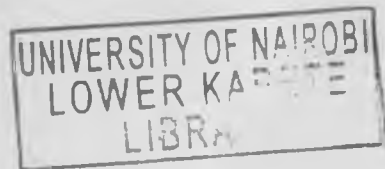


**COMPETITIVE STRATEGIES ADOPTED BY PHARMACEUTICAL
DISTRIBUTORS IN NAIROBI, KENYA**

BY

WILFRED OCHIENG OGUTA



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION DEGREE OF THE UNIVERSITY OF NAIROBI**

OCTOBER 2012

DECLARATION

This research project is my original work and has not been presented for the award of a degree in any other university.

Signed

Wilfred Ochieng Oguta

Date 8/11/2012

This research project has been submitted for examination with my approval as the University Supervisor.

Signed

Dr. Justus M. Munyoki

Senior Lecturer, School of Business

University of Nairobi

Date 8/11/2012

ACKNOWLEDGEMENTS

I take this opportunity to thank God for good health and for bringing me this far. This work would not have been complete without the encouragement, support and cooperation of my family and friends. I acknowledge my fellow students with whom we shared valuable discussions and experiences during the MBA course.

I also want to extend special gratitude to my supervisor, Dr. Justus M. Munyoki, for sharing his valuable time and especially for his guidance and patience in reading, correcting, re-reading this work.

Finally, I acknowledge the pharmaceutical distributors for their valuable cooperation and participation in this study.

DEDICATION

I dedicate this work to my wife, Eunice, and children Andy, Greg, and Melissa for the sacrifice they made for me to complete this project. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.

ABSTRACT

This study sought to establish competitive strategies used by pharmaceutical distributors in Nairobi and to determine the factors influencing their choice of competitive strategies. The study adopted a descriptive survey design where stratified disproportionate random sampling was used to select a sample of 74 pharmaceutical distributors in Nairobi. Primary data was obtained by use of questionnaires. Quantitative data collected using the questionnaire was analyzed by the use of descriptive statistics such as mean, standard deviation, frequency and percentage. The information was presented by use of tables and in prose-form.

The study established that pharmaceutical distributors only use both differentiation strategies and cost leadership strategies to a little extent in a bid to remain competitive in the market. The cost leadership strategy options employed to a great extent in response to changes in the market were new service features in response to demand and use of knowledge from past experience. The study further established that the geographical area inform focus strategies among the pharmaceutical distributors to a great extent and that consumer demand, product attributes, and market and economic trends affect the pharmaceutical distributors in Nairobi while finding a product's optimum price to a great extent.

The study recommends that pharmaceutical distributors should be flexible enough to pay close attention to buyers' distinctive preferences. They should take on the challenge of differentiating their products and also carry out heavy sensitization of the public on the risks and possible existence of counterfeit drugs that are made to look alike in the market.

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENT	iii
DEDICATION	iv
ABSTRACT.....	v
LIST OF TABLES.....	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 The Concept of Competitive Strategy.....	2
1.1.2 Pharmaceutical distributors in Nairobi	4
1.2 Research Problem	6
1.3 Research Objectives.....	8
1.4 Value of the Study	9
CHAPTER TWO: LITERATURE REVIEW.....	10
2.1 Introduction.....	10
2.2 Importance of Strategic Choice	10
2.3 Competitive Strategies	12
2.3.1 Differentiation Strategy	13
2.3.2 Cost Leadership Strategy	15
2.3.3 Focus or niche strategy	17
2.3.4 Promotion Strategies.....	19
2.4 Competitive Advantage	21
CHAPTER THREE: RESEARCH METHODOLOGY	24
3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Study Population.....	24
3.4 Sampling	25
3.5 Data collection	26
3.6 Data Analysis.....	27

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION	29
4.1 Introduction.....	29
4.2 General Information.....	29
4.3 Differentiation Strategies.....	34
4.5 Cost leadership strategy	42
4.6 Promotion strategies.....	45
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS..	48
5.1 Introduction.....	48
5.2 Summary of Findings.....	48
5.3 Conclusions.....	49
5.4 Recommendations.....	51
REFERENCES.....	53
APPENDICES.....	57
Appendix I: Questionnaire.....	57
Appendix II: List of Pharmaceutical Companies.....	64

LIST OF TABLES

Table 4. 1: Demographic information of the respondents	30
Table 4. 2: Background information of the firms	32
Table 4. 3: Competitive strategies employed by the pharmaceutical company	33
Table 4. 4: Differentiation Strategies	34
Table 4. 5: Level of application of the differentiation strategies	36
Table 4. 6: Factors of differentiation strategies	37
Table 4. 7: Factors of focus or niche strategy	38
Table 4. 8: Focus or niche strategies	39
Table 4. 9: Cost leadership strategy	42
Table 4. 10: Factors affecting a product's optimum price	43
Table 4. 11: Options of cost leadership strategy	44
Table 4. 12: Promotion strategies	46
Table 4. 13: Reactive decisions in the changing environment	47

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The demands and needs of the environment are constantly evolving and management is more concerned with adjusting the company according to the needs and demands of the environment. One of the environmental influences to a business arises from competition. Increased competition threatens the attractiveness of an industry and impacts on profitability. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment (Rainbird, 2004).

Porter (1980) outlined three approaches to competitive strategy: striving to be the overall low cost producer, (that is, low cost leadership strategy), seeking to differentiate one's product offering from that of its rivals, (that is, differentiation strategy) and lastly focus on a narrow portion of the market, (that is, focus or niche strategy). Firms, therefore, focus on gaining competitive advantage to enable them respond to environmental forces and compete effectively in the market. By identifying their core competences, firms are able to concentrate on areas that give them a lead over competitors, and provide a competitive advantage. According to Thompson, et al. (2007) core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains.

The pharmaceutical industry has seen rapid modernization and globalization and customers have a wide choice of generics, branded generics and branded innovator products. Market and competitive pressures on the pharmaceutical industry, and the healthcare sector more broadly, create the challenge and opportunity for the industry players to come up with proactive approaches and business models that simultaneously address the issues of healthcare access, affordability, and quality.

1.1.1 The Concept of Competitive Strategy

It is largely believed that the concept of strategy has been passed down to us from ancient Greeks. Bracker, (1980: 219) argued that the word strategy comes from the Greek word *strategos*, meaning 'to plan the destruction of one's enemies through effective use of resources'. The concept remained a military one until the nineteenth century when it began to be applied to the business world, though most writers believe the actual process by which this took place is untraceable (Bracker, 1980; Chandler, 1962). Chandler (1962) put forward the view that emergence of strategy in civilian organization life resulted from an awareness of the opportunities and needs – created by changing population, income and technology – to employ existing or expanding resources more profitably.

Johnson and Scholes (1993) defined strategy as “the direction and scope of an organization over the long-term, ideally which matches resources to its changing environment and its particular markets, customers and clients, so as to meet stakeholders' expectations”. This definition identifies three key components of strategy. First, the need to define the scope and range of an organization's activities within the specific

environment it operates. Second, the needs of customers and markets are matched against resource capability to determine long-term direction; and third, the role which stakeholders within and outside the organization have on the articulation of strategy because of their influence over the values, beliefs and principles which codify and govern organizational behavior and the way in which business is conducted.

The concept of competitive strategies has been receiving increased attention due to the competitive nature of today's global marketplace. Competitive strategy involves identifying sources of competition in the ever changing environment then developing strategies that match organizational capabilities to the changes in the environment. Therefore, competitive strategy refers to what a firm is doing in order to gain a sustainable competitive advantage. Porter (1998) outlined three approaches to competitive strategy namely cost leadership strategy, differentiation strategy and focus or niche strategy. Porter (1998) described competitive strategy as the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. He further explained that competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition.

Owiye (1999) argued that competitive strategies will be vital to a firm while developing its fundamental approach to attaining competitive advantage (low price, differentiation, niche), the size or market position it plans to achieve, and its focus and method for growth (sales or profit margins, internally or by acquisition). Grant (2000) suggested that the intensity of competition in an industry determines its profit potential and competitive

attractiveness. Competitive strategy will assist a firm in responding to the competitive forces in these industries or markets (from suppliers, rivals, new entrants, substitute products, customers). Prescott (2001) argued that competitive strategy enables a firm to define its business today and tomorrow, and to determine the industries or markets to compete in. Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2002).

Enterprises will be able to strengthen their long-term competitive position if they are able to sustain competitive advantage by establishing protections against competitors' replications or creating cost barriers for competitors (Katz & Green 2007). Competitive strategy is aimed at giving the pharmaceutical company competitive advantage - a relative competitive position that an enterprise establishes and implements by offering superior value to customers and also sustains its competitive edge in the long run by encouraging barriers to replications. Change in business phenomenon and competitive situations influence corporations to create unique competitiveness (Thompson et al. 2008).

