individual needs for designing/marketing products to best serve these needs. This approach is predicated on two assumptions. First, individuals are motivated by the promise that products will satisfy their needs at outlays acceptable to them. Second, individual actions do not have significant externalities (the divergence between public and private costs/benefits), positive or negative. The presence of externalities often instigates actions from the non-market environment, mainly in the form of governmental regulations.

Unlike traditional marketers, social and societal marketers seek to persuade consumers to alter their behaviors that have significant externalities. However, these behavioral modifications may not directly/sufficiently benefit consumers or the benefits may also be non-excludable.

2.4.1 Green Marketing as Philosophy

Society's concern for the environment has led to the appearance of a new type of consumer, who demonstrates this concern through his or her purchasing decisions (Fuller, 1999; Straughan and Roberts, 1999). Marketing, as the eyes of the firm that observe the market, is not unaffected by this social phenomenon. The inclusion of the ecological variable in marketing activities leads to a new way of understanding exchange relationships, variously called ecological marketing, environmental marketing, green

marketing or sustainable marketing. This is a very recent trend, which began to take on importance in the US in the late 1980s/early 1990s, although first studies were developed in the 1970s (Stanley *et al.*, 1996; Crane, 2000).

Various studies have reflected on the proliferation of environmental declarations in corporate communication in these years (Polonsky *et al.*, 1997). The fact that many of these ecological messages are simply superficial claims (Polonsky *et al.*, 1998) has led to a situation in which, from both the consumer's perspective and that of some businesses, green marketing is identified solely with communication activities, with the belief that behind it there is only a commercial desire to deceive. The degree of scepticism towards ecological messages is very high, and indeed higher than the general scepticism of consumers towards other commercial messages (Mohr *et al.*, 1998).

However, the concept and scope of green marketing is much broader, as indeed it is for marketing in general. First, green marketing should not just be limited to communication policies: ecological aspects need to be incorporated into all the functional areas of marketing. Second, green marketing should not be understood as a mere series of procedures, activities and techniques to design and commercialize green products. It should also be regarded as a philosophy that guides the behaviour of the entire organization.

If marketing philosophy is 'a mental position, an attitude, a way of conceiving the exchange relationship by the firm or entity offering their products to the market, which starts from the needs and desires of the consumers and has the aim of satisfying them in the most beneficial way for the entity', green marketing philosophy can be understood to mean the way to conceive exchange relationships that goes beyond the current needs of the consumers, considering at the same time the social interest in protecting the natural environment. As Fuller (1999) points out, in the lens of green marketing a 'new competitive game' is being played, since three parties intervene in the exchange relationship: the firm, the customer and the environment. In this sense, more than just a

way of understanding the commercial exchange relationship, green marketing is a way of understanding the firm's relationship with society in general.

With the above comments in mind, green marketing is situated within the approach of social marketing (Kotler, 1994), and can be defined as a way of understanding exchange relationships consisting of planning, implementing and controlling a policy of product, price, promotion and distribution that simultaneously satisfies customer needs and the objectives of the organization, minimizing any negative effects caused to the natural environment. However, similarly to what occurs when implementing a marketing philosophy, applying the philosophy behind green marketing cannot be achieved by simply setting up a marketing department to apply the techniques of green marketing.

Respect for the environment needs to pervade all behaviour throughout the organization, not only commercial aspects (Polonsky and Rosenberger, 2001). Moreover, to get the entire organization to be concerned about the environmental impact of their activities, the environment should become one of the determining values of the organizational culture of the firm.

There are two factors justifying this need. First, the environmental impact of a product can hardly be reduced if environmental aspects are not taken into account by other functional areas of the firm that impact on the end-product's ecological quality, such as design, supplies and production. Second, the majority of green purchasers do not just buy a green product; they are also buying the green image of the firm. As Peattie (2005) points out, the firm itself becomes the product consumed; product and firm form the total product. For this reason, the manufacturer of a green product should ensure that all the other activities of the organization are also green. If the firm commercializes its product as green while simultaneously ignoring the ecological implications of the firm in its entirety, the communication may receive little credibility on the part of the consumer, and the firm will face the risk of being endlessly criticized by the various pressure groups (Peattie, 2005).

Similarly to the case when introducing a market orientation, to get the whole firm to be ecological the marketing managers play a fundamental role. As Mendleson and Polonsky (2006) point out, marketing should not be concerned merely with developing green products, but also with generating changes of attitude and culture within the organization. In order to do this, it must apply internal green marketing, which can be defined as the series of activities taking place in the organization aimed at ensuring that the entire firm's personnel, regardless of their hierarchical position or functional area, incorporate the ecological factor into their decision-making and activities.

