

**MARKETING MIX STRATEGIES ADOPTED BY PHARMACEUTICAL
COMPANIES IN KENYA**

BY,

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OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF
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DECLARATION

This is my original work and has not been presented for a study in any University or college.

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This project has been submitted for examination with my approval as the University supervisor

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Signature..........

DEDICATION

This project is dedicated to my mother (Hawa Maalim Ibrahim) who has been my key asset to success and supported me academically in my life. She gave me valuable strength and guidance to excel and achieve my dreams apart from the motherly care and struggle she went through to educate me. I humbly and kindly appreciate her support and prayers that led to the completion of this project within the stipulated timeframe.

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My special gratitude goes to my supervisor Dr. Justus Munyoki who tirelessly through his effort and initiative guided me through the whole process.

Above all, thanks to my God because of the unwavering provision, love and protection in all moment of lack and despair, fear and discouragement. Individually I take the formatting errors that would be spotted in this script.

I would like to acknowledge all the MBA students, colleagues, friends and my family especially for their moral and material support for the completion of this project.

ABSTRACT

In order to keep up with the competition and changing consumer needs and wants in the competitive business environment, pharmaceutical companies need to use effective marketing mix strategies in managing for them to survive. Changing consumer needs and business environment has necessitated pharmaceutical companies to adopt marketing mix strategies to gain competitive edge hence attracting and retaining customers. Product, price, place, promotion, People, process and physical evidence strategies have remained key roadmap of any successful pharmaceutical company. Adoption of effective marketing mix strategies promotes customer loyalty hence social economic developments in Kenya.

This was a descriptive cross-sectional study. The target population for this study was the staff at the marketing departments of the 43 pharmaceutical companies operating in Kenya. The study carried out a census of all the staff within the department of marketing in 43 pharmaceutical companies. This study utilized a questionnaire as the data collection tool. Data collected was analyzed through descriptive statistics with the help of SPSS.

It was established that quite a number of pharmaceutical companies use marketing mix strategies but on a little extent due to internal and external challenges in the business environment like high costs associated with marketing the pharmaceutical products, inadequate training of staff on customers care relations by the pharmaceutical firms and ineffective policies formulated by the Government and relevant authorities to promote the pharmaceutical industry. Therefore, the study recommends that pharmaceutical companies should embrace strategic marketing practices for their survival in the dynamic and competitive business environment through embracing information technology.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Marketing strategy is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future (Anderson, 2004). According to McDonald (2007), the aim of an organization's marketing strategy development is to establish, build, defend, and maintain its competitive advantage. Managerial judgment is of importance in coping with environmental ambiguity and uncertainty in strategic marketing (Gary, 2006). The function of marketing strategy deals with determining the nature, strength, direction, and interaction between the marketing mix-elements and the environmental factors in a particular situation (Armstrong, 2006).

Organizations continually seek new ways to acquire, retain and increase business, since the cost of losing customers is rising. Product and Service organizations such as pharmaceutical companies in Kenya need to put in place competitive marketing strategies to improve their competitiveness and thus retain customers. Once demand is created, a pharmaceutical company needs to manage this demand as well as its capacity to deliver (Kotler, 2003). While most of the pharmaceutical companies successfully employ a host of marketing strategies to target various types of customers, the current business and customer trends are continuously creating new challenges as well as opportunities for increasing profitability. If the pharmaceutical companies want to improve their Return-On-Investment (ROI), they have to adopt new communication technologies (digital media) along with their conventional sales force of medical representatives (Keller, 2006).

An appropriate marketing strategy for any pharmaceutical company would be to build on proven strategic marketing principles, along with a focus on changing customer behavior. Use of digital media through Internet marketing plan is the best marketing strategy that can provide the basis for a changed business model. To formulate a marketing strategy, it is also crucial to know the existing markets as well as emerging markets of pharmaceutical drugs (Gary, 2006).

Pharmaceutical companies in the world engage in providing more than one service to its customers. The companies identify gaps, which must be filled in order to meet customers' needs and they endeavor to fill these gaps by offering a range of services to them. They identify weakness in the market segment that are emerging, neglected or poorly served by competitors after which they select a strategy using the marketing mix as a resource (Kotler, 2003). Any competitive pharmaceutical company that wants to dominate a larger market share in Kenya should adopt effective marketing strategies in order to survive. Marketing strategy therefore, is a long-term response to the changing environment and involves fundamental decisions about how to match resources to that changing environment (Kotler and Keller, 2005).

To survive, Pharmaceutical companies have to differentiate themselves mainly by being as close to the customer as possible. Product marketing strategies have been developed in response to the tremendous increase of competitors in the pharmaceutical industry (Gary, 2006). The strategy that an organization implements is an attempt to match the skills and resources of the organization to the opportunities found in the External Environment. Kotler (2007) argued that decisions and actions taken will lead to the development of an effective marketing strategy which will help to achieve organizational objectives.

1.1.1 The Concept of Strategy

Scholes and Whittington (2005), strategy is what a company does and how it actually positions itself commercially and conducts the competitive battle. Any Organization cannot operate without a strategy because Strategy formulation is vital to the well-being of an organization. A strategy is needed by any organization that is faced with intelligent opposition that can affect the organizations desired outcome. Most firms operate in environments that are potentially vulnerable to competitive actions and so they need a strategy to determine the way in which they intend to compete in the market place (Hisrich, 2000).

Marketing plays a pivotal role in strategy development. In its strategic role, marketing consists of establishing a match between the firm and its environment. It seeks solutions to problems of deciding; what business the firm is in and what kinds of business it may enter in the future and how the chosen fields of endeavor may be successfully run in a competitive environment by pursuing product, price, promotion, and distribution perspectives to serve target markets (Pearce, 2007).

1.1.2 Marketing Strategy

Marketing strategy involves strategic situation analysis, designing marketing strategy, marketing program development, and implementing and managing marketing strategy. Moreover Morgan (1994) uphold that critical to the survival and success of smaller, entrepreneurial companies, is their ability to think and plan strategically, and the last purpose of all strategic marketing efforts is the development of a sustainable competitive advantage for the business (Hisrich, 2000).

Strategic marketing practices help organization to cope with increasing environmental turbulence and complexity, more intense competitive pressures, and the pace of technological change. It encompasses more than the four Ps namely: Product, Price, Place and Promotion but involves using a market oriented strategy (Hisrich, 2000). Kotler (2003) argues that segmentation, targeting and positioning which all can be effectively performed in companies of high market orientation is the essence of strategic marketing.

1.1.3 Pharmaceutical industry in Kenya

Kenya is currently the largest producer of pharmaceutical products in the Common Market for Eastern and Southern Africa 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 (Kenya National Bureau of Statistics, 2009).

These are categorized according to particular levels of outlet as free sales/ over the counter, pharmacy technologist dispensable, or pharmacist dispensable/ prescription only. The pharmaceutical 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 National Bureau of Statistics, 2009).