1.1.2 Pharmaceutical distributors in Nairobi

The pharmaceutical distribution business has undergone a lot of changes that have affected the state of competition in the industry. Market liberalization, decline in the level of availability of medicines in the public facilities, cost-sharing in healthcare, entry of more players particularly the amendment of the legal framework to allow persons with

diploma in pharmacy to open outlets, an explosion in the number of training institutions offering pharmacy courses , higher literacy levels and patient awareness, easy access to information on the internet, among other factors have affected the health seeking behavior and demand practices as well as the supply level of pharmaceuticals. Recent measures by Government such as reduction in user fees and improved public supply of essential medicines has led to increased utilization of health services, especially among the poor (KNPP, 2010).

According to the Kenya National Pharmaceutical Policy (KNPP) 2010, pharmaceutical trade is highly commercialized and globalized; bringing with it increasingly complex issues such as trade liberalization, intellectual property, standardization, harmonization and collaboration; and information management. There is also rapid growth in the private pharmaceutical sector, requiring commensurate evolvement of the policy and legal framework to effectively regulate the sector. The role of the pharmacist has evolved as a core member of the clinical team, providing defined pharmaceutical care services. Pharmaceutical distribution is a regulated business and players have to comply with the requirements provided in the Pharmacy and Poisons Act, cap 244 laws of Kenya and regulatory guidelines as issued from time to time by the Pharmacy and Poisons Board (the regulatory authority).

Nairobi has the highest concentration of pharmaceutical human resource and the major wholesale level distributors. A good number of wholesalers also sell medicines on retail basis. Given the close proximity of the firms, they share, on a spatial basis, the market

for their products and services. Those who sell on wholesale basis are also in a situation where the clientele base is almost fixed in the form of retailers and the clinics and institutions (hospitals, nursing homes and clinics) that buy pharmaceuticals from them. To succeed in this environment, firms have to strategize and specifically adopt competitive strategies that will give them a competitive edge over other firms while at the same time having to comply with regulatory requirements. Such stiff competition, however, may lead to players making a trade-off between financial gain and compliance with the regulatory requirements. Most of the pharmaceutical distribution businesses are categorized as small and medium size enterprises (SMEs). Small firms operate in a relatively free enterprise and only those who are competitive enough and are managed efficiently succeed. All types of businesses require some sort of strategy in order to be successful; otherwise their efforts and resources will be spent haphazardly and are likely to be wasted. Although strategy formulation tends to be handled more formally in large organizations, small businesses too need to develop strategies in order to use their limited resources to compete effectively against larger firms.

1.2 Research Problem

Competition has necessitated many organizations to seek and implement competitive strategies. In many countries, companies, partly as a response to the weakened performance due to competition, have sought for increase in the scale of their operations, sometimes on the basis of merger and acquisitions; sometimes on the basis of their own strengths to avoid closing down. Porter (1998) stated that there is need for companies to search for a favorable competitive position in an industry, the fundamental arena in which

competition occurs. He further explained that through competitive strategy a firm may establish a profitable and sustainable position against the forces that determine industry competition.

The number of pharmaceutical distributors in Nairobi has been increasing steadily over the years. In some cases certain streets have experienced a very high concentration of outlets to the extent that there are even three to five licensed premises next door, two or more in the same building or within a walking distance of each other. This scenario necessarily elicits a high degree of competition amongst the players since they distribute similar or identical products to a large extent. Marketing of pharmaceutical services is generally restricted and a retailer or wholesaler cannot market their products or services directly to the end consumer. In the absence of such direct marketing the players have to find innovative ways to stand out of the crowd and beat the competition. The high concentration and thus the resultant competition among pharmaceutical distributors in Nairobi are factors that the business owners and managers cannot miss to notice in this sector. Therefore, these companies need to strategize in order to remain relevant in business lest they are pushed out of business.

The pharmaceutical market is big and market studies estimated the domestic market for medicines in Kenya at around US\$ 240 million in 2008 (UNIDO, 2010). Nairobi, being the hub of pharmaceutical business in the country would provide a good context for study on competitive strategies as firms seek to gain a bigger share of the market.

Locally, Opondo (2011) conducted a study to investigate the effect of medical samples and gifts offered by pharmaceutical distributors on the adoption of new drugs by healthcare providers in Kisumu city and Nzioka (2010) did a study on adoption of new pharmaceutical products by wholesalers in Kenya. Further, Ongwae (2010) did an inquiry into creating and sustaining competitive strategies by total Kenya Limited in a changing environment while Chang'orok (2009) did a survey of competitive strategies adopted by credit card providers in Kenya. However, despite the massive inquiry into competitive strategies and studies on the pharmaceutical industry, none of these studies investigated competitive strategies used by pharmaceutical distributors in Nairobi. A research question can thus be posed: What competitive strategies have been adopted by pharmaceutical distributors in Nairobi, Kenya? This study will therefore seek to determine the competitive strategies adopted by pharmaceutical distributors in Nairobi and the extent to which firms emphasize various competitive dimensions.

1.3 Research Objectives

This study sought to address the following main objectives:

- i. To establish competitive strategies adopted by pharmaceutical distributors in Nairobi.
- ii. To determine the factors influencing the choice of competitive strategies by pharmaceutical distributors in Nairobi

1.4 Value of the Study

The study is expected to add value to research in the area of strategic management. Scholars will find it important as it will increase the body of knowledge in this area. It will also assist the researchers in doing further studies on the same. It is hoped that the knowledge gained from the study could serve as a basis for planning and a point of reference for further studies in the field of strategic management.

The findings of this study are expected to provide an insight into the state of competition in the industry and useful information that can influence policy by such distributors to establish competitive strategies that they can adopt to be ahead of others.

The study will also be important to policy makers as the nature of the competitive strategies used can influence regulatory action. The recommendations will be useful in shaping policy to ensure healthy competition by facilitating the making of new rules and regulations or revising existing ones. Although the study context is Nairobi, it is expected that the results may be generalized across the country and across industries.

For investors who may be interested in the pharmaceutical distribution business, this study will provide valuable insight into the strategies currently adopted and offer them an opportunity to plan for a competitive advantage from the beginning.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the review of studies undertaken in this area with special reference to competitive strategies. The chapter also reviews empirical studies undertaken on the subject for the purposes of comparison with the current study.

2.2 Importance of Strategic Choice

A myriad forces in the context within which companies operate pushes organizations to change the way they do business. In so doing they have to make strategic choices. The choice of strategy is fundamental to a company for a number of reasons. First, choice made in a positive sense instills a focus and underlying direction for the organization. The development of a leadership style which focuses one's purpose on the future vision of services, rather than the accidents and designs of the past, provides powerful motivation for individuals, teams and the managers themselves. Second, choice provides a basis for articulating the value systems in the organization. Positive choice will help to articulate the value base in the organization and this should be palpable to individuals and the team working within it.

Strategy choice provides a route to survival in some form in the future. Recent studies seem to indicate that organizations fail regularly because of a lack of effective strategic direction, the failure to concentrate on core business, and the lack of robust management

systems and processes to deliver the core business and the values on which they are based. The choice of strategy will affect inextricably the management process and systems by and with which the organization chooses to manage. Therefore, the effective choice of strategy, when considered in these circumstances, should become a central focus of companies' boards (Peters and Waterman, 1999).

The choice of strategy will be influenced heavily by stakeholders' views, the competitive forces in the market and the context within which the company considers itself in the market (Johnson and Scholes 1993). There are essentially three choices available to a company in terms of the strategy to pursue. First, a strategy which aims to position the organization so it can defend itself against the competitive forces surrounding it. This approach tends to assume market structure as given, and the key is to focus the organization on areas where competitive pressures are weakest. Conversely, the organization can influence the balance of competitive forces it faces through the deliberate implementation of strategic moves which strengthen its position. This second approach relies on the ability of the organization to really change the forces it faces. Finally, the third strategic choice is where the organization can adopt a strategy which is appropriate to the perceived changes in the causes of competition and exploit these changes to its own ends. In considering these approaches, a company has a number of choices which will radically influence the values, nature and management processes within the organization and the market structure within which they operate (Caulkin 1999).

2.3 Competitive Strategies

Hitt et al. (1997) held that a winning competitive strategy is always founded on consistently understanding and predicting changing market conditions and customer needs. The goal of much of business strategy is to achieve a sustainable competitive advantage. A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. Under pressure to improve productivity, quality, and speed, managers have embraced tools such as TQM, benchmarking, and reengineering (Safford, 2005).

Njau (2000) argued that as managers push to improve on all fronts, they move further away from viable competitive positions. Michael Porter argues that operational effectiveness, although necessary to superior performance, is not sufficient, because its techniques are easy to imitate. In contrast, the essence of strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match. According to Mintzberg et al. (1998), there are five main and interrelated definitions of strategy: a plan, which involves some form of consciously-intended course of action which is created ahead of events; ploy, a maneuver to outwit an opponent; pattern, where after an event, an organization acts in a consistent manner over time; a position, which involves positioning the organization in order to achieve or maintain a sustainable competitive advantage; and a perspective, an abstract concept that exists primarily in people's minds. Therefore, firm strategic managers needs to work extra hard

to ensure that they formulate or adopt strategies that will allow the firm to achieve competitive advantage.