2.4.2 Greening Products versus Greening Firms

The impact of greenness on consumer decision making assumes that consumers purchase products primarily based on products' attributes. However, in some other cases, firm-level attributes (greenness of processes and systems) may be important for developing promotional strategies. Perhaps consumers want green products from green firms. From a managerial perspective, if brand attributes are more salient, firms should invest in greening products, but if corporate images are more important, focusing on firm-level processes/systems is desirable (Prakash, 2000).

Of course, a reliance on corporate advertising would require an integrated organizational approach to greening processes/systems as well. Firm- and product-level greening, however, are not mutually exclusive. Most firms perhaps invest in both. Nevertheless, in terms of their relative salience, a distinction between brand-focused and firm-focused greening strategies is important.

Challenges for green marketers involve what to green (product versus processes/systems), the pros and cons of imposing individual versus collective sacrifices on consumers, the role of economic and non-economic factors in influencing consumer behavior and what kinds of information disclosure strategy to adopt (Prakash, 2000).

2.5 Managerial Implications

There are two different types of managerial implications that the 4 Green P's gives rise to. The first is the importance of practitioners in the development of new theoretical

approaches in green marketing. There are obvious reasons why this should start out from important empirical observations or phenomenon. This regards not least the existence and characteristics of dynamic processes, value increasing green marketing developments and so on. Here companies and individual green marketing managers can be important lead users (Wilson, 2007).

The second implication regards the general focus. Green marketing has been quite activity oriented and the main focus has been on designing and performing green marketing activities. If, marketing development is central then green marketing must become much more devoted to them. Not just the products that always have been central but also how products and facilities are related to each other and to important organizational resources. It is especially the latter – the interfaces between technical and organizational resources – that seems to have a large potential for the future development.

Green marketing subsumes greening products as well as greening firms. Though normative concerns impact consumers' and firms' decision making, economic aspects of green marketing should not be neglected. Managers need to identify what ought to be greened: systems, processes or products? Consumer apathy to green products is due to many factors, including inadequate information about levels of greenness, lack of credibility of firms' claims and the tendency to free ride. It also seems that green products that offer direct excludable benefits to consumers (such as pharmaceuticals with minimum side effect and nutritious and natural foods) would have higher acceptability (Wilson, 2007).

Consumer apathy may also be attributed to the belief that individual actions alone cannot impact the macro picture, and collective endeavors are impeded by free riding. To tackle these market-related problems, perhaps initiatives in the non-market environment may bear fruit. To curb free riding and to reassure consumers that their actions will have macro impact, some green marketers favor policies/regulations that lead to collective sacrifices.

This leads to another set of challenges, because environmental issues are often highly contested in terms of their etiologies and solutions. Many such disputes are attributable to ideological and economic factors. To some, collective sacrifices signify intrusive big government and side-stepping individual responsibility.

Economic considerations are even more complex. There is a rich literature in public policy on how the distribution of benefits and costs impacts policy processes and what types of political strategy are appropriate in different contexts (Wilson, 2007). Actors may favor the *status quo* if the proposed collective sacrifice imposes costs on them. If the benefits are diffused, policy supporters could have difficulties in mobilizing winning coalitions.

On the other hand, with concentrated benefits and diffused costs, mobilizing winning coalitions to support collective sacrifices is easier. When both benefits and costs are concentrated or diffused, the outcomes are difficult to predict. As this discussion suggests, the tasks of green marketers who favor collective sacrifices as vehicles for achieving their objectives are complicated by the politics of the non-market environment (Prakash, 2000).

Our understanding of green marketing is still in its infancy, perhaps due to the multidisciplinary nature of the enterprise. Marketing scholars focus on a host of business strategy and public policy issues, including eco-labels and market segmentation, and the role of structural factors and economic incentives in influencing consumer behavior. For environmental economists, green marketing signifies a broader trend in the evolution of environmental policies that focus on information disclosure.

Institutional theory, stakeholder theory and the corporate social performance perspective view green marketing as a subset of corporate policies designed to gain external legitimacy. These have developed in response to the expectations of a broad spectrum of stakeholders, both internal and external. Political economists focus on collective action dilemmas inherent in green marketing at the consumer and producer levels (Wilson, 2007).