The pharmaceutical industry in Kenya is organized and implemented through a network of facilities organized in a pyramidal pattern. The network starts from dispensaries and health clinics/ posts at the bottom, up to the health centers, sub-district hospitals, district hospitals, and provincial general hospitals and at the apex there is the Kenyatta National Hospital, and more

recently the Moi Referral Hospital, Eldoret. The Ministry of Health is the major financier and provider of health care services in Kenya. Out of all the health facilities in the country, the MoH controls and runs about 52% while the private sector, the mission organizations and the Ministry of Local government runs the remaining 48%. The public sector controls about 79% of the health centers, 92% of the sub-health centers, and 60% of the dispensaries (Kenya National Bureau of Statistics, 2009).

The private sector is dominant in health clinics, maternity and nursing homes controlling 94% of the total while also controlling 86% of the medical centers in the country. In urban rural distribution, the health sector is faced with inequalities. 70% of urban population has access to health facilities within 4 km, as opposed to 30% of the rural population. The health sector in Kenya is one of the sectors that have experienced remarkable development in the recent years. The country has made great efforts in controlling diseases like Malaria, TB and Cholera while actively fighting the AIDS/HIV pandemic. Similar efforts have been made in controlling communicable diseases like poliomyelitis, neonatal tetanus and measles (Kenya National Bureau of Statistics, 2009).

The market for pharmaceutical products in Kenya is estimated at KShs 8 billion per annum. The government, through Kenya Medical Supplies Agency (KEMSA) is the largest purchaser of drugs manufactured both locally and imported, in the country. It buys about 30% of the drugs in the Kenyan market through an open-tender system and distributes them to government medical institutions (Central Bureau of Statistics, 2009). There are about 700 registered wholesale and 1.300 retail dealers in Kenya, manned by registered pharmacists and pharmaceutical

technologists. These pharmacies are accorded a 25% mark-up on retail drugs. Anti-infective products (chiefly antibiotics, anti-malarial, sulfonamides), analgesics, antipyretics, bronchial relaxants and cytotoxins account for the bulk of government and private sector purchases of medicines in the Country (Central Bureau of Statistics, 2009)

1.2 Research Problem

Marketing strategy is needed by any organization that is faced with intelligent opposition that can affect the organizations desired outcome. Most firms operate in environments that are potentially vulnerable to competitive actions and so they need effective marketing strategies to determine the way in which they intend to compete in the market place. Due to dynamic business environment, both small and large organization need to adopt marketing strategies to survive by attracting and retaining customers hence increased productivity (Woodward, 2004). Many pharmaceutical companies operating in Kenya do not adopt marketing strategies (Kimani, 2010).

Studies that have been carried out on marketing strategies used by pharmaceutical companies in the local and international markets indicate that marketing strategies help firms to adjust in the competitive and changing business environment (Keller, 2003). Woodward (2004) argues that marketing strategy is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the future. Pharmaceutical companies invest billions of dollars annually on marketing drugs they manufacture. They use methods such as direct to consumer marketing, physician speakers, representatives and catered foods while introducing products to a target audience (Kotler, 2003).

A study carried out in Europe by Blumberg (2001) on application of marketing strategies by pharmaceutical companies clearly indicate that, marketing strategies are essential to any competitive company. However, the study did not focus on developing e.g Kenya to identify marketing mix strategies adopted by pharmaceutical companies to survive. A study carried out by Kimani *et al* (2010) on marketing strategies adopted by micro and small medium enterprises sector in Kenya clearly indicate that, effective marketing strategies result to customer satisfaction and retention. However, it is evident that the study did not focus on marketing strategies adopted by pharmaceutical companies in Kenya.

A study carried out by Kiptugen (2003) looked at the marketing strategies adopted by Cooperative Societies established that proactive rather than reactive marketing strategies are the core drive of any competitive organization operating in the dynamic marketing environment. However, it is evident that the study did not focus on marketing strategies adopted by pharmaceutical companies in Kenya hence the study was geared towards financial aspects and not product aspects. Arising from the findings of the above studies, it is evident that, there are many areas about marketing strategies adopted by pharmaceutical companies that have been understudied. It is for this reason that the study seeks to establish the marketing strategies adopted by pharmaceutical companies in Kenya. The study will be guided by the following research questions:

- (i) What are the marketing strategies adopted by pharmaceutical companies in Kenya?
- (ii) What is the value of marketing strategies on pharmaceutical companies in Kenya?

1.3 Research Objectives

The following are the research objectives;

- i. To identify marketing strategies adopted by pharmaceutical companies in Kenya.
- ii. To establish the relative importance of marketing strategies on pharmaceutical companies in Kenya

1.4 Value of the Study

The research findings are expected to contribute to a better understanding of consumer changing tastes and preferences towards Pharmaceutical products/services in Kenya thus help various stakeholders to make strategic marketing decisions in order to survive in the competitive market. Pharmaceutical Companies will gain an In-depth understand of the needs of different customers thus come up with innovative drugs that meet individual needs will be achieved. This study will be of great benefit to Pharmaceutical Companies in that it would inform them more about the reaction of their target market towards their products hence continual improvement of their products.

The Government will be in a position to formulate policies that are aimed at increasing productivity and safeguarding their interests of pharmaceutical companies based on customer satisfaction. This will enhance their productivity and competitiveness and eventually improve the livelihood of the target market. The development partners who are usually interested at helping the Pharmaceutical Companies to prosper will have an understanding of a wide variety of factors that hinder the Pharmaceutical industry thus sustainability. These partners will be in a position to understand the challenges faced by the Pharmaceutical Companies and most probably come up with the appropriate measures to address those challenges.

Scholars and Researcher will form a basis upon which further research on the same will be based. The findings will enable the researchers understand the necessary resources which may be required in future related studies. The scholars and researchers who would like to debate or carry out more studies on marketing strategies used by Pharmaceutical Companies to manage customer satisfaction will find this study useful.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This Chapter outlines; the concept of marketing strategy, marketing mix strategies which include; product, price, promotion and place. Market Conditions in the Pharmaceutical industry. Effectiveness of Strategic marketing to Pharmaceutical companies and Strategic Marketing

2.2 The Concept of Marketing Strategy

According to Kotler *et al* (2007), marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It is an endeavour by a corporation to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting. For an organization, target consumers are at the centre of the marketing strategy (Harris, 2003). Changing consumer needs and business environment has necessitated pharmaceutical companies to adopt marketing strategies to survive hence attracting and retaining customers. Product, price, place, promotion. People, process and physical evidence strategies have remained key pillars of any successful pharmaceutical company. Adoption of effective marketing strategies promotes quality service delivery in the pharmaceutical industry.