2.3.1 Differentiation Strategy

Davidow and Uttal, (1989) defined differentiation strategy as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique. According to Ogbonna and Harris (2003), Differentiation reduces competitiveness and the fight for scarce resources, thereby improving performance; but on the other hand, conformity makes all organizations similar and, therefore, the competitive pressures are stronger. Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers. Differentiation strategies are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy.

Using differentiation strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price.

Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and

customer service. A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition. As Baum and Oliver (1992) noted that to maintain this strategy the firm should have: strong research and development skills, strong product engineering skills, strong creativity skills, good cooperation with distribution channels, strong marketing skills, and incentives based largely on subjective measures, be able to communicate the importance of the differentiating product characteristics, stress continuous improvement and innovation and attract highly skilled, creative people.

The value added by the uniqueness of the product may allow the firm to charge a premium price for it. The firm hopes that the higher price will more than cover the extra costs incurred in offering the unique product. Because of the products unique attributes, if suppliers increase their prices the firm may be able to pass along the costs to its customers who cannot find substitute products easily, (Porter, 1985). Within the service sector (Phillips and Peterson, 2001) concludes that product differentiation is a common way of differentiating the firm's offerings from those of its competitors.

Successful differentiation is based on a study of buyers' needs and behavior in order to learn what they consider important and valuable. A product can be differentiated in various ways. Unusual features, responsive customer service, rapid product innovations and technological leadership, perceived prestige and status, different tastes, and

engineering design and performance are examples of approaches to differentiation (Porter, 1980).

2.3.2 Cost Leadership Strategy

For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2000). Porter (1985) suggested that only one firm in an industry can be the cost leader and, if this is the only difference between a firm and its competitors, the best strategic choice is the low cost leadership role (Malburg, 2000).

This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1996). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2000). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2000). Lower costs and cost advantages result from process innovations, learning curve benefits, and economies of scale, product designs reducing manufacturing time and costs, and reengineering activities.

As Malburg (2000) put it, to attain such a relative cost advantage, firms will put considerable effort in controlling production costs, increasing their capacity utilization,

controlling materials supply or product distribution, and minimizing other costs, including R&D and advertising. A low-cost or cost leadership strategy is effectively implemented when the business designs, produces, and markets a comparable product more efficiently than its competitors. The firm may have access to raw materials or superior proprietary technology which helps to lower costs. Cost leadership strategy seeks to achieve above-average returns over competitors through low prices by driving all components of activities towards reducing costs.

Contrary to the previous thought that firms lost revenue to attain cost leadership, Porter (1987) indicated that firms do not have to sacrifice revenue to be the cost leader since high revenue is achieved through obtaining a large market share. Cross (1999) contradicted Porter's view by postulating that cost leadership creates little customer loyalty and if a firm lowers prices too much, it may lose revenues.

By lower prices higher demand is created and, therefore a larger market shares is attained (Helms et al., 2001). As a low cost leader, an organization can present barriers against new market entrants who would need large amounts of capital to enter the market (Hyatt, 2001). The leader then is somewhat insulated from industry wide price reductions (Malburg, 2000). Cost leadership is based on lower overall costs than competitors. Firms that achieve low cost leadership generally make low cost relative to competitors the theme of their business strategy. The firm opens up a sustainable cost advantage over competitors and uses that lower cost as a basis for either underpricing the competitors and

gaining a larger market share at their expense or earning a higher profit margin by selling at the going price.

2.3.3 Focus or niche strategy

As porter (1996) noted, in the focus strategy, a firm targets a specific segment of the market. The basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors. This strategy is not a separate strategy per se, but describes the scope over which a company should compete based on cost leadership or differentiation. Focusing is based on selecting a market niche where buyers have distinctive preferences. For example, company may use a loss leader, this is a product sold at a low price (i.e. at cost or below cost) to stimulate other profitable sales. This would help the companies to expand its market share as a whole. Further, a company may set a price based upon analysis and research compiled from the target market. This means that marketers will set prices depending on the results from the research. For instance if the competitors are pricing their products at a lower price, then it's up to them to either price their goods at a higher or lower price, depending on the niche market. Della Bitta, Monroe and McGinnis (2002) argued that marketers promoting lower prices must therefore decide how much to reduce the price as well as how to communicate the price reduction to their customers.

Martin (1999) highlighted that a firm can choose to focus on a certain customer group, product range, geographical area, or service line. A focus strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy than the

rest of the market. Focus also is based on adopting a narrow competitive scope within an industry. On the other hand, a focus strategy based on differentiation depends on there being a buyer segment that demands unique product attributes. For example, some service firms focus solely on the service customers (Stone, 1995).

Focus strategy aims at aiding a firm grow its market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements. New entrants in the market may use penetration pricing which involves setting the price low in order to attract customers and gain market share. The price will be raised later once this market share is gained. A successful focus strategy according to Porter (1980) depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. Market penetration or market development can be an important focus strategy.

Midsize and large firms use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies coupled with promotion strategies. The practice of promoting products “on sale” can accomplish both short- and long-run performance objectives (Fraccastoro et al., 1993). Short-run objectives include creating product awareness and interest, increasing store traffic and sales, reducing inventory, and enhancing perception of savings and value. Long-run objectives include establishing a specific price image for the advertiser to achieve a competitive positioning and customer loyalty and thus attainment of desired market share. But, focus strategies are most

effective when consumers have distinct preferences and when the niche has not been pursued by rival firms (David, 2000).

2.3.4 Promotion Strategies

Firms use various elements to achieve their promotional objectives. A company's promotional strategies comprise basically of message and media strategy, consisting of the appropriate use of branding, logo or slogan. Promotion is one of the classic 4Ps marketing mix elements. Designing effective promotional strategies is basically a communication problem (Nahmias, 2008). In fact, at its most fundamental level, marketing is communication. Marketers communicate information about their products through various forms of promotion (e.g. advertising, sales promotion, personal selling, publicity and public relations). The goals of marketing communication are to stimulate interest in the brand, create positive brand attitudes, show how a product can satisfy consumers' wants, needs and desires better than competing products, and persuade consumers to behave in desired ways (e.g. try a new product, make a purchase, visit a retail store, tell a friend about a positive product/purchase experience).

The fundamental goal of marketing is to create and maintain exchanges by promoting products and services that satisfy the needs of consumers. Consumers communicate their goals, wants, needs and desires through their responses to various forms of marketing research. Marketers communicate information about their products through various forms of promotion (e.g. advertising). The goals of marketing communication are to stimulate interest in the brand, create positive brand attitudes, show how a product can satisfy

consumers' wants, needs and desires better than competing products, and persuade consumers to behave in desired ways (e.g. try a new product, make a purchase, visit a retail store, tell a friend about a positive product/purchase experience). Promotional strategy refers to a controlled integrated program of communication methods and materials designed to present a company and its products to prospective customers; to communicate need satisfying attributes of products towards the end of facilitating sales thus contributing to long run profit performance.

Promotion strategies should have a sound understanding of consumers' perceptions of and preferences for particular products and how they differ across cultures/countries. This understanding can be helpful in targeting countries/ cultures to promote a product and improving or amending their business perceptions so that customer demand can be increased. If countries/cultures differ widely in their perceptions of and preferences for a product, promotional campaigns tailored to individual countries/cultures may be called for. Cantor and Macdonald (2009), noted that no matter how successfully developed a product may be, it is worthless except when its benefits are made clear and appreciated by the target customers. Promotional strategies are communication strategies through which a company passes across the benefits of its product and services to its target customers.

Promotions are pervasive as a means to stimulate or shape consumer demand. Both retailers and manufacturers make promotional decisions, and their promotions take several forms including price discounts, store displays or advertising features. Because

most manufacturers do not sell directly to their ultimate target markets, they must depend on their channel members to help provide promotion. According to Kamau (2009), marketers have since long tried to stimulate demand using various promotional tools like cash discounts (CDs), volume discounts (VDs) and freebies. Sales promotion comprises a wide variety of promotional tools designed to achieve short-term objectives (Huff et al., 1999). Monetary promotions, such as price discounts and coupons, are the most common form of sales promotions used by agro-chemical companies in Kenya. However, non-monetary promotions, such as free gifts, free samples and contests, are gaining popularity given the negative effects of frequent discounts.

Advertising is part of promotion strategy. It refers to any form of communication used to persuade an audience and drive consumer behavior with respect to a commercial offering together with publicity and public relations that provides an organization exposure to their audiences using topics of public interest. Advertising is good for building awareness and effective at reaching a wide audience which greatly affects a company's market share and profitability.