2.6 Green Purchasing Behaviour

Several studies have shown that consumers do take notice of the environmental performance of their energy provider. For green power customers, their objective might either be to make sure that their money does not support unsustainable energy sources or to contribute to climate protection and growth of renewable energy in their personal choice (Wüstenhagen and Bilharz, 2006). However, other empirical research has found that people accept mark-ups on the price of green energy brands because they want to feel better about themselves, and are not primarily interested in the objective environmental impact of their decision. Customers experience an intrinsic value in using green products or services, and individual motivation is driven by a “warm glow of giving” (Menges, 2003). Interestingly, while Ritov and Kahnemann (1997) suggest that environmentally conscious consumers experience this feeling of well-being from acting in an altruistic way, a recent study of a green energy brand in Spain found that the “warm glow” benefit is felt mainly by consumers who rate low on measures of environmental consciousness (Hartmann and Apaolaza, 2005). Generally, then, consumers may indeed perceive individual benefits as a consequence of green behaviour, but those are not directly related to an observable improvement of environmental quality. Rather, they are emotional benefits based on psychological factors. As Coddington (2006) points out, green marketing implies the satisfaction of consumer's emotional needs.

Are there any more emotional benefits be identified, which marketing strategists might use to increase the perceived value of environmentally friendly products? Take the case of the “hybrid” car, powered by both conventional fuels and electricity. Sales of the first commercially produced example, the Toyota Prius, were far higher than estimated, while those of the subsequent fuel-efficient versions of the Volkswagen Lupo and Audi A2 were so disappointing as to result in withdrawal from the market. In a recent German survey, the Toyota brand as a whole was seen as the most environmentally sound. The Toyota Prius is marketed as an environmental innovation, and is clearly identifiable as such by its differentiated design and specific model name. Furthermore, followers of social fashion know that several movie stars own one. Are these the reasons for its commercial success? Belz and Dyllik (1996) suggest that consumers may derive self-

expressive benefit from the socially visible consumption of green brands. Thus, the choice of a green brand may allow them to demonstrate their environmental consciousness to others.

Extending the previously noted proposition that there is a near-universal human desire to “feel at one with nature” (Kals *et al.*, 1999), we can suggest another approach to emotional benefits in green marketing. If there is indeed an instinctive motivation to spend time in natural environments, based on a positive emotional state while in pleasant natural surroundings, the emotional benefits to be gained could be associated with a brand through marketing and advertising, to enhance its perceived value. Several studies have found evidence to support this (Hartmann and Apaolaza Ibáñez, 2005). Though the effect of this type of emotional value has not otherwise been much studied so far, the association of a brand with images of nature has in fact been very common in green marketing campaigns. The Spanish green energy brand Iberdrola Energía Verde (green energy), and the British conventional energy supplier BP both illustrate the potential effectiveness of the strategy. It seems probable in general that any sustained advertising campaign based on “tree-hugging” imagery, combined with more soberly conveyed information that the advertiser's products are green, will significantly enhance brand attitudes. Iberdrola was perceived before its campaign as the least environmentally committed energy company in Spain, and has been rated in recent surveys as the greenest; the case of BP is less dramatic and longer-term, but no less convincing.

Thus, green brands can evoke positive emotions in certain target groups by simply offering information on environmentally sound product attributes. Knowing that a brand is green will always make some consumers feel better while using it. The crucial question is, of course, how many of them? Is there “a market in the gap?” However, a much more powerful and effective emotional response can probably be obtained through specific emotional benefits inherent in the brand. Authors report many studies of alternative approaches to the delivery of emotional brand benefits and brand experiences through advertising, such as transformational advertising and emotional conditioning (Kim *et al.*, 1998). By these means, planners and strategists can create green brands, maintained them

by associations with the imagery of nature, and thereby benefit from the evoked emotional responses.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methods that were used in carrying out the research. It also shows aspects such as the target population, sampling method, data collection methods, location of the sample and instruments which were used in data collection.

3.2 Research Design

This was a descriptive survey study that investigated the green marketing practices among manufacturing pharmaceuticals firms in Kenya. Descriptive research involves collecting data in order to test hypothesis or answer questions concerning the current status of the subject under study. According to Boyd et al (2004) descriptive studies are supposed to describe the who, what, where, when and how of a phenomenon.

3.3 Population of the Study

The research was a descriptive survey study of the 21 manufacturing pharmaceuticals firms (appendix iii). The study population covered marketing manager or production manager in each firm totaling 21 respondents for the 21 firms.

3.4 Data Collection Techniques

Data was collected using semi structured questionnaire with a likert scale type of questions. The questionnaire was divided into three parts. The part A contained background information of the company, then part B contained Green marketing practices under the study, while part C contained challenges of implementing the green marketing.