Marketing mix strategy is a process where specific marketing elements are used to achieve an organization's or individual's objectives and satisfy the target market. This is achieved by using four tools such as Product, distribution, promotion and price. Besides the four Ps, services' marketing comprises more categories such as People, which means any person meeting customers. They are particularly important because, to the customers, their personal presentation creates either a positive or a negative impact to them. Because of this, they must be appropriately

trained, well-motivated and the right type of person assigned the duties (Harris, 2003).

Marketing effectiveness is not necessarily revealed by current marketing performance. Good results and growing sales may be due to the organization being in the right place at the right time rather than having effective marketing management. This is frequently the situation during the entrepreneurial phase of an organization's growth and development (Baron, 2003). The innovator frequently has considerable discretion in the market. At this stage the driving force is entrepreneurship rather than marketing.

With acceptance of the product or service in the market and with the rise in competition which normally accompanies the acceptance of a new product or service, performance becomes more marketing-dependent (Peter, 2007). In a competitive environment, especially where customers have learned how to respond to various offerings, the situation changes. Improvements in marketing in the organization might improve results while another organization might have poor results in spite of excellent marketing planning. It depends on how well the organization matches its own resources against those of the competition to attract and hold the loyalty of customers (Peter, 2007).

The marketing effectiveness of the organization in serving customers in the face of existing and potential competition is reflected in the degree to which it exhibits five major attributes of a marketing orientation; demonstrated customer philosophy, integrated marketing orientation, possesses adequate marketing information, adopts a strategic orientation and experiences a high level of operational efficiency. The performance of the organization on these individual

attributes may be used to indicate which elements of effective marketing action need most attention. It should be recognized, however, that this evaluation provides general information only but has the merit of obtaining an approximate measure of the orientation of the organization (Baron, 2003).

2.2.1 Product Strategy

Product strategy refers to all the goods and services a company offers to the market. Also products may comprise physical products, services, information, places, organizations or ideas that can be offered for attention, acquisition or consumption that might satisfy a want or a need. Products are classified in two categories; tangible and intangible products (Kotler 2005). The product is therefore more than a branded, packaged good offered for sale. Its definition has been widened to include services and benefits and the services that can be achieved from the product. This refers to a core product or service, which can be changed by adding features and options. It consists of multidimensional entities and benefits offered to customers.

In business-to-business markets, products satisfy buyers' wants or needs. The products should be developed to satisfy the group intended. Product should clearly define who the intended users are and the customer's preferences and needs. Through the product concept, the product idea can be analyzed through several concepts by considerations such as who will use the product, what are primary benefits and when it should be consumed (Kotler 2001).

Product strategy consists of elements such as packaging, branding labeling and product attributes that are of good quality, style, features and design. Strong brand preference is an added feature to the product. A product which is an object or a service is produced or manufactured on a large

scale with a specific volume of units. A successful new product is the result of careful marketing (Kotler and Keller 2009). A product has its concepts; brand, product line and product mix. A brand is a distinctive product offering created by use of a name, symbol, design, packaging or some combination of these intended to differentiate these from competitors. A product line is a group of brands that are related in terms of the functions and benefits they provide. Product mix strategy is a total set of products marketed by the company (Jobber 2004). The use of information technology influenced introduction and application of effective promotion methods that eased marketing of organization services in the target market. With the advancement of technology there have been new channels of selling products, and this has also provided consumers with a good quality of the products, this is due to high rate of competition. The product information can be accessed easily (Turban, 2004).

The consumers can sort products based on any desired attribute. IT has made the companies to be flexible in changing and managing their portfolios of options and products. Another impact is that IT has significantly reduced transaction cost, thus making products cost cheaper and ease of doing business and actual product improvement (Strauss, 2006). The use of information technology increases the pace of product development and this facilitates effective marketing of communication services. The evolution and introduction of more effective communication services is greatly influenced by development of new information communication technology. New product development leads to a wide product range that influences attraction and retention of many customers. Lack of product development leads to loss of market share as the few products do not satisfy many customers' interests. This also negatively affects marketing of communication services in various market segments (Turban, 2004).

2.2.2 Place Strategy

Place or distribution strategy involves delivering of products or services to the final user. The channel of distribution is very important to be considered depending on the size of the company and the nature of the product (Strauss, 2006). It should also be estimated on whether to sell directly to the consumer or use intermediaries such as wholesalers and retailers. Cost is the most important factor to be considered when deciding on the distribution channel. Proper distribution planning which means a systematic distribution decision making process is also important for effectiveness and cost reduction (Baron, 2003).

The distribution channel needs to be designed and monitored frequently to withstand changes in the market and to reduce channel problems resulting from inefficiency using features such as transportation and storage in the market place (Chaffey 2002). Distribution chain or the channels refer to the stages involved in delivering the product to the market. Each of the elements in these stages has specific needs it meets for both the seller and the end user and are very important to be considered especially by the producer because the main objective is to satisfy the needs of the customers (Strauss, 2006). There are different types of these channels such as selling direct to the consumer, wholesalers who sell in bulk and retailers who sell the products in smaller units to the customers. There are two basic types of channels, a direct channel of distribution and indirect channel of distribution (Blythe, 2006).

Direct involves the movement of goods and services from producer to consumers without the use of independent intermediaries. It is mostly preferred by companies that want control over their entire marketing programs, desire close customer contact and have limited target markets. An

indirect channel of distribution involves the movement of goods and services from producer to independent intermediaries to consumers and is usually used by companies that want to enlarge their markets, raise sales volume, reduce distribution functions and costs, and are willing to waive some channel control and customer contact (Baron, 2003).

2.2.3 Promotion Strategy

Promotion strategy is important because the consumers are informed about the new products and their attributes before they develop positive attitudes toward them. For the goods and services in the market, promotion acts as a way to persuade and informing the end users so that they attain the product knowledge and hence like the product. A Satisfied customer will send word-of-mouth to the others thereby increasing the demand of the product. A good promotion involves product, distribution and price components of marketing. (Evans and Berman 1994)

A business total marketing communications programme is called the "promotional mix" and consists of a blend of advertising, personal selling, sales promotion, brand management, product placement and public relations tools. It has been established that many companies apply these promotion mix elements in order to increase sales revenue (Strauss, 2006). Decline in sales revenue has been a result of poor implementation of the most effective promotion mix elements. Each of the applied promotional mix elements has strengths and weakness and it should be the company management's responsibility to determine the most effective pro- motion mix element that will increase sales revenue (Blythe, 2006).

2.2.4 Price Strategy

Price represents the value of a good or service for both the seller and the buyer. In order for it to be of importance there has to be a defined price planning which means a systematic decision-

making relating to all aspects of pricing by a company involving both tangible and intangible factors, purchase terms, and the non-monetary exchange of goods and services. It is the only element in the marketing mix that produces revenue; the others produce costs. Price balances demand and supply because it makes the buyer and the seller agree on a certain value for goods and services (Peter, 2007).