2.4 Competitive Advantage

With reference to Wickham (2006), competitive advantage can be put into the following five categories: product advantage, knowledge advantage, cost advantage, relationship advantage and structural advantage. An enterprise will gain product advantage if it is able to create a superior product value higher than competitors (Wickham 2006). For those in the service sector this may be considered a service advantage. An enterprise will gain

cost advantage if its cumulative operating costs are lower than competitors' (Porter 1985). This advantage allows the enterprise to be able to offer products or services at a lower price than competitors, to control its cost and capacity utilization, to access unique sources of input cheaper than competitors, to gain economies of scale and to gain experience curve economies which support the enterprise to reduce cost over time (Kay 1993).

An enterprise will enjoy knowledge advantage if it has more knowledge than competitors (Kay 1993; Wickham 2006). There are three types of knowledge which support an enterprise to take advantage over competitors: product knowledge, market knowledge and technical knowledge (Wickham 2006). In addition, the enterprise will gain sustainable competitive advantage if it has patents or other intellectual property which prevents competitors from replicating (Porter 1985).

Relationship is fundamental to establishing trust which adds value by supporting the enterprise to secure its revenue and operations and to minimize transaction costs (Kay 1993). An enterprise will be able to gain relationship advantage if it is able to develop reputations and special relationships with its stakeholders such as customers, suppliers, distributors, investors and employees (Lado et al. 1992). A structural advantage involves organizational systems, relationship and communication in an organization. An organization will gain structural advantage if it is flexible, adaptable, speedy innovative and task oriented (Morris et al. 2008)

Competitiveness at firm level represents the potential or capability of a firm to survive and grow, taking into account the competition of other firms for the same profits and in the same market. Firms compete for markets and resources and their competitive position is reflected in either market shares or in the creation and accumulation rate of comparative advantages, like innovative products, processes, etc. An enterprise's competitiveness depends both on its performance and the direct entrepreneurial environment in which it operates and acts. The entrepreneurial competencies exhibited may make the much needed thrust for competitive advantage (Morris et al. 2008). To develop and sustain competitive advantage, enterprises must understand the sources of such advantages and utilize them effectively and efficiently.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that was used to conduct the study. The scope covers research design, data collection methods, instruments of data collection and finally the data analysis.

3.2 Research Design

Dooley (2007) defined research design as the scheme, outline or plan that is used to generate answers to research problems. This study will adopt a descriptive survey design. According to Churchill (1991) this design was appropriate since the study sought to describe the characteristics of certain groups, estimate the proportion that have certain characteristics and make predictions. The primary purpose of the study was to study competitive strategies adopted by pharmaceutical distributors in Nairobi. A descriptive survey design was able to produce statistical information about aspects of the competitive strategies.

3.3 Study Population

The target population of this study was pharmaceutical distributors in Nairobi. These are firms involved in the process of making pharmaceutical products or services available for use or consumption by end consumers or business users. There were two groups categorized as those who are purely wholesaling and those who are in retail business.

Both groups are important because they play a critical role in the pharmaceutical distribution chain.

Table 3.1: Study Population

Category	Population
Pharmaceutical wholesalers	211
Pharmaceutical retailers	534
Total	745

3.4 Sampling

In conducting the study the sampling frame was the list of pharmaceutical wholesalers and retailers in Nairobi obtained from Pharmacy and Poisons Board. From the population sampling frame the required number of subjects/ respondents was selected through stratified disproportionate random sampling technique. Stratified proportionate random sampling technique is considered the most appropriate in order to produce estimates of overall population parameters with greater precision and ensure a more representative sample is derived from a relatively homogeneous population. Random sampling will help minimize the sampling error. Statistically, in order for generalization to take place, a sample of at least 30 must exist; a sample of about 10% of a population was considered reliable.

Table 3.2: Sample Size

Category	Population	Sample ratio	Sample size
Pharmaceutical wholesalers	211	0.1	21
Pharmaceutical retailers	534	0.1	53
Total	745	0.1	74

3.5 Data collection

For the purpose of this study, primary data was obtained through use of questionnaires. Each respondent was asked to respond to the same set of questions. Likert-type scaling measures were used to examine the constructs for each of the participating firms. The questionnaires contained mostly closed-ended questions but there were a few open ended questions too. This method was chosen since it provided an efficient way of collecting responses from the large sample that is anticipated. The study targeted managers of pharmaceutical distribution pharmaceutical distributors in Nairobi. For the smaller firms, the target respondents was the owners/managers or the superintending pharmacists or their designate. In larger corporations, the managers at the time being in charge of distribution, their equivalents or their designate were targeted. The respondents were selected on the basis of being in a better position to provide information on competitive strategies that these organizations use.

Before administering the questionnaires, the respondents were contacted by telephone and appropriately asked for their willingness to participate in the study and the most appropriate method of delivery of the questionnaire. The questionnaires were to be

delivered either by hand or e-mail. Where considered necessary, Interviewer-administered Questionnaires were used and the interviewers physically met respondents and asked the questions face to face then record the responses on the basis of each respondent's answers. This also provided the opportunity to probe for additional information or to clarify answers.

Secondary data was collected from various sources including various reports and records of past events may also be reviewed to compile evidence of competitive strategies that have been observed.

3.6 Data Analysis

The data was both qualitative and quantitative. Quantitative data collected using a questionnaire was analyzed by the use of descriptive statistics using the Statistical Package for Social Sciences (SPSS) and presented through percentages, means, standard deviations and frequencies. The information would be displayed by use of bar charts, graphs and pie charts and in prose-form. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives through use of SPSS.

Qualitative data was analyzed using content analysis which is the best suited method of analysis; content analysis is defined by Creswell (2003) as a technique for making inferences by systematically and objectively identifying specific characteristic of messages and using the same approach to relate trends. According to Mugenda and

Mugenda (2003) the main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the survey results and findings based on the data collected and analyzed. The purpose of this is to establish competitive strategies adopted by pharmaceutical distributors and the factors influencing the choice of competitive strategies used by pharmaceutical distributors in Nairobi. The research findings were presented in form of tables, graphs and charts. Tabulation helped to summarize the data, whereas graphs and charts were used to present the study results.

The study targeted a sample size of 74 firms. However, a total of 70 questionnaires were filled giving a response rate of 94.59%. This response rate was quite representative, since it conforms to Mugenda and Mugenda (1999) view, which stipulates that; a response rate of 50% is adequate for analysis and reporting; a 60% response is rated as good, while a response rate of 70% and above is rated as excellent.

4.2 General Information

The researcher requested the respondents to indicate their gender, age, level of education and the number of years that they had worked in the pharmaceutical company.

Table 4. 1: Demographic information of the respondents

		Frequency	Percentage
Gender	Male	42	60
	Female	28	40
Age	Below 25 years	17	24.3
	25 and 35 years	36	51.4
	36 and 45 years	11	15.7
	Above 45 years	6	8.6
Level of education	College diploma	24	34.3
	Undergraduate degree	28	40
	Masters degree	18	25.7
Work experience	2 years	10	14.3
	3 to 5 years	28	40
	6 to 8 years	25	35.7
	More than 10 years	7	10

From the findings as shown in Table 4.1, 60% of the respondents indicated that they were male whereas 40% of the respondents indicated that they were female. It can be seen clearly that most of the respondents in this study were male. 51.4% of the respondents indicated that they were aged between 25 and 35 years, 24.3% of the

respondents indicated they were aged below 25 years. 15.7% indicated that they were aged between 36 and 45 years while 8.6% indicated they were aged above 45 years. Most of the respondents were aged between 25 and 35 years.

From the findings, 40% of the respondents indicated that their education level is an undergraduate degree, 34.3% of the respondents indicated that their education level is college diploma level while 25.7% of the respondents indicated that their education level is a masters degree level. Clearly, most of the respondents indicated that their education level is the under graduate level.

The respondents were also requested to indicate their work experience. 40% of the respondents indicated that they had worked in the pharmaceutical industry for a period of 3 to 5 years, 35.7% of the respondents indicated that indicated that they had worked in the pharmaceutical industry for a period of 6 to 8 years, 14.3% indicated that had worked in the pharmaceutical industry for a period of below 2 years while 10% of the respondents indicated that they had worked in the pharmaceutical industry for a period of more than 10 years. Majority of the respondents indicated that they had worked in the pharmaceutical industry for a period of 3 to 5 years.

The study further sought to establish the background information of the firms under study including their age of /years in operation after incorporation or registration, ownership and number of employees as an indicator of the size of the firm. The findings are presented in Table 4.2.

Table 4. 2: Background information of the firms

		Frequency	Percentage
Age of business(Years in operation since incorporation or registration)	1-5 years	11	15.7
	6-10 years	22	31.4
	11-15 years	17	24.3
	16-20 years	13	18.6
	Above 20 years	7	10.0
Ownership of the firm	Sole Proprietorship	27	38.6
	Partnership	9	12.9
	Ltd Liability Co.	34	48.6
Number of employees	1 to 5	17	24.3
	6 to 10	19	27.1
	11 to 14	11	15.7
	16 to 20	10	14.3
	Above 20	13	18.6

On the age of the firm, the study established that 31.4% of the firms had been in operation for a period of between 6-10 years, 24.3% had been operational for 11-15 years, 18.6% had been operational for 16-20 years, 15.7% had been operational for 1-5 years while a measly 10% of the firms had been operational for above 20 years.