3.5 Data Analysis and Reporting

The primary collected was summarized, coded, tabulated and then analyzed using descriptive statistics such as mean and frequency distribution. Data presentation was done by the use of tables and percentages, this ensured that the gathered information was clearly understood. The data was then coded and entered into statistical package for

Social Sciences (SPSS) for analysis. The analyzed data was then presented in a report format.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter discusses the research analysis, findings and interpretation. The study aimed at investigating green marketing practices among manufacturing pharmaceutical companies in Kenya. The study specifically focused on the 21 manufacturing pharmaceuticals firms targeted marketing manager or production manager in each firm. The researcher took a sample of 21 respondents for the 21 manufacturing pharmaceuticals firms; 15 of them responded to the questionnaire constituting 75% response rate.

4.2 Company background information

The companies from which the research was done were; Beta Healthcare ltd, Biomedical ltd, Cosmos ltd, Dawa ltd, Elys chemical ltd, Gesto pharmaceuticals ltd, Infusion Kenya ltd, Lab and allied Co. ltd, Macs pharmaceutical ltd, Manhar Bros ltd, Medivet ltd, Norbrook ltd, PMC ltd, Regal ltd and Universal corporation ltd.

4.2.1 Position of the respondents

The respondents were asked to indicate their position in the company. 46.7% were managers, 26.7% were sales managers, 6.7% were product development managers while 20% were quality control managers of the company. The fact that majorities were managers; this could be due to the target population which included marketing and production managers. The results are shown in Table 4.2.1.

	Frequency	Percent
Manager	7	46.7
Sales	4	26.7
Quality control	3	20.0
Product development manager	1	6.7
Total	15	100.0

Table 4.2. 1: Position of the respondents

4.2.2 Length of time the respondents have been working in the pharmaceutical industry

On the length of time the respondents had been working in the pharmaceutical industry; 40% had been in the industry for 6 to 10 years, 20% for less than 5 years, the same 20% for over 20 years, 13.3% for 11 to 15 years and 6.7% for 16 to 20 years. The majority said that they have been in the industry for 6 to 10 years which could be due to the target population of managers who tend to have stayed in the industry for long.

	Frequency	Percent
Less than 5 years	3	20.0
6-10 years	6	40.0
11-15 years	2	13.3
16-20 years	1	6.7
Above 20 years	3	20.0
Total	15	100.0

Table 4.2. 2: Length of time the respondents have been working in the pharmaceutical industry

4.2.3 Length of time the respondents had been working in the present company

The Table 4.2.3 shows the length of time the respondent had been in the present company 33.3% had been in the company for 6 to 10 years, 26.7% for 1 to 5 years, 20% for over 20 years, 13.3% for less than 1 year, 6.7% for 16 to 20 years while none of them had been there for 11 to 15 years.

	Frequency	Percent
Less than one year	3	13.3
1-5 years	4	26.7
6-10 years	5	33.3
11-15 years	0	-
16-20 years	1	6.7
Above 20 years	3	20.0
Total	15	100.0

Table 4.2. 3: Length of time the respondents had been working in the present company

4.2.4 Company's Ownership

On the ownership of the company 73.3% of the results indicated that the companies are locally owned and 20% foreign owned while 6.7% jointly owned as Table 4.2.4 shows.

	Frequency	Percent
Foreign	11	73.3
Local	3	20.0
Jointly	1	6.7
Total	15	100.0

Table 4.2. 4: Company's Ownership

4.2.5 The length of time the company had been in existence

The Table 4.2.5 shows the results on the length of time the company had been in existence. 33.3% said that the company had been in existence for over 25 years, 20% for 16 to 20 years, 20% for 5 to 10 years while 13.3% said that their company had been in existence for 11 to 15 years and the same 13.3% for 21 to 25 years.

	Frequency	Percent
5-10 years	3	20.0
11-15years	2	13.3
16-20 years	3	20.0
21-25 years	2	13.3
Above 25 years	5	33.3
Total	15	100.0

Table 4.2. 5: The length of time the company has been in existence

All the respondents agreed that they do not engage themselves in any other business apart from pharmaceutical business.

4.3 Green Marketing Practices

The researcher wanted to know the level of the importance companies attached to green marketing practices. A Five point Likert scale was used to interpret the respondent's extent. According to scale those factors which were not important at all were awarded 5 while those which were very important were awarded 1. Within the continuum are 2 for important, 3 for indifferent and 4 for least important. Mean and standard deviation were used to analyze the data.