Price is one of the positioning methods and should be implemented in relation to target market, product mix, services and competition. Price should involve all the cost, otherwise companies will incur losses. Therefore, the management and the managers should understand how to set the price by considering lost margin and lost sales. Also factors such as demand, competition, distribution channels, internal environment and public authorities affect price setting (Woodward, 2004).

Understanding how to set a price is an important aspect of marketing decision-making because of changes in the competitive market that many believe will act to decrease prices in many countries. Developing a coherent pricing strategy assumes major significance (Jobber 2004). Pricing decisions include determining the overall level of prices (low, medium, or high), the range of the prices (lowest to highest), the relationship between price and quality, the emphasis to place on price, how to react to competitors' prices, when to offer discounts, how prices are computed and what billing terms to implement such as cash or credit policy (Olson, 2005).

Pricing strategy occurs when a company sets goods or service prices and seeks to maintain them for a period. Price does not change for a given period. It is used for items such as candy, gum,

magazines and restaurant food. Rather than modify prices to reflect cost increases, a company may decide to reduce package size or change ingredients. The consumers will tend to prefer these alterations to price increment. Odd pricing is used when selling prices are set at levels below currency values for instance dollar or Euro. It is a popular strategy for several reasons (Jobber 2004).

Consumers like obtaining change, they also gain an impression that the company thinks carefully about prices and sets them as low as possible and customers may believe that odd prices represent price reduction. Prestige pricing is a pricing strategy that indicates consumers may not buy a product when the price is low. Many people tend to associate price and quality and perceive that a high quality product should be expensive (Blythe, 2006).

People will buy a premium priced product because they believe the high price is an indication of good quality and a sign of self-worth. It indicates their success and status. It is a signal to others that they are a member of an exclusive group. In psychological pricing, the consumers are sensitive to certain prices and tend to avoid purchasing products decreasing the demand. Customary, odd and prestige pricing strategies are all forms of psychological pricing (Peter, 2007). According to Kotler (2001) technology is taking us back to an era of negotiated pricing. The internet, corporate networks, and wireless setups are linking people, machines, and companies around the globe connecting sellers and buyers than before. Websites such as compare, Net and priceScan.com allow buyers to compare products and prices quickly and easily. Price is one of the flexible elements and can be changed quickly (Peter, 2007). The pricing power has changed from companies to consumers e.g. in auction homes such as

ebay.com and priceline.com, the customer proposes the price to the company. IT has also reduced many transactions, hence lowering the prices. This is also due to intense competition. It provides comparative price information that may reduce the cost. Concerning the consensus over competition on the internet, it has also created the issue of price discrimination, whereby the seller can charge different prices to different consumers for the same product (Peter, 2007).

2.2.5 Physical evidence

It involves elements within the store, the store front, the uniforms employees wear, and signboards that assure customers about quality services provided by the organization. The physical layout and appearance of employees of an organization serve as evidence to potential prospects of goods and services in a market (Woodward, 2004).

2.2.6 People

It involves employees of the organization with whom customers come into contact with.

Courteous employees with a mix of skills to handle customer complaints and give long term solutions are key resource to any competitive organization (Woodward, 2004)

2.2.7 Process

It involves processes and systems within the organization that affects its marketing process, production and distribution of products and services. Integration of modern technology in production, marketing and distribution contribute to efficiency and effectiveness of organization in the competitive business environment (Kotler, 2001).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the design and the methodology of the research study. Research design includes some of the major decisions in research methodology that the researcher makes in conducting the study, some of the important decisions included, sampling methods, data collection and data analysis. The methodology includes using logical methods in collecting data, determining a target population, sampling design, data collection methods and techniques and data analysis methods.

3.2 Research design

This study adopted descriptive method that took on a cross-sectional survey design aimed at establishing the marketing practices adopted by pharmaceutical companies in Kenya. A descriptive study was concerned with finding out the what, where and how of a phenomenon and a cross-sectional survey design was chosen since in cross-sectional surveys, data was collected at one point in time from sample selected to represent a larger population (Mugenda, 2003).

3.3 Target population

The target population was included the all the 43 pharmaceutical companies operating in Kenya. The researcher therefore focused on all the 43 pharmaceutical companies as a census study.

3.4 Data collection

Primary data was collected using semi-structured questionnaires with both close-ended and open-ended questions. The respondents of the study were selected from field marketing team of

the 43 pharmaceutical companies (see appendix iii). One respondent was selected from each pharmaceutical company and 43 respondents were interviewed. Collection of secondary data was achieved through published materials, which will be obtained from sales records and company financial statements.

3.5 Validity and Reliability of Research Instrument

Validity of the research instrument was determined through seeking opinions of experts in the field of study especially in the department of Business Administration in the University of Nairobi. This facilitated the necessary revision of the research instrument.

Reliability of the research instrument was enhanced through a pilot study that was carried on 2 pharmaceutical companies operating in Nairobi, Kenya.

3.6 Data Analysis

The completed questionnaires were edited for completeness and consistency. The data collected was summarized, edited, coded and classified into various categories according to the answers given by the respondents. Descriptive statistics was used to determine measures of central tendency such as mean scores and measures of dispersion such as variance and standard deviation. Cross tabulation method was done to relate the various factors under analysis. The data collected and analyzed was presented in the form of tables, frequencies, and percentages.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter summarizes the major findings of this study. This study sought to find out Marketing mix strategies adopted by Pharmaceutical companies in Kenya. In addition, this chapter provides a direction for further studies and also gives some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher to 43 respondents.

4.2 Position of the Respondents

Table Respondents were asked to indicate their positions in their pharmaceutical companies and indicated as shown in the Table 4.1:

Table: 4.1 Position of the Respondents

Position of the Respondents	Frequency	Percentage (%)
Sales Representative	16	33
Marketing Managers	10	27
Sales Managers	7	19
Business Development Managers	4	9
Advertisement Managers	3	5
Event and Promotion Managers	3	5
Total	43	100.0

Source: Research data.

33% of the respondents were field sales representatives of the pharmaceutical companies. They represented their companies in different territories in relation to customer service management.

27% of the respondents were marketing managers, 19% of the respondents were sales managers. 9% of the respondents were business development managers and 5% were advertisement managers and event and promotions managers.

4.3 Respondent level of education

Respondents were asked to indicate their education level and indicated as shown in the Table 4.2:

Table 4.2 Respondent level of education

Respondent Level of Education	Frequency	Percentage (%)
Degree holders	32	70
Masters degrees holders	8	19
Diploma holders	3	11
Total	43	100.0

Source: Research data.

4.2, 70% of the respondents were degree holders who worked as sales representatives of the pharmaceutical companies. 19% of the respondents were holders of masters' degrees in business administration and 11% of the respondents were diploma holders.