The study further sought to find out the ownership of the firms. 48.6% were found to be limited liability companies, 38.6% were sole proprietorship while 12.9% of the firms were partnerships.

On the number of employees, the study established that 27.1% of the firms had 6 to 10 employees, 24.3% had 1 to 5 employees, 18.6% had above 20 employees, 15.7% had between 11 to 14 employees while 14.3% of the firms had between 16 to 20 employees.

4.2.1 Competitive strategies employed by the pharmaceutical company

Given that the pharmaceutical business is quite competitive, the respondents indicated that their companies' strategies for competing effectively in the market include customer relations, proper services to their customers both current and potential, offering diversified products/product differentiation, giving discounts, adding an extra advantage such as through promotions, offering timely services that ensure customer satisfaction and keeping the working environment clean to attract customers.

The respondents were also requested to indicate the extent to which competitive strategies employed by the pharmaceutical company enhance the stated factors at the pharmaceutical company. The results are presented in Table 4.3.

Table 4. 3: Competitive strategies employed by the pharmaceutical company

	Mean	Std. Deviation
Market share	3.2286	.83703
Sales volume	3.8714	.70034
New and improved product introduction	3.9714	.74155
Profitability	4.3286	.67505
Improvement in employee skills	4.0857	.73707

From the findings, the respondents indicated with a mean of 4.3286 that competitive strategies employed by the pharmaceutical company enhance profitability to a great extent. They also indicated with a mean of 4.0857 that competitive strategies employed by the pharmaceutical company enhance improvement in employee skills to a great extent. In addition, the respondents also indicated with a mean of 3.9714 that competitive strategies employed by the pharmaceutical company enhance new and improved product introduction to a moderate extent. Further, the respondents indicated with a mean of 3.8714 that competitive strategies employed by the pharmaceutical company enhance sales volume to a moderate extent. Lastly, the respondents indicated with a mean of 3.2286 that competitive strategies employed by the pharmaceutical company enhance market share to a moderate extent as well.

4.3 Differentiation Strategies

The researcher also requested the respondents to indicate the extent that their pharmaceutical distributors use differentiation strategies in a bid to remain competitive in the market. The results obtained are presented in table 4.4.

Table 4. 4: Differentiation Strategies

	Frequency	Percentage
Very great extent	6	8.6
Great extent	11	15.7
Little extent	39	55.7
Not at all	7	10
Total	70	100

From the finding in table 4.4, 55.7% of the respondents indicated the extent that their pharmaceutical distributors use differentiation strategies in a bid to remain competitive in the market is little, 15.7% of the respondents indicated the extent that their pharmaceutical distributors use differentiation strategies in a bid to remain competitive in the market is great, 10% of the respondents indicated the extent that their pharmaceutical distributors do not use differentiation strategies in a bid to remain competitive in the market at all while the same percentage indicated that the extent that their pharmaceutical distributors use differentiation strategies in a bid to remain competitive in the market is moderate. Lastly, 8.6% of the respondents indicated that the extent that their pharmaceutical distributors use differentiation strategies in a bid to remain competitive in the market is very great. It can be deduced that most of the respondents indicated that the extent that their pharmaceutical distributors use differentiation strategies in a bid to remain competitive in the market is little.

4.3.1 Level of application of the differentiation strategies

The respondents were further requested to indicate the level of application of the differentiation strategies tabled below in their pharmaceutical company. The results were as shown below.

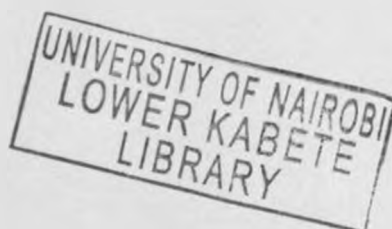


Table 4. 5: Level of application of the differentiation strategies

	Mean	Std. Deviation
Product	3.7714	.66314
Price	3.8714	.94672
Innovation	4.3000	.66703
Market	4.3286	.77500

As presented in table 4.5, the respondents indicated with a mean of 4.3286 that market as a differentiation strategy is applied to a great extent. They also indicated with a mean of 4.3000 that innovation as a differentiation strategy is applied to a great extent. Further, the respondents indicated with a mean of 3.8714 that price as a differentiation strategy is applied to a moderate extent. Lastly, the respondents agreed with a mean of 3.7714 that product as a differentiation strategy was applied to a moderate extent.

4.3.2 Factors of differentiation strategies

The respondents were further requested to indicate the extent their pharmaceutical company applies the tabled factors to ensure success of its differentiation strategies. The researcher obtained the results as shown below.

Table 4. 6: Factors of differentiation strategies

	Mean	Std. Deviation
Scanning activities	3.6714	.71670
In-depth analysis	4.0429	.66889
Frequent communications via liaison devices	4.0714	.76748
Field briefings	3.8571	1.08060
Group decision making	3.6571	1.07522
Reduced formality	3.9000	.99491
Increased delegation	3.8000	.82708
Increased technocrat	4.1000	.87062

As shown in Table 4.6, the respondents indicated with a mean of 4.1000 that increased technocrat are applied to a great extent to ensure success of differentiation strategy. They also indicated with a mean of 4.0714 that frequent communications via liaison devices is applied to a great extent to ensure success of differentiation strategy. In addition, the respondents indicated with a mean of 4.0429 that in-depth analysis is applied to a great extent to ensure success of differentiation strategy. Further the respondents indicated with a mean of 3.9000 that reduced formality is applied to a moderate extent to ensure success of differentiation strategy. In addition, the respondents indicated with a mean of 3.8571 that field briefings are applied to a moderate extent to ensure success of differentiation strategy. Further the respondents indicated with mean of 3.8000 that increased delegation

is applied to a moderate extent to ensure success of differentiation strategy. Additionally, the respondents indicated that 3.6714 that scanning activities are applied to a moderate extent to ensure success of differentiation strategy. Lastly, the respondents indicated with a mean of 3.6571 that group decision making is applied to a moderate extent to ensure success of differentiation strategy.

4.4 Focus or niche strategy

The researcher also requested the respondents to indicate the extent to which various factors inform focus strategies in their pharmaceutical company. The results are as shown in table 4.7.

Table 4. 7: Factors of focus or niche strategy

	Mean	Std. Deviation
Customer group/ buyer characteristics	4.0714	.62139
Product range/ specifications/requirements	4.1857	.66579
Geographical area (market niche where buyers have distinctive preferences)	4.1429	.85611
Service line	4.1714	.88418

From the findings shown in Table 4.7, the respondents indicated with a mean of 4.1857 that product range/ specifications/requirements inform focus strategies in their pharmaceutical company to a great extent. The also indicated with a mean of 4.1714 that service line informs focus strategies in their pharmaceutical company to a great extent.

Further, the respondents indicated with a mean of 4.1429 that geographical area (market niche where buyers have distinctive preferences) informs focus strategies in their pharmaceutical company to a great extent. Lastly, the respondents indicated with a mean of 4.0714 that customer group/ buyer characteristics inform focus strategies in their pharmaceutical company to a great extent.

4.4.1 Focus or niche strategies

The respondents were requested to indicate the extent that their pharmaceutical company employs the following focus or niche strategies in a bid to stay competitive in the market.

The respondents' answers are as shown in table 4.8.

Table 4. 8: Focus or niche strategies

	Mean	Std. Deviation
Use penetration pricing which involves setting the price low	3.6143	.98235
Use of few target markets (also called a segmentation strategy or niche strategy).	3.4571	1.12528
Focusing on narrow market segments and tailoring your marketing mix to these specialized markets	3.4571	1.11233
Product innovation and/or brand marketing rather than efficiency	3.4714	1.25942

Targeting market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment	3.4857	1.21277
Select a segment of the market that has a special need.	3.3429	1.00557
Carry out market research to identify if the market size makes the idea feasible.	3.6143	1.17081
Ensure that exclusivity through branding, patents or trademarks can be obtained.	3.6571	.91502
Prepare inventory and delivery channels.	4.0857	.77540
Marketing niche strategy based on social and cultural differences within the community	3.8429	1.00196

From the findings presented in table 4.8, the respondents indicated with a mean of 4.0857 that their pharmaceutical company uses preparing of inventory and delivery channels to a great extent as a niche strategy. They also indicated with a mean of 3.8429 that marketing niche strategy based on social and cultural differences within the community is used in their pharmaceutical company as a focus or niche strategy to a moderate extent. In addition, the respondents indicated with a mean of 3.6571 that ensuring that exclusivity through branding, patents or trademarks can be obtained is used in their pharmaceutical company as a focus or niche strategy to a moderate extent.