4.3.1 Green marketing concept awareness

93.3% of the respondents had not heard of it while 6.7% had heard of green marketing concept. For the people who had heard of it they said that according to their understanding the concept was all about producing environment friendly products and its a type of marketing that puts into consideration the environment.

	Frequency	Percent
Yes	14	93.3
No	1	6.7
Total	15	100.0

Table 4.2. 6: Green marketing concept awareness

4.3.2 Green Product practices

The Table 4.2.7 shows the findings on the level of importance of green product practices. According to the researcher those factors with a mean close to 2.0 were not important at all on while those with a mean close to 1.0 were very important. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents. In regard to this, conserving energy, water and materials resources in production to avoid wastages and improve efficiency, storage of products in a manner that quality is maintained and product production process that do not harm the environment were all attached a very important level of importance with a mean of 1.1

each, product production that does not harm animals and humans and products meet specifications that are required by the law were attached an important level of importance with a mean of 1.2, product packaging that is environmental friendly and product production wastes that do not pollute the environment were given an indifferent level of importance with a mean of 1.3. Product packaging that is reusable with a mean of 1.7 and packing materials that are biodegradable with a mean of 1.8 were accorded a least level of importance.

	Very important	Important	Indifferent	Least important	Not important	Mean	Std. Dev.
Products from the company meet specifications that are required by the law	13	1	1	0	0	1.2	0.5
Product packaging that is environmental friendly	12	2	1	0	0	1.3	0.6
Storage of products in a manner that quality is maintained	14	1	0	0	0	1.1	0.2
Product packaging that is reusable	7	7	0	0	1	1.7	1.0
Packing materials that are biodegradable	6	8	0	0	1	1.8	1.0
Product production process does not harm the environment	14	1	0	0	0	1.1	0.2
Product production that does not harm animals and humans	12	3	0	0	0	1.2	0.4
Product production wastes do not pollute the environment	12	2	1	0	0	1.3	0.6
Conserving energy, water and materials resources in production to avoid wastages and improve efficiency	14	1	0	0	0	1.1	0.2

Table 4.2. 7: Green Product practices

4.3.3 Green pricing practices

The researcher wanted to know the level of importance of green pricing practices. According to the researcher those factors with a mean close to 2.0 were not important at all on while those with a mean close to 1.5 were very important. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among

the respondents. The product price is affordable due to the efficient costs of production was attached an important level of importance with a mean of 1.6, the company correctly invoices for the services rendered given an indifferent level of importance with a mean of 1.7. A portion of product price goes to a worthy environmental cause with a mean of 1.8 and customers are willing to pay extra for the greened product with a mean of 1.9 awarded least level of importance. The results are as shown in the Table 4.2.8.

	Very important	Important	Indifferent	Least important	Not important	Mean	Std. Dev.
A portion of product price goes to a worthy environmental cause	9	2	3	0	1	1.8	1.2
The product price are affordable due to the efficient costs of production	6	9	0	0	0	1.6	0.5
Customers are willing to pay extra for the greened product	7	5	1	1	1	1.9	1.2
The company correctly invoices for the services rendered	9	3	1	2	0	1.7	1.1

Table 4.2. 8: Green pricing practices

4.3.4 Green distributions practices

The Table 4.2.9 shows the results on the level of importance that the products are distributed in relation to the environment. According to the researcher those factors with a mean close to 1.5 were not important at all on while those with a mean close to 1.0 were very important. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents. The factors that 'stale' and expired products are recalled for disposal in an environment friendly manner with a mean of 1.1 and products while under distribution are stored in a manner that quality is maintained with a mean of 1.2 regarded as important. Products from the company are delivered as per schedule to avoid spoilage regarded indifferent with a mean of 1.3

while products from the company are delivered at right quantities at the right place at the right time was regarded as not important with a mean of 1.5.

	Very important	Important	Indifferent	Least important	Not important	Mean	Std. Dev.
Products from the company are delivered as per schedule to avoid spoilage	11	4	0	0	0	1.3	0.4
Products from the company are delivered at right quantities at the right place at the right time	11	1	2	1	0	1.5	1.0
Products while under distribution are stored in a manner that quality is maintained	13	1	1	0	0	1.2	0.5
Stale' and expired products are recalled for disposal	14	1	0	0	0	1.1	0.2

Table 4.2. 9: Level of importance the company attaches to green distribution practices

4.3.5 Green promotion practices

The respondent indicated the level of importance that is attached to the promotional activities in relation the environment. According to the researcher those factors with a mean close to 2.0 were not important at all on while those with a mean close to 1.0 were very important. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents. The factors of promotion tools like posters, brochures and booklets are made from biodegradable and recyable materials was accorded an important level with a mean 1.3, the promotion of the products depicts environmental concern and company participation in corporate social responsibilities considered indifferent with a mean of 1.5 and 1.6 respectively, while the company and products sponsor environmental conservation activities with a mean of 1.8 awarded a least level of importance. The Table 4.2.10 shows these findings.