4.4 Working experience

Respondents were asked to indicate their working experience in their pharmaceutical companies and indicated as shown in the Table 4.3:

Table 4.3 Working experience of Respondents

Working experience	Frequency	Percentage (%)
Above 5 years	18	40
4-5 years	12	34
2-3 years	9	21
Less than 1 year	4	5
Total	43	100.0

Source: Research data.

40% of the respondents interviewed had a working experience of 4-5 years with their pharmaceutical companies. 34% of the respondents indicated that they had an experience of more than 5 years with their pharmaceutical companies. 21% of the respondents indicated that they had an experience of 2-3 years with their pharmaceutical companies and 5% of the respondents indicated that they had less than 1 year experience with their pharmaceutical companies.

4.5 Duration of Company Operation

Respondents were asked to indicate the duration their pharmaceutical companies operated and indicated as shown in the Table 4.4

Table 4.4 Duration of Company Operation

Duration of Company Operation	Frequency	Percentage (%)
5-10 years	15	35
11-15 years	13	31
Less than 5 years	9	16
Over 20 years	6	7
Total	43	100.0

Source: Research data.

35% of the respondents indicated that their companies have been operating in the market for a period of 5-10 years. 31% of the respondents indicated that their companies have been operating in the market for a period of 11-15 years. 16% of the respondents indicated that their companies have been operating in the market for a period of less than 5 years and 7% of the respondents indicated that their companies have been operating in the market for a period of over 20 years.

4.6 Size of the Company

Respondents were asked to indicate the size of their pharmaceutical companies and indicated as shown in the Table 4.5:

Table 4.5 Size of the Company

Size	Frequency	Percentage (%)
Large sized company	16	37.2
Medium sized company	24	55.8
Small sized company	3	7.0
Total	43	100.0

Source: Research data.

As shown in Table 4.5, 56% of the respondents interviewed indicated that the size of their pharmaceutical companies can be classified as medium sized company. 37% of the respondents indicated that their companies can be classified as large sized company and 7% of the respondents indicated that their companies can be classified as small sized company.

4.7 Impact of marketing strategies to an organization

Respondents were asked to indicate contribution of the marketing strategies to their pharmaceutical companies and they indicated as shown in the Table 4.6:

Table 4.6 Contribution of Marketing strategies

Impact	Frequency	Percentage (%)
Increase sales	11	25.6
Satisfying customers	11	25.6
Communicating	6	14.0
Developing brand equity	2	4.7
Developing new product	2	4.7
Analyzing new markets	4	9.3
Facing competition	7	16.3
Total	43	100.0

Source: Research data.

As shown in Table 4.6, 26% of the respondents interviewed indicated that the major contribution of marketing strategies to their pharmaceutical companies is to increase sales and satisfy customers in the market. 16% of the respondents indicated that marketing strategies help their companies to face competition in the market. 14% of the respondents indicated that marketing strategies help their companies to communicate with their customers effectively and 5% of the respondents indicated that marketing strategies enable them develop brand equity and develop new products.

4.8 Product strategies

Respondents were asked to rate the extent of using product strategies within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.7:

Table 4.7 Extent of using marketing strategies

Marketing strategies	N	Minimum	Maximum	Mean	Std. Deviation
Repositioning based strategy	43	1	5	4.30	.674
Customized product strategy	43	1	5	3.81	1.452
Brand personality	43	1	5	3.63	1.512
Product size	43	1	5	3.56	1.368
New product development approach	43	1	5	3.56	1.485
Product shape	43	1	5	3.49	1.242
Product colour strategy	43	1	5	3.40	1.198
Product quality	43	1	5	3.35	1.429
Offering multiple product choices	43	1	5	3.28	1.351
Product taste strategy	43	1	5	3.23	1.509
Brand based product strategy	43	1	5	3.19	1.484
Total	43				

Source: Research data.

As shown in Table 4.7, repositioning product strategy was used at a very large extent with a mean of (4.30) in their pharmaceutical companies in order to change customer attitude toward their products and services hence increase in the volume of sales and profit. Customized product strategy was ranked second by respondents with a mean of (3.81) to encourage customers to purchase more products. Brand personality strategy was ranked third with respondents with a mean of (3.63) to persuade customers purchase more by associating the product with successful sports and media personalities. Since people tend to associate the success of product with famous celebrities, there was a tendency of stimulating buying behaviour of the mass market towards their products. Product size strategy and New product development approach strategy were ranked fourth with a mean of (3.56) to influence customers to purchase in bulky and to enter new

market segments due to changing customer needs. Product shape strategy was ranked sixth by respondents with a mean of (3.49) to change customer perceptions.

Product colour strategy was ranked seventh with a mean of (3.40) to change customer tastes and preferences. Product quality strategy was ranked eighth with a mean of (3.35) to attract and retain customers. Offering multiple product choices strategy was ranked ninth with a mean of (3.28) to cater for different consumer needs in the market in relation to their income levels. Product taste strategy was ranked tenth with a mean of (3.23) to increase consumption rates of the products among children and adults. Brand based product strategy was ranked eleventh with a mean of (3.19) to enhance recall of the product among customers easily hence brand equity and customer loyalty.

4.9 Pricing strategies

Respondents were asked to rate the extent of using pricing strategies within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.8:

Table 4.8 Extent of using Pricing strategies

Pricing strategies	N	Minimum	Maximum	Mean	Std. Deviation
Market penetration pricing	43	3	5	4.58	.731
Customary pricing	43	2	5	4.44	1.053
Discount pricing	43	2	5	4.21	1.125
Market skimming pricing	43	2	5	4.00	.926
Location focused pricing	43	2	5	3.84	.949

Time based pricing	43	1	5	3.79	1.355
Total	43				

Source: Research data.

As shown in Table 4.8, Market penetration pricing strategy was ranked first by respondents with a mean of (4.58) to persuade customers to buy newly introduced product (drugs) in the market. Customary pricing strategy was ranked second with a mean of (4.44) to promote loyalty among customers and long term relations. Discount pricing was ranked third with a mean of (4.21) to encourage bulky buying among customers hence increased volume of sales. Market skimming pricing strategy was ranked fourth with a mean of (4.00) to enable their companies maximize on profits from well established segments in the market. Location focused pricing was ranked fifth with a mean of (3.84) to encourage customers to buy products conveniently. Time based pricing strategy was ranked sixth with a mean of (3.79) to increase volume of sales and profits.