Further the respondents indicated with a mean of 3.6143 that use penetration pricing which involves setting the price low is used in their pharmaceutical company as a focus or niche strategy to a moderate extent. Additionally, the respondents indicated with a mean of 3.6143 that carrying out market research to identify if the market size makes the idea feasible is used in their pharmaceutical company as a focus or niche strategy to a moderate extent.

They also indicated with a mean of 3.4857 that targeting market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment is used in their pharmaceutical company as a focus or niche strategy to a moderate extent. Further, the respondents indicated with a mean of 3.4714 that product innovation and/or brand marketing rather than efficiency is used in their pharmaceutical company as a focus or niche strategy to a moderate extent.

In addition, the respondents indicated with a mean of 3.4571 that use of few target markets (also called a segmentation strategy or niche strategy) is used in their pharmaceutical company as a focus or niche strategy to a moderate extent. Also, the respondents indicate with a mean of 3.4571 that focusing on narrow market segments and tailoring your marketing mix to these specialized markets is used in their pharmaceutical company as a focus or niche strategy to a moderate extent. Finally, the respondents indicated with a mean of 3.3429 that select a segment of the market that has a special need is used in their pharmaceutical company as a focus or niche strategy to a moderate extent.

4.5 Cost leadership strategy

The respondents were further requested to indicate the extent that adoption of cost leadership as a competitive strategy affects the performance of the pharmaceutical company. The results were as shown in Table 4.9.

Table 4. 9: Cost leadership strategy

	Frequency	Percentage
Great extent	11	15.7
Moderate extent	7	10
Little extent	39	55.7
Not at all	7	10
Total	70	100

From the findings shown in Table 4.9, 55.7% of the respondents indicated that adoption of cost leadership as a competitive strategy affects the performance of the pharmaceutical company to a little extent, 15.7% of the respondents indicated that the extent that adoption of cost leadership as a competitive strategy affects the performance of the pharmaceutical company is great, 10% of the respondents indicated that the extent that adoption of cost leadership as a competitive strategy affects the performance of the pharmaceutical company is moderate whereas the same percentage indicated that adoption of cost leadership as a competitive strategy does not affect the performance of the pharmaceutical company at all. Clearly, majority of the respondents indicated that

adoption of cost leadership as a competitive strategy affects the performance of the pharmaceutical company to a little extent.

4.5.1 Factors affecting a product's optimum price

The respondents were also requested to indicate the extent that the tabled factors affect their pharmaceutical company while finding a product's optimum price. The researcher obtained the results as shown in Table 4.10 below.

Table 4. 10: Factors affecting a product's optimum price

	Mean	Std. Deviation
Overall marketing objectives	3.9286	.78614
Consumer demand	4.2714	.84992
Product attributes	4.0857	.79387
Competitors' pricing	3.9857	1.01429
Market and economic trends	4.0429	.82419
Staff costs	3.9143	.94398
Fees charged by consultants	3.9714	.91638

From the findings shown in Table 4.10, the respondents indicated with a mean of 4.2714 that consumer demand affects their pharmaceutical company while finding a product's optimum price to a great extent. They also indicated with a mean of 4.0857 that product attributes affect their pharmaceutical company while finding a product's optimum price

to a great extent. In addition, the respondents indicated with a mean of 4.0429 that market and economic trends affect their pharmaceutical company while finding a product's optimum price to a great extent. Further the respondents indicated with a mean of 3.9857 that competitors' pricing affect their pharmaceutical company while finding a product's optimum price to a moderate extent. Also, the respondents indicated with a mean of 3.9714 that fees charged by consultants affect their pharmaceutical company while finding a product's optimum price to a moderate extent. Additionally, the respondents indicated with a mean of 3.9286 that overall marketing objectives affect their pharmaceutical company while finding a product's optimum price to a moderate extent. Finally, the respondents indicated with a mean of 3.9143 that staff costs affect their pharmaceutical company while finding a product's optimum price to a moderate extent.

4.5.2 Options of cost leadership strategy

The respondents were asked to indicate the extent that they used the stated options of cost leadership strategy in response to changes in the market. The results were as shown in Table 4.11

Table 4. 11: Options of cost leadership strategy

	Mean	Std. Deviation
Keeping charges lower than competition	3.3286	1.01755
Keeping charges same as competition	3.7571	.96962
Keeping overheads lower than others	3.7000	1.30050
Use knowledge from past experience	4.3571	.59064

New service features in response to demand	4.3286	.65323
Keeping overheads same as industry	3.8857	.84344
Staff reduction	3.5000	1.07339

As presented in Table 4.11, the respondents indicated with a mean of 4.3571 that they use knowledge from past experience in response to changes in the market to a great extent. They also indicated with a mean of 4.3286 that they use new service features in response to demand strategy in response to changes in the market to a great extent. In addition, the respondents indicated with a mean of 3.8857 that keep overheads same as industry in response to changes in the market to a moderate extent. The respondents also indicated with a mean of 3.7571 that they keep charge same as competition in response to changes in the market to a moderate extent. Further, the respondents indicated with a mean of 3.7000 that they keep overheads lower than others in response to changes in the market to a moderate extent. Additionally, the respondents indicated with a mean of 3.5000 that the use staff reduction in response to changes in the market to a moderate extent. Lastly, the respondents indicated with a mean of 3.3286 that keep charges lower than competition in response to changes in the market to a moderate extent.

4.6 Promotion strategies

The respondents further indicated the extent that their pharmaceutical company employs the following promotional strategies in a bid to stay competitive in the market. The results were as shown in Table 4.12.

Table 4. 12: Promotion strategies

	Mean	Std. Deviation
Advertising/ store displays	4.1714	.63637
Personal selling	4.0714	.87346
Price discounts/ sales promotion and coupons	4.3571	.63783
Volume discounts and freebies	4.2857	.66251
Branding, logo or slogan	3.8714	.93128
Free gifts	3.7286	1.04841
Free samples and contests	3.8714	1.11539

The respondents indicated with a mean of 4.3571 that they use price discounts/ sales promotion and coupons in a bid to stay competitive in the market to a great extent. They also indicated with a mean of 4.2857 that they use volume discounts and freebies in a bid to stay competitive in the market to a great extent. Further, the respondents indicated with a mean of 4.1714 that they use advertising/ store displays in a bid to stay competitive in the market to a great extent. Also they indicated with a mean of 4.0714 that do personal selling in a bid to stay competitive in the market to a great extent. Additionally, the respondents indicated with a mean of 3.8714 that they use branding, logo or slogan in a bid to stay competitive in the market to a moderate extent. The respondents further indicated with a mean of 3.8714 that they use free samples and contests in a bid to stay competitive in the market to a moderate extent. Finally, the respondents indicated with a

mean of 3.7286 that they use free gifts in a bid to stay competitive in the market to a moderate extent.

4.6.1 Reactive decisions in the changing environment

The researcher finally requested the respondents to indicate how their pharmaceutical distributors consider the importance of the stated reactive decisions in the changing environment. The results obtained were as shown in Table 4.13 below.

Table 4. 13: Reactive decisions in the changing environment

	Mean	Std. Deviation
After sale service	4.0714	.57285
Product packaging	4.0714	.68781
Delivery speed	4.3857	.62073

From the findings shown in Table 4.13, the respondents reported with a mean of 4.3857 that considers delivery speed to be very great importance in the changing environment. In addition, the respondents reported with a mean of 4.0714 that their pharmaceutical company considers after sale services to be of great importance in the changing environment. Lastly, the respondents reported with a mean of 4.0714 that their pharmaceutical company considers product packaging to be of great importance in the changing environment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings, conclusion and recommendations for practice and further research on the problem. This study aimed at establishing the competitive strategies adopted by pharmaceutical distributors and the factors influencing the choice of competitive strategies used by pharmaceutical distributors in Nairobi.

5.2 Summary of Findings

The study found that the strategies employed by pharmaceutical distributors in Nairobi for competing effectively in the market include customer relations, proper services to customers, offering diversified products/product differentiation, giving discounts and adding an extra advantage such as through promotions. The study further established that competitive strategies employed by the pharmaceutical company enhance profitability and improvement in employee skills.

The study established that the pharmaceutical distributors use differentiation strategies such as market and innovation strategies in a bid to remain competitive in the market only to a little extent. It was established that service line, geographical area and customer group/ buyer characteristics inform focus strategies by pharmaceutical distributors to a great extent. The study further deduced that adoption of cost leadership as a competitive strategy affects the performance of the pharmaceutical company to a little extent. In

addition the study revealed that consumer demand, product attributes, and market and economic trends affect the pharmaceutical distributors while finding a product's optimum price to a great extent.

The study further revealed that pharmaceutical distributors use knowledge from past experience and new service features in response to demand strategy in response to changes in the market to a great extent. The study established that pharmaceutical distributors use price discounts/ sales promotion and coupons, volume discounts and freebies, advertising/ store displays and personal selling in a bid to stay competitive in the market to a great extent. This finding is consistent with Cantor and Macdonald (2009) assertion that no matter how successfully developed a product may be it is worthless except when its benefits are made clear and appreciated by the target customers.