	Very important	Important	Indifferent	Least important	Not important	Mean	Std. Dev.
The promotion of the products depicts environmental concern	8	6	1	0	0	1.5	0.6
The company and products sponsor environmental conservation activities	7	5	2	1	0	1.8	0.9
Promotion tools like posters, brochures and booklets are made from biodegradable and recyable materials	10	5	0	0	0	1.3	0.5
Company participates incorporate social responsibility activities	9	4	1	1	0	1.6	0.9

Table 4.2. 10: The level of importance the company attaches to green promotion practices

4.4 Challenges of manufacturing pharmaceutical firms in implementing green marketing.

	Yes	No	Percent
Financial costs of altering processes, products and waste management	5	3	62.5
Consumer poor credibility of green products	2	2	50
Consumer cynicism due to misleading or doubtful green claims	2	4	33.3
Lack of factual information about green marketing	5	3	62.5
Company policies regulations and culture	2	3	40
Lack of government incentives	4	1	80
Competitors	2	3	40
Suppliers and purchasers	4	2	66.6

Table 4.2. 11: The challenges that are faced by the company when turning green

The Table 4.2.11 shows the challenges that are faced by the companies when turning green. 62.5% of the results face the challenge of financial costs of altering processes, products and waste management, 62.5% lack of factual information about green marketing, 33.3% have a challenge of consumer cynicism due to misleading or doubtful green claims and 66.6% from the challenge of suppliers and purchasers. The challenges of the competitors 40%, lack of government incentives 80%, company policies regulations and culture was 40% while 50% had the challenge of consumer poor credibility of green products.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is devoted to summarizing the findings of the study, conclude, provide recommendations of the researcher and give suggestions for the mitigation and further research that he deems fit in this field of study.

5.2 Summary of findings

Majority Of respondents were managers followed by sales managers then the quality control managers and product development managers. On the length of time the respondents had been working in the pharmaceutical industry majority were in the industry for 6 to 10 years, the same number for less than 5 years and for over 20 years, followed by for 11 to 15 years in the industry while the minority had been in the industry for 16 to 20 years. However on the length of time the respondent had been in the present company, most respondents had been in the present company for 6 to 10 years, followed by for 1 to 5 years, and for over 20 years, and then for less than 1 year and few for 16 to 20 years while none of them had been in the present company for 11 for 15 years.

On the ownership, many companies are locally owned, followed by foreignly owned while a few were jointly owned. On the length of time the company had been in existence. Majority of the companies for over 25 years, followed by 16 to 20 years, then for 5 to 10 years while few of the companies had been in existence for 11 to 15 years and for 21 to 25 years. All the respondents agreed to it that they do not engage in any other business a part from pharmaceutical business.

The green marketing practices; majority of the respondents said that they had not heard of it while very few said that they had heard of it. For the people who had heard of it they said that according to their understanding the concept was all about producing environment friendly products and also they said its a type of marketing that puts into consideration the environment.

The findings on the level of importance that the company attaches in relation to the green product practices; conserving energy, water and materials resources in production to avoid wastages and improve efficiency, storage of products in a manner that quality is maintained and product production process that do not harm the environment were all attached a very important level of importance, product production that does not harm animals and humans and products from the company meet specifications that are required by the law were attached an important level of importance, product packaging that is environmental friendly and product production wastes do not pollute the environment were given an indifferent level of significance. Product packaging that is reusable and packing materials that are biodegradable were accorded a least level of importance.

The researcher wanted to know the level of importance that the company had attached to green pricing strategies. The product price is affordable due to the efficient costs of production was attached an important level of importance, the company correctly invoices for the services rendered was given an indifferent level of importance. A portion of product price goes to a worthy environmental cause and customers are willing to pay extra for the greened product considered least important.

On the level of importance of green distribution practices; the factors that 'stale' and expired products are recalled for disposal in an environment friendly manner and products while under distribution are stored in a manner that quality is maintained accorded an important level of importance. Products from company are delivered as per schedule to avoid spoilage regarded an indifferent level of importance while products from the company are delivered at right quantities at the right place at the right time accorded a level of least importance.