4.10 Promotion Strategies

Respondents were asked to rate the extent of using promotion strategies within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.9:

Table 4.9 Extent of using Promotion Strategies

Promotion Strategies	N	Minimum	Maximum	Mean	Std. Deviation
Telephone handling	43	3	5	4.58	.731
Newspapers	43	2	5	4.56	.908
Sponsorships	43	3	5	4.53	.767
Television	43	2	5	4.44	1.053
Demonstration	43	3	5	4.30	.674
Billboards	43	3	5	4.26	.658
Radio	43	2	5	4.21	1.125

Website	43	2	5	4.09	.971
Exhibitions	43	1	5	4.05	1.154
Personal selling	43	2	5	4.00	.926
Office setting	43	2	5	3.84	.949
Flyer and brochure	43	1	5	3.79	1.355
Total	43				

Source: Research data

As shown in table 4.9, respondents indicated that telephone handling strategy was used at a very great extent with a mean of (4.58) due to its efficiency and effectiveness in terms of cost compared to other means. Newspapers strategy was ranked second by respondents with mean of (4.56) to access well informed markets. Sponsorships strategy was ranked third with a mean of (4.53) to create awareness of pharmaceutical products in the local and foreign markets. Television promotional strategy was ranked fourth with a mean of (4.44) to create awareness and generate demand of pharmaceutical products to mass markets. Demonstration strategy was ranked fifth with a mean of (4.30) to enable pharmaceutical companies change customer attitudes and perceptions towards the pharmaceutical products and services. Billboards promotion strategy was ranked sixth with a mean of (4.26) to create awareness to mass markets about pharmaceutical products.

Radio promotion strategy was ranked seventh with a mean of (4.21) to stimulate demand of pharmaceutical products to local markets and create awareness of pharmaceutical products and services. Website promotion strategy was ranked eighth by respondents with a mean of (4.09) to access young generation customers thus creating awareness of pharmaceutical products and services. Exhibitions promotion strategy was ranked ninth with a mean of (4.05) to change customer perception and attitudes toward pharmaceutical products. Personal selling was ranked tenth with a mean of (4.00) to change customer attitudes towards pharmaceutical products.

Office setting was ranked eleventh with a mean of (3.84) to promote confidence and assurance to customers. Flyer and brochure was ranked last with a mean of (3.79) to create awareness of pharmaceutical products.

4.11 Distribution strategies

Respondents were asked to rate the extent of using brokers as distribution strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.10:

Table 4.10 Extent of using brokers as distribution strategy

Extent	Frequency	Percentage (%)
Great extent	4	53.6
Moderate extent	5	25.6
Little extent	23	11.6
No extent	11	9.3
Total	43	100.0

Source: Research data

As shown in Table 4.10, 54% of the respondents indicated that brokers are used at a great extent to distribute their products in the market in order to minimize costs. 26% of the respondents indicated that they use brokers at a moderate extent to distribute their products in the market to penetrate remote areas. 12% of the respondents indicated that they use brokers at a little extent to distribute their products due to convenience to co customers. 9% of the respondents indicated that they do not use brokers to distribute their products due to poor customer services of brokers.

Respondents were asked to rate the extent of using personal selling as a distribution strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very

great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.11:

Table 4.11 Extent of using personal selling as a distribution strategy

Extent	Frequency	Percentage (%)
Great extent	4	9.3
Moderate extent	5	11.6
Little extent	7	16.3
No extent	27	62.8
Total	43	100.0

Source: Research data.

As shown in Table 4.11, 63% of the respondents indicated that they do not use personal selling as a strategy of distribution due to unfaithfulness of the personnel to the customers. Most of the personnel may represent more than one pharmaceutical company thus poor customer loyalty. 16% of the respondents indicated that they use personal selling as a strategy of distribution at a little extent in order to change customer attitudes. 12% of the respondents indicated that they use personal selling as a strategy of distribution at a moderate extent in order to persuade customers to purchase products easily and 9% of the respondents indicated that they use personal selling as a strategy of distribution in order to keep close relationship with their customers in the market.

Respondents were asked to rate the extent of using retailers as a distribution strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.12:

Table 4.12 Extent of using retailers as a distribution strategy

Extent	Frequency	Percentage (%)
Great extent	4	74.4
Little extent	7	16.3
No extent	32	9.3
Total	43	100.0

Source: Research data

As shown in Table 4.12, 74% of the respondents indicated that they use retailers as a distribution strategy at a great extent for wide coverage of the market. 16% of the respondents indicated that they use retailers as a distribution strategy at a little extent to minimize costs of distribution and 9% of the respondents indicated that they do not use retailers at all due to exploitation of customers in terms of prices

Respondents were asked to rate the extent of using mail order as a distribution strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent.

These ratings are presented in Table 4.13:

Table 4.13 Extent of using mail order as a distribution strategy

Extent	Frequency	Percentage (%)
Great extent	2	4.7
Moderate extent	2	4.7
Little extent	24	55.8
No extent	15	34.9
Total	43	100.0

Source: Research data

As shown in Table 4.13, 35% of the respondent indicated that they do not use mail order as a distribution strategy since it is not effective to reach the intended customer. 56% of the

respondents indicated that they use mail order as a distribution strategy at a little extent to access customers who do not access print media adverts while 5% of the respondents indicated that they use the mail order strategy on a great and moderate extent since it is relatively cheaper and personalized to individual needs and wants.

Respondents were asked to rate the extent of using distributors as strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.14:

Table 4.14 Extent of using distributors as a distribution strategy

Extent	Frequency	Percentage (%)
Great extent	2	4.7
Moderate extent	2	4.7
Little extent	8	18.6
No extent	31	72.1
Total	43	100.0

Source: Research data

As shown in Table 4.14, 72% of the respondents indicated that they do not use distributors in their channel of distribution due to customer relations issues. 19% of the respondents indicated that they use the strategy on a little extent in order to access customers without difficulty while 5% of the respondents indicated that they use distributors as a strategy of distribution on a great and moderate extent in order to avoid inventory management costs.

Respondents were asked to rate the extent of using wholesalers as strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent,

4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.15:

Table 4.15 Extent of using wholesalers as a distribution strategy

Extent	Frequency	Percentage (%)
Great extent	33	76.7
Little extent	8	18.6
No extent	2	4.7
Total	43	100.0

Source: Research data.

As shown in Table 4.15, 77% of the respondents use wholesalers as a distribution strategy in order to access customers in various territories of market segments. 18% of the respondents indicated that they use the strategy on a little extent to minimize storage costs and 5% of the respondents indicated they do not use the strategy at all due to customer relations issues. Therefore they deal with their customers directly.

Respondents were asked to rate the extent of using people as strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.16:

Table 4.16 Extent of Using People Strategy

PEOPLE STRATEGIES	N	Minimum	Maximum	Mean	Std. Deviation
Employing knowledgeable and experienced staff	43	1	5	4.22	988
Training staff on customer care relations	43	3	5	4.00	775
Total	43				

Source: Research data

As shown in Table 4.16, respondents indicated that they use knowledgeable and experienced staff at a very great extent, which has a mean of (4.22) so as to attract and retain customers. While using trained staff to serve customers is used at a great extent, which has a mean of (4.00) to maintain customers' relations.