It was also established that pharmaceutical distributors use branding, logo or slogan, free samples and contest and free gifts in a bid to stay competitive in the market to a moderate extent. Further, the study established that pharmaceutical distributors consider delivery speed, product packaging and after sale services to be of great importance in the changing environment. This finding is consistent with Kamau (2009) that marketers have since long tried to stimulate demand using various promotional tools like cash discounts (CDs), volume discounts (VDs) and freebies.

5.3 Conclusions

This study concludes that pharmaceutical distributors in Nairobi, Kenya do not largely use differentiation strategies in a bid to remain competitive in the market. Further, the

study concludes that the distributors apply market and innovation as differentiation strategies to a great extent.

In relation to focus or niche strategy the study concludes that service line, geographical area (market niche where buyers have distinctive preferences) and customer group/ buyer characteristics inform focus strategies by pharmaceutical distributors in Nairobi to a great extent. Further, this study concludes that marketing niche strategy based on social and cultural differences within the community and ensuring exclusivity through branding, patents or trademarks are used by the pharmaceutical distributors in Nairobi as a focus or niche strategy only to a moderate extent.

From the dimension of cost leadership strategy, the study concludes that as a competitive strategy it affects the performance of the pharmaceutical distributors in Nairobi only to a little extent. In addition, the study further concludes that consumer demand, product attributes and market and economic trends affect the pharmaceutical distributors while finding a product's optimum price to a great extent. The study further concludes that pharmaceutical distributors in Nairobi use knowledge from past experience and new service features in response to demand strategy in response to changes in the market to a great extent.

In relation to promotion strategies, the study concludes that pharmaceutical distributors use price discounts/ sales promotion and coupons, volume discounts and freebies and advertising/ store displays in a bid to stay competitive in the market to a great extent. Further, the study concludes that pharmaceutical distributors consider delivery speed,

product packaging and after sale services to be of great importance in the changing environment.

5.4 Recommendations

This study established that pharmaceutical distributors do not largely use differentiation strategies in a bid to remain competitive in the market. This study therefore recommends that pharmaceutical distributors take on the challenge of properly differentiating their products and also carry out heavy sensitization of the public on the existence of counterfeit drugs that are made to look alike.

Secondly, this study established that geographical area (market niche where buyers have distinctive preferences) inform focus strategies in pharmaceutical distributors to a great extent. As such the pharmaceutical distributors should be flexible enough to pay close attention to buyers' distinctive preferences. This will ensure that the buyers' needs are satisfied and in the process stabilizing the sales volume as the buyer gains trust with the pharmaceutical company.

Thirdly, the study also established that consumer demand, product attributes and market and economic trends affect the pharmaceutical distributors while finding a product's optimum price to a great extent. This study recommends that pharmaceutical distributors carry out extensive research in those three areas namely; consumer demand, product attributes, market and economic trends so as to make an informed decision about the optimum price of their products to avoid overcharging or undercutting. This study recommends that pharmaceutical distributors take on the challenge and explore the many

areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials.

The study established that pharmaceutical distributors use price discounts/ sales promotion, volume discounts and freebies, advertising/ store displays and do personal selling in a bid to stay competitive in the market to a great extent. Whereas marketing of pharmaceutical products is regulated, and taking into account the tremendous influence that social media has on the modern buyer; this study recommends that pharmaceutical distributors take their promotion strategies a notch higher by crossing over to the internet as a medium of promoting their products.

This study investigated competitive strategies adopted by pharmaceutical distributors and the factors influencing the choice of competitive strategies used by pharmaceutical distributors in Nairobi. The population studied included wholesalers and retailers; brand owners and non-brand owners. Further research should be carried out to establish the challenges that pharmaceutical distributors face other than competition and how they have managed to cope. The different categories in this population can also be studied separately to determine whether there are salient differences between such groups in terms of competitive strategies adopted. The pharmaceutical industry being a regulated one, further studies can be conducted to determine the effects of the competitive strategies adopted on compliance with regulatory requirements.

REFERENCES

- Cantor, D. E. and Macdonald, J. R. (2009). Decision-Making in the Supply Chain: Examining Problem Solving Approaches and Information Availability, *Journal of Operations Management*, 27(3), 220-232.
- Caulkin, S. (1999). The pursuit of immortality, *Management Today*, May
- Chang'orok N. M. J. (2009). A Survey of competitive strategies adopted by credit card providers in Kenya, *Unpublished MBA Project, University of Nairobi*
- Child, J. (1997). Strategic choice in the analysis of action, structure, organizations and environment: Retrospect and prospect. *Organization Studies*, 18: 43-76.
- Churchill, G.A. (1991) *Marketing Research: Methodological Foundations*. London: The Dryden Press.
- Cooper, D.R & Schindler, P.S. (2003). *Business Research Methods*, 8th ed. New York: McGraw-Hill.
- Creswell, J., W. (2003). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Thousand Oaks: Sage Publications, Inc.
- Della Bitta, A.J., Monroe, K.B., and McGinnis, J.M. (2002). Consumer perceptions of comparative price advertisements, *Journal of Marketing Research*, 18, 416-27.
- Dooley, D. (2007). *Social Research Methods*. New Delhi: Prentice Hall.
- Grant, R.M. (2002). *Contemporary Strategy Analysis*, 4th ed., Blackwell, Oxford
- Hyatt, L. (2001). A simple guide to strategy, *Nursing Homes*, Vol. 50 No.1, pp.12-3.

- Johnson, G., and Scholes, K. (1993). *Exploring Corporate Strategy*, Prentice-Hall, Englewood Cliffs, NJ, .
- Kamau, C. (2009). Strategizing impression management in corporations: cultural knowledge as capital. In D. Harorimana (Ed) *Cultural implications of knowledge sharing, management and transfer: identifying competitive advantage*. Chapter 4. Information Science Reference. ISBN 978-1-60566-790-4
- Kay, J. (1993). *Foundations of Corporate Success*. Oxford University Press
- Kotler, P., Adam, S., Brown, L. and Armstrong, G. (2006). *Principles of Marketing* , 3rd ed. Prentice Hall: Frenchs Forest, Australia
- Lado, A.A., Boyd, N.G. and Wright, P. (1992). A Competency-based Model of Sustainable Competitive Advantage: Towards a Conceptual Integration. *Journal of Management*. 18(1), 77-91.
- Malburg, C. (2000). Competing on costs, *Industry Week*, 249(17),31.
- Mintzberg, H. and Waters, J.A. (1985). Of Strategies Deliberate and Emergent. *Strategic Management Journal*, 6(3), 257-272
- Morris, M.H., Kuratiko, D.F. and Covin, J.G. (2008). *Corporate Entrepreneurship & Innovation*, 2nd Ed. . Minnesota: Thompson South- Western.
- Mugenda, O., M. & Mugenda, A., G. (2003). *Research Methods, Quantitative & Qualitative Approaches*, Nairobi: Acts Press
- Ngechu, M. (2004). *Understanding the research process and methods*. An introduction to research methods. Nairobi: Acts Press.

- Nzioka, C. M. (2010). Adoption of new pharmaceutical products by wholesalers in Kenya. *Unpublished MBA Project, University of Nairobi*
- Ogbonna, E. and Harris, L. (2003). Innovative organizational structures and performance: a case study of structural transformation to groovy community centers, *Journal of Organizational Change Management*, Vol. 16 No.5, pp.512-34.
- Ongwae, S. (2010). Creating and sustaining competitive strategies by Total Kenya Limited in a changing environment, *Unpublished University of Nairobi Thesis*
- Opondo, S. O. (2011). Effect of medical samples and gifts offered by pharmaceutical pharmaceutical distributors on the adoption of new drugs by healthcare providers in Kisumu city, *Unpublished University of Nairobi Thesis*
- Owiye, P. O. (1999). Why Kenyan Firms are Failing to Compete Effectively Within the Liberalized Trading Environment in Kenya: The Case of Government Owned Sugar Firms, *Unpublished MBA Project University of Nairobi*.
- Peters, T.J., Waterman, R. H. (1999). *In Search of Excellence*, Harper & Row: New York,
- Pharmacy and Poisons Act, cap 244 Laws of Kenya
- Pharmaceutical Sector Profile, Kenya: United Nations Industrial Development Organization (UNIDO), Vienna, 2010
- Phillips, D. (2009). *Online Public Relations*. London: Kogan Page.
- Porter, M. E. (1980). *Competitive Strategy: Technique for Analyzing Industries and Competitors*. New York: The Free Press

- Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: The Free Press
- Porter, M.E. (1990). The Competitive Advantage of Nation. *Harvard Business Review*, 73-93
- Porter, M.E. (1996). What is Strategy? *Harvard Business Review*. 61-78
- Prescott, J. E. (2001). Introduction, in Prescott, J.E. and Miller, S.H. (Eds), *Proven Strategies in Competitive Intelligence: Lessons from the Trenches*, Wiley, New York, NY. 6 (2), 4-14.
- Rainbird, M. (2004). A framework for operations management: the value chain, *International Journal of Physical Distribution and Logistics Management*, 34(3)
- Sessional Paper on Kenya National Pharmaceutical Policy, 2010
- Thompson A. and Strickland A. J. (2002). *Strategic Management: Concepts and Cases*, Irwin, New York.
- Wickham, P.A. (2006). *Strategic Entrepreneurship*. 4th Edition. Essex: Pearson Education.