The respondents indicated the level of importance that is attached to the green promotional strategies. The factor that promotion tools like posters, brochures and booklets are made from biodegradable and recyable materials accorded an important level of importance, the promotion of products depicts environmental concern and company practices social responsibilities awarded an indifferent level of importance.

While the company and products sponsor environmental conservation activities given a least level of importance.

The challenges that are faced by the company when turning green; majority face the challenge of lack of government incentives this results concur with NCCSD(2006) on literature review, then challenge of suppliers and purchasers followed by the financial costs of altering processes, products, and waste management same results for lack of factual information about green marketing, then competitors and company policies and culture and finally few had challenge of consumer cynicism due to misleading or doubtful green claims this could be due to lack of factual information on green concept by consumers and the industry has not implemented green marketing to a scale to warranty negative publicity on its performance .

5.3 Conclusion

Most of the companies are locally owned and have been in the industry for long some as long as 42 years. The researcher concludes that the green marketing concept is being implemented partially by the companies in the pharmaceutical industry. May be due to the fact that majority are not aware of the green market concept; Information on the green marketing concept is scanty in the industry but the companies are conserving energy, water and materials resources in production to avoid wastages and improve efficiency, storage of products in a manner that quality is maintained, product production process that does not harm the environment, animals or human beings. They have also come up with a green price that is affordable due to efficient costs of production. To ensure green distribution, the 'stale' and expired products are recalled for disposal in an environment friendly manner, products while under distribution are stored in a manner that quality is maintained. In green promotion, promotion tools like posters, brochures and booklets are made from biodegradable and recyable materials.

In order to achieve all these the companies are faced by several challenges of lack of government incentives, financial costs of altering processes, products and waste

management, lack of information on the green marketing concept and the challenge from the suppliers and purchasers.

5.4 Recommendations

The researcher recommends the following; first, that there should be an efficient way put in place to provide the needed information about the green marketing concept within the pharmaceutical industry. This will help in production and marketing of environmental friendly products. Secondly, the companies should put on measures that promote implementation of the green marketing concept; this will be ecological friendly in terms of the green product, green pricing, green promotional activities like use of environmental friendly posters or brochures, and green distribution. Finally the government should come up with incentives for the companies to implement the green marketing concept and help in education and training on the concept.

5.5 Limitations of the study

The field study and survey approach is not without potential problems. First, the objective that participants do not understand the reason for the study hence lack of cooperation in answering questionnaire. Some respondents during answering questionnaires develop some self selection bias.

Secondly, some respondents had no information hence giving out data which was not satisfactory. In fact some had lack of understanding and general unwillingness to fill questionnaire on pretext that such information will be used to counter their competitors.

Thirdly, time, most of the companies were located too far thus taking long to take the questionnaires and collect them

5.6 Recommendations for further study

This study has led to identification of areas that requires further research. The researcher recommends that further research should be carried out on the factors hindering the practices of the green marketing concept within the pharmaceutical industry. Also further

research should be carried out on perception of green marketing by the industry players and consumers.

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APPENDICES

Appendix I: Introductory Letter

University of Nairobi
School of Business
Department of Business Administration
P.O. Box 30197
Nairobi.
4th September 2009.

Dear respondent,

RE: COLLECTION OF SURVEY DATA

I am a postgraduate student of the school of business university of Nairobi. In order to fulfill the MBA degree requirements I am undertaking management research project on an investigation on green marketing practices among pharmaceuticals manufacturing firms in Kenya.

Because of your important position in your company, you have been selected to form part of the study. I therefore kindly request you to provide the information sought by completing the attached questionnaire.

The information that you provide will be used exclusively for academic purpose. My Supervisor and I assure you that the information you give will be treated with strict confidence.

Your co-operation will be highly appreciated.

Yours Faithfully,

Samuel Thiong'o Mungai
Student MBA.

Mrs. Mary Kinoti
Project Supervisor

Appendix II: Questionnaire

Kindly answer the following questions by giving the necessary information in spaces provided

Part A

1. Name of your company
2.
3. Your name
4.
5. Your position in the Company.....
6. For how long have you been working in the pharmaceutical industry.....
7. For how long have you been working with the present company.....
8. Is your company
Wholly foreign owned?
Wholly locally owned?.....
Jointly owned?
9. For how long has your company been in existence?
.....
10. Is your company engaged in any other business? (a part from pharmaceutical business)
Yes [] No []
11. If yes, which are these other businesses?
.....
.....
.....