Respondents were asked to rate the extent of using process as strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent, 4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.17:

Table 4.17 Extent of Using Process Strategies

PROCESS STRATEGIES	N	Minimum	Maximum	Mean	Std. Deviation
E-procurement	43	1	5	4.22	988
E-marketing of services	43	3	5	4.00	775
E-form applications	43	3	5	3.66	530
Total	43				

Source: Research data.

As shown in Table 4.17, respondents indicated that they use e-procurement strategy at a very large extent, which has a mean of (4.22) as a way of efficiency and effectiveness in terms of serving customers. E-marketing strategy is used at great extent, which has a mean of (4.00) to access prospects cost effectively than the print media. E-forms application strategy is used at a moderate extent, which has a mean of (3.66) to minimize costs.

Respondents were asked to rate the extent of using physical evidence as strategy within their pharmaceutical companies. They rated them on a scale of 1 to 5 with 5- being very great extent,

4-being great extent, 3-being moderate extent, 2-being little extent and 1- being no extent. These ratings are presented in Table 4.18:

Table 4.18 Extent of Using Physical Evidence strategy

PHYSICAL EVIDENCE STRATEGY	N	Minimum	Maximum	Mean	Std. Deviation
Neat and presentable employees	43	1	5	3.78	1.037
Marketing materials	43	1	5	3.73	.975
Decent office layouts/branding	43	1	5	3.73	.975
Total	43				

Source: Research data.

As shown in Table 4.18, respondents indicated that neat and presentable employees' strategy is used at a very great extent, which has a mean of (3.78) to attract and assure customers of quality services. Marketing materials and decent office layout strategies are used at a great extent, which have a mean of (3.73) to instill a sense of quality assurance and confidence to potential customers.

CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSIONS AND

RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of this study. This study sought to find out marketing mix strategies adopted by pharmaceutical companies in Kenya. In addition, this chapter provides a direction for further studies and also gives some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher. Both primary and secondary information was used to determine the results findings of the study.

5.2 Summary

This study sought to establish the marketing mix strategies adopted by pharmaceutical companies in Kenya. Marketing strategies are crucial for every business for it to survive the current economic turbulent and environmental challenges. To gain competitive edge in the dynamic business environment, large and small firms should adopt marketing strategies for survival.

To achieve objectives like profit maximization, offsetting costs of operations, business survival and gaining competitive advantage in the market through branding, segmentation and product/service positioning, emphasizing should be put on the marketing mix strategies by companies which include; product strategy, pricing strategy, promotion strategy, distribution strategy, people strategy, process strategy and physical evidence. The study established that most of the product strategies are not fully implemented due costs associated in developing new

products and redesigning the existing products and services. The study established that most of the distributions used by pharmaceutical companies are ineffective since brokers tend to exploit customers in terms of price hence affecting reputation and image of pharmaceutical companies in the market. The study established that quite a number of promotional strategies that are used by pharmaceutical companies involve high costs that make it difficult for insurance companies to use them frequently.

The study established that most of the pharmaceutical companies have not fully integrated information and communication technology in their marketing practices due to inadequate support from the government. It was established that e-marketing remains a big challenge to customers even though is a cost effective strategy to many firms. Study found out that most customers do not have confidence in e-commerce practices due to little knowledge on information technology in relation to buying and selling of goods and services.

This study also established a number of marketing strategies are adopted but several challenges are encountered including inadequate funds to conduct marketing campaigns and employ adequate staff members with knowledge and experience to perform effectively. Thus, this result to appointment of brokers who provide poor quality services to customers and exploit them in terms of price. The study established that quite a good number of the pharmaceutical companies use quite a number of marketing mix strategies to gain competitive edge in the market but on a minimal extent due to internal and external challenges and changing consumer needs and wants.

5.3 Discussions

It is evident that marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives in the dynamic business environment. It is an endeavour by a corporation to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting (Kotler *et al*, 2007).

For any organization, target consumers are at the centre of the marketing strategy. Changing consumer needs and business environment has necessitated pharmaceutical companies to adopt marketing strategies to survive hence attracting and retaining customers. Product, price, place, promotion. People, process and physical evidence strategies have remained key pillars of any successful pharmaceutical company. Adoption of effective marketing strategies promotes quality service delivery in the pharmaceutical industry (Harris, 2003).

Effective marketing strategies provide long term direction of an organization in the competitive business environment thus competitive edge against competitors in the pharmaceutical industry. Marketing effectiveness is not necessarily revealed by current marketing performance. Good results and growing sales may be due to the organization being in the right place at the right time rather than having effective marketing management (Baron, 2003). In a competitive environment, especially where customers have learned how to respond to various offerings, the situation changes. Improvements in marketing in the organization might improve results while another organization might have poor results in spite of excellent marketing planning. It depends on how well the organization matches its own resources against those of the competition to attract and hold the loyalty of customers. Marketing strategies have remained the blue print of any global company in the competitive market (Peter, 2007).

5.4 Conclusions

The findings indicate that pharmaceutical companies endeavor to achieve some competitive advantage over their competitors in such a stormy environment by using different marketing mix strategies which include; product strategy, pricing strategy, promotion strategy, distribution strategy, people strategy, process strategy and physical evidence. These pharmaceutical companies have also understood the value of marketing mix strategies in the management of service quality among customers but less emphasize is put due to inappropriate policies developed by the Government and regulating authorities like Ministry of health to support the pharmaceutical industry and sensitize the public on the value of the Pharmaceutical products.

It is concluded that if a proper mechanism is put in place with regard to investment in marketing by pharmaceutical companies operating in Kenya, pharmaceutical companies will gain competitive advantage in the market thus contributing to social economic developments in Kenya. Training of pharmaceutical staff, capital advancement and in reasonable terms, good business operating environment and good business practices, the pharmaceutical industry will contribute to social economic developments of the Kenyan people.

5.5 Limitations of the Study

The staffs of pharmaceutical companies were usually very busy and therefore they required a lot of time in order to fill in the questionnaires. The challenge was overcome by giving the respondents the questionnaires at the right time. Inadequate financial resources affected the results of the study. Accommodation and stationary costs delayed the exercise but early preparation and support from well-wishers and development partners made the study a reality.

Getting accurate information from the respondents was one of the major challenges since some

of the workers were threatened that the information may be used against them by the management in the terms of performance hence insecurity of their jobs. The challenge was minimized by assuring the respondents of confidentiality of the information they gave. Most of the respondents were unwilling to give the information due to negative perception of the study. The challenge was minimized by giving incentives to respondents in order to get positive response and accurate information.

The location in distance and terrain while trespassing Nairobi county proved to be a bone of contention coupled with dusty grounds which posed a danger to personal health as far as common colds are concerned. Effective means of transport were sought by using a private car to access each insurance company at the right time without delay. it was time consuming.