APPENDICES

Appendix I : Questionnaire

SECTION A: GENERAL INFORMATION

1) Gender

Male Female

2) What is your age bracket?

Below 25 25-35

36-45 Above 45

3) What is your highest level of education?

Masters degree Undergraduate degree

College Diploma Others (specify.....)[]

4) How many years have you worked in this company?

0-2 years 3-5 years

6-8 years More than 10 years

5) What is your designation?

6) Age of Business (years in operation)

1-5 years 6-10 years

11-15 years 16-20 years

Above 20 years

7) Ownership of the firm

Sole Proprietorship Partnership Ltd Liability Co.

8) Number of employees

1-5 6-10

11-15 [] 16-20 []

Above 20 []

9) The pharmaceutical business is quite competitive. What would you consider as your company's strategies for competing effectively in the market?

10) To what extent do the competitive strategies employed by the company enhance the following at the company? Please rate in a scale of 1-5 by placing a check mark in the appropriate box where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)

	1	2	3	4	5
Market share					
Sales volume					
New and improved product introduction					
Profitability					
Improvement in employee skills					

SECTION B: COMPETITIVE STRATEGIES

DIFFERENTIATION STRATEGIES

11) To what extent does your company use differentiation strategies in a bid to remain competitive in the market? (Please tick one)

To a very great extent []

To a great extent []

To a moderate extent []

To a little extent []

To no extent

[]

12) Rate the level of application of the following differentiation strategies in your company by placing a check mark in the appropriate box in a scale of 1-5 where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)

Differentiation strategy	1	2	3	4	5
Product					
Price					
Innovation					
Market					
Others, (Specify.....)					

13) To what extent does your company apply the following factors to ensure success of its differentiation strategies? Please rate in a scale of 1-5 by placing a check mark in the appropriate box where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)

Differentiation strategies	1	2	3	4	5
Scanning activities					
In-depth analysis					
Frequent communications via liaison devices					
Field briefings					
Group decision making					
Reduced formality					
Increased delegation					

Increased technocrat					
Others, (Specify.....)					

FOCUS OR NICHE STRATEGY

14) To what extent do the following inform focus strategies in your company? *Please rate in a scale of 1-5 by placing a check mark in the appropriate box where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)*

	1	2	3	4	5
Customer group/ buyer characteristics					
Product range/ specifications/requirements					
Geographical area (market niche where buyers have distinctive preferences)					
Service line					

15) To what extent does your company employ the following focus or niche strategies in a bid to stay competitive in the market? *Please rate in a scale of 1-5 by placing a check mark in the appropriate box where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)*

	1	2	3	4	5
Use penetration pricing which involves setting the price low					
Use of few target markets (also called a segmentation strategy or niche strategy).					
Focusing on narrow market segments and tailoring your marketing mix to these specialized markets					

Product innovation and/or brand marketing rather than efficiency					
Targeting market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment					
Select a segment of the market that has a special need.					
Carry out market research to identify if the market size makes the idea feasible.					
Ensure that exclusivity through branding, patents or trademarks can be obtained.					
Prepare inventory and delivery channels.					
Marketing niche strategy based on social and cultural differences within the community					

COST LEADERSHIP STRATEGY

16) To what extent does adoption of cost leadership as a competitive strategy affect the performance of the company? *(Please tick one)*

To a very great extent []

To a great extent []

To a moderate extent []

To a little extent []

To no extent []

17) To what extent do the following activities affect your company while finding a product's optimum price? *Please rate by ticking the appropriate box in a scale of 1-5 where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)*

	1	2	3	4	5
Overall marketing objectives					
Consumer demand					
Product attributes					
Competitors' pricing					
Market and economic trends					
Staff costs					
Fees charged by consultants					

18) To what extent do you use each of the following cost leadership strategy options in response to changes in the market? *Please rate by ticking the appropriate box in a scale of 1-5 where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)*

COST LEADERSHIP STRATEGY OPTIONS	1	2	3	4	5
Keeping charges lower than competition					
Keeping charges same as competition					
Keeping overheads lower than others					
Use knowledge from past experience					
New service features in response to demand					
Keeping overheads same as industry					
Staff reduction					
Others specify.....					

PROMOTION STRATEGIES

19) To what extent does your company employ the following promotional strategies in a bid to stay competitive in the market? *Please rate by ticking the appropriate box in a scale of 1-5 where (1= to no extent; 2= to a little extent; 3= to a moderate extent; 4= to a great extent; 5= to a very large extent)*

	1	2	3	4	5
Advertising/ store displays					
Personal selling					
Price discounts/ sales promotion and coupons					
Volume discounts and freebies					
Branding, logo or slogan					
Free gifts					
Free samples and contests					

20) How does this company consider the importance of the following reactive decisions in the changing environment? *Please rate in a scale of 1-5 by ticking the appropriate box where (1= unimportant; 2= of little importance; 3= moderately important; 4= important; 5= Very Important)*

Reactive strategies	1	2	3	4	5
After sale service					
Product packaging					
Delivery speed					
Others, (Specify.....)					

THANK YOU FOR YOUR PARTICIPATION!!!

Appendix II: List of Pharmaceutical Companies

1. ANSELL PHARMACEUTICALS LTD
2. AROM CHEMICAL INDUSTRIES
3. ATROPA PHARMACEUTICALS
4. BAKPHARM LTD
5. BIOVET (k) LTD
6. CANAAN PHARMACEUTICALS LTD
7. CAROGA PHARMA (K) LTD
8. CENTRALE HUMANITAIRE MEDICO PHARMACEUTIQUE
9. CITYLINK PHARMACY
10. CLIMAX PHARMACEUTICALS CO. LTD
11. CLINIX HEALTHCARE LTD
12. CORE DIAGNO SCIENCES LTD
13. COSMOS LIMITED
14. DAMCO PHARMA LTD
15. DAN PHARMACIE LTD
16. DANNES PHARMACY
17. DISCHEM PHARMACIE
18. DONHOLM POLE POLE PHARMACY
19. ELDOBASE CHEMISTS LTD
20. ELTON'S CITY CENTRE PHARMACY LTD
21. FLAME TREE PHARMACY LTD
22. FORLEYS LIMITED
23. HALTONS PHARMA LTD.
24. HARTLANE PHARMACEUTICALS
25. HGHCHEM MARKETING LTD
26. INFUSION MEDICARE (K) LTD
27. INKAMED PHARMACEUTICALS LTD
28. JEWELS SPARKLE PHARMACEUTICALS

29. JOGOO ENTERPRISES
30. JOS HANSEN & SOEHNE E.A. LTD
31. JUNA PHARMACEUTICALS LTD
32. KARURI STORES PHARMACEUTICALS
33. KAVAKAVA PHARMACY
34. LABOREX (k) LTD
35. LYNTONS PHARMACY LTD
36. MALIBU PHARMACY LTD AGRICULTURE HSE
37. MASTERN PHARMACEUTIACLS LTD
38. MAXIM PHAMACEUTICALS LTD
39. MED WORLD LTD
40. MEDICIENS SANS FRONTIERS SPAIN
41. MEDINA CHEMICALS LTD
42. MEDIPHARM E.A. LTD
43. MEDISEL NAIROBI LTD
44. MEDOX PHARMACEUTICALS LTD
45. NERIX PHARMA LTD
46. NILA PHARMACEUTICALS LTD
47. OMAERA PHARMACEUTICAL LTD
48. PANACEAU PHARMACEUTICALS LTD
49. PENTA PHARM LTD
50. PHARM ACCESS AFRICA LTD
51. PHARMA VISION LTD
52. PHARMACEUTICA 1985 LTD
53. PHOENIX PHARMACY LTD
54. RAY PHARMACEUTICALS LTD
55. SAI PHARMACEUTICALS
56. SAICARE ENTERPRISES LTD
57. SALAMA PHARMACEUTICLS LTD
58. SANAL PAHRMA KENYA LTD

59. SEARS CHEMIST LTD
60. SHIELD PHARMACEUTICALS LTD
61. SHREE JALARAM MANDAL PHARMACY
62. SPINX PHARMACEUTICALS LTD
63. SPRINA PHARMACEUTICALS
64. TRANSLAB PHARMACEUTICALS
65. UNIMED SUPPLIES & SERVICES
66. UNISEL PHARMA LTD
67. UNISUPPLIES & MARKETING LTD
68. UZURI EXPORTERS LTD
69. VETERINARY AND AGRONOMIC E.A. LTD
70. WOODVALE PHARMACY LTD