PART B

1. Have you heard of green marketing concept?

Yes []

No []

2. Explain briefly of your understanding of term green marketing?

.....
.....
.....
.....

3 Does your department adopt green marketing strategy?

.....
.....
.....
.....

4 Please indicate the level of importance that your department attaches to the following in relation to environment.

1 =very important, 2 = important, 3 = indifferent, 4 =least important, 5= Not important at all

(I) PRODUCT	1	2	3	4	5
(i) Products from your company meet specifications that are required by the law	[]	[]	[]	[]	[]
(ii) Product packaging that are environmental friendly	[]	[]	[]	[]	[]
(iii) Storage of products in a manner that quality is maintained	[]	[]	[]	[]	[]
(iv) Products packaging that is reusable/ recycleable	[]	[]	[]	[]	[]
(v) Products and products package materials that is biodegradable	[]	[]	[]	[]	[]

- | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (vi) Products production process does not harm the Environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (vii) Products production does not harm animals and humans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (viii) Products production wastes do not pollute the environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ix) Conserving energy, water and materials resources in production to avoid wastages and improve efficiency | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (x) Others(specify) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(II) PRICE

- | | (1) | (2) | (3) | (4) | (5) |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (i) A portion of product price goes to a worthy Environmental cause | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) The products price are affordable due to the efficient costs of production | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (iii) Customers are willing to pay extra for the 'greened' product | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (iv) The company correctly invoices for the services rendered | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (v) Others (specify) | | | | | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

(III) PLACE

	1	2	3	4	5
(i) Products from your company are delivered as per schedule to avoid spoilage and wastage	[]	[]	[]	[]	[]
(ii) Products from your company are delivered at the right quantities at at the right place at the right time	[]	[]	[]	[]	[]
(iii) Products while under distribution are stored in a manner that quality is maintained	[]	[]	[]	[]	[]
(iv) 'Stale' and expired products are recalled for disposal in an environmental friendly manner	[]	[]	[]	[]	[]
(v) Others (specify)					
.....	[]	[]	[]	[]	[]
.....	[]	[]	[]	[]	[]
.....	[]	[]	[]	[]	[]

(IV) PROMOTION

	(1)	(2)	(3)	(4)	(5)
(i) The promotion of your products depicts environmental concern	[]	[]	[]	[]	[]
(ii) Your company and products sponsor environmental conservation activities	[]	[]	[]	[]	[]
(iii) Promotion tools like posters, brochures and booklets are made from biodegradable and/recyclable materials	[]	[]	[]	[]	[]
(iv) The company participates in corporate social responsibility activities	[]	[]	[]	[]	[]

(v) The company promotes the culture of saving energy, water and resources in its operational activities

(vi) Others (specify)
.....
.....
.....

PART C

Please indicate the challenges that face your company when turning 'green'.		Yes	No
(i)	Financial costs of altering processes, products and waste management	[]	[]
(ii)	Consumer poor credibility of green products	[]	[]
(iii)	Consumer cynicism due to misleading or doubtful green claims	[]	[]
(iv)	Lack of factual information about green marketing	[]	[]
(v)	Company policies, regulations and culture	[]	[]
(vi)	Lack of government incentives	[]	[]
(vii)	Your competitors	[]	[]
(viii)	Your suppliers and purchasers	[]	[]
(ix)	Others(specify)	[]	[]
		[]	[]
		[]	[]

(x) Do you have any suggestions/comments that you deem to be important to this study?

.....

.....

.....

.....

.....

.....

.....

THANKS FOR YOUR CO-OPERATION AND TIME.

Appendix III: List of manufacturing pharmaceutical firms.

1. Beta Healthcare International
2. Biodeal Laboratories. Ltd.
3. Biomedical Co Ltd
4. Cosmos Ltd
5. Dawa Pharmaceuticals Ltd.
6. E.P.Dis Kenya Ltd.
7. Elys Chemical Industries Ltd.
8. Gesto Pharmaceuticals Ltd.
9. Glaxo Smithkline.
10. Infusion Kenya Ltd.
11. Jaskam and Company Ltd.
12. Laboratory and Allied
13. Mac's Pharmaceuticals Ltd.
14. Manhar Brothers Ltd.
15. Medivet Products Ltd.
16. Nairobi Enterprises Ltd.
17. Norbrook Kenya Ltd.
18. Novelty Manufacturing Ltd
19. Pharmaceuticals Manufacturing Ltd.
20. Regal Pharmaceuticals Ltd.
21. Sphinx Pharmaceuticals Ltd.