5.6 Recommendations

5.6.1 Policy Recommendations

The study found out that quite a number of marketing strategies used by the pharmaceutical companies are applied ignorantly without adequate knowledge and understanding of the target market. Therefore, this study recommends that pharmaceutical companies should embrace strategic marketing practices for their survival in the dynamic and competitive business environment. The study found out that little emphasize is put on promoting pharmaceutical services/products hence slow response from the target market. Therefore, this study recommends that the government recognizes the importance of the pharmaceutical industry and formulate legislation that support and promote the pharmaceutical sector in Kenya hence social economic developments. All pharmaceutical companies operating in Kenya need to be regulated and monitored effectively in their activities by the Ministry of health and Kenya Bureau of Standards

to deliver quality products to their customers.

The study found out that most of the pharmaceutical companies employ untrained staff with inadequate knowledge about quality customer services. It is therefore recommended that the government to put in place legislation that enables pharmaceutical staff to access quality education hence creativity and new product development in the pharmaceutical sector. The study found out that e-marketing concepts have not been fully been utilized by pharmaceutical companies operating in Kenya for efficiency and effectiveness.

This study therefore recommends that the government to come up with policies that enhance Communication technology especially in the advent of recent interconnectivity through the undersea cables which has enabled faster internet services through fiber optic cable among major towns in Kenya and is perceived to be faster and could be of great benefit if connected with rural towns and markets for sufficient market information concerning the pharmaceutical products.

5.6.2 Suggestions for Further Research

Future studies should attempt to explore the reasons behind the low adoption of marketing mix strategies in the pharmaceutical industry. Researchers should go ahead and establish the reasons behind the failure of pharmaceutical companies to manage service quality among customers hence establish long term solutions in the pharmaceutical industry in Kenya in terms of new product development and quality customer delivery.

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APPENDICES

Appendix I: Introductory Letter

**Mohamed Issack Abdi,
C/o university of Nairobi,
P.o box 30197-00100,
Nairobi.
Kenya.**

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: RESEARCH STUDY

I am a student pursuing for a Masters degree in Business Administration at the University of Nairobi. In partial fulfillment of the requirements to the award of the Masters degree, I am required to carry out a research and write on "Marketing strategies adopted by pharmaceutical companies in Kenya"

I kindly request your assistance by availing your time to respond to the questionnaire. A copy of the final report will be made available to you at your request.

Yours faithfully,

STUDENT

MOHAMED ISSACK ABDI

Sign.....

SUPERVISOR

DR. JUSTUS MUNYOKI

Sign.....

Appendix II: Questionnaire (For Employees of Pharmaceutical Companies in Kenya only)

SECTION A: Demographic Data of Employees

Please supply the required data by filling in the blanks where space is provided or by ticking against the most appropriate answer.

Respondents name..... [Optional]

1. What is your position in this organization?

- a) Sales Manager []
- b) Advertising manager []
- c) Business development manager []
- d) Marketing Manager []
- e) Event and Promotion Manager []
- f) Field Sales Representative []

2. Please indicate your highest academic level

- a) Diploma []
- b) Degree []
- c) Post graduate []

3. For how long have you worked in this organization?

- a) below 1 year []
- b) 2 – 3 years []
- c) 4 – 5 years []
- d) Above 5 years []

SECTION B: Organizational Demographics

4. For how long has this company been operating in Kenya?

- a) Less than 5 years []
- b) 5 – 10 years []
- c) 11 – 15 years []
- d) 16 – 20 years []
- e) Over 20 years []

5. What is the size of your company in terms of market share?

- a) Large sized company []
- b) Medium sized company []
- c) Small sized company []

6. What are the contributions of adopting marketing strategies to your company?

- a) Increasing sales []
- b) Satisfying customers []
- c) Communicating []
- d) Developing brand equity []
- e) Developing new product []
- f) Analyzing new markets []
- g) Facing competition []

SECTION C: Marketing Strategies

7. To what extent does your firm apply the following marketing strategies?

MARKETING STRATEGIES	Very Great Extent [5]	Great Extent [4]	Moderate Extent [3]	Little Extent [2]	No Extent [1]
PRODUCT STRATEGIES TO IMPROVE:					
Product taste					
Product colour					
Product shape					
Product size					
Brand personality					
Product quality					
Brand based product strategy					
Offering multiple product choices					
New product development approach					
Customized product strategy					

Repositioning based strategy					
PRICING STRATEGIES THROUGH:					
Market penetration pricing					
Market skimming pricing					
Time based pricing					
Location focused pricing					
Discount pricing					
Customary pricing					
PROMOTION STRATEGIES THROUGH:					
Demonstration					
Telephone handling					
Personal selling					
Flyer and brochure					
Office setting					
Radio					
Television					
Newspapers					
Billboards					
Sponsorships					
Website					
Exhibitions					
DISTRIBUTION STRATEGIES THROUGH:					
Brokers					
Personal selling					
Retailing					
Mail order					
Distributors					
Wholesaling					

PEOPLE STRATEGIES					
Employing knowledgeable and experienced staff					
Training staff on customer care relations					
PROCESS STRATEGIES					
E-marketing of services					
E-procurement					
E-form applications					
PHYSICAL EVIDENCE STRATEGIES					
Decent office layouts/branding					
Neat and presentable employees					
Marketing materials					

THANKS FOR YOUR COOPERATION

Appendix III: List of Pharmaceutical Companies in Nairobi, Kenya

1. Aventis Pasteur SA East Africa
2. Ancoliff Supplies
3. Adentix Enterprises
4. Adan Enterprises
5. African Concept
6. African Queen Enterprises
7. Assian Pharmaceuticals
8. Auto quotes Ltd
9. Biodates Medical Laboratories
10. Biomedics pharmaceutical
11. Biochem
12. Bique Ltd
13. Blixen Pharmaceutical
14. Careplus Ltd
15. Compsys Ltd
16. Galan Pharmaceuticals
17. Generic Africa Ltd
18. Demo Health Care Ltd
19. Diversey Lever
20. Didy Pharmaceutical
21. Julz Beta Pharmaceuticals
22. Kaka Pharmaceuticals
23. Kelch Pharmaceuticals
24. Copy tech
25. Eli-Lilly (Suisse) SA
26. Elys Chemical Industries Ltd
27. GlaxoSmithKline(GSK)
28. Ivey Aqua EPZ Limited Athi River
29. High Chem East Africa Ltd
30. Novartis Rhone Poulenc Ltd

31. Novelty Manufacturers Ltd
32. Pfizer Corp (Agency)
33. Pharmaceutical Manufacturing Co (K) Ltd
34. Pharmaceutical Products Limited
35. Phillips Pharmaceuticals Limited
36. Regal Pharmaceutical Ltd
37. Relix Pharmaceutical Limited
38. Universal Pharmaceutical Limited
39. Alpha Medical Manufacturers
40. Olyx Pharmaceutical Limited
41. Zetex Pharmaceutical Limited
42. Zedates Pharmaceutical Limited
43. Zenofox Pharmaceutical Limited

SOURCE: (KNBS, 2010)