

DECLARATION

A COMPARATIVE STUDY OF THE APPLICATION OF SOCIETAL
MARKETING CONCEPTS BY FIRMS DEALING IN SOCIALLY
STIGMATIZED AND NON-STIGMATIZED PRODUCTS "

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21/11/2000
DATE

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

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS
OF BUSINESS AND ADMINISTRATION, UNIVERSITY OF NAIROBI

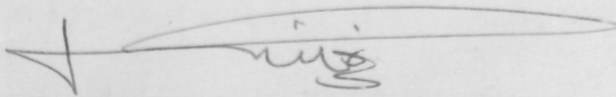
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DECLARATION

This project is my original work and has not been submitted for a degree in any other University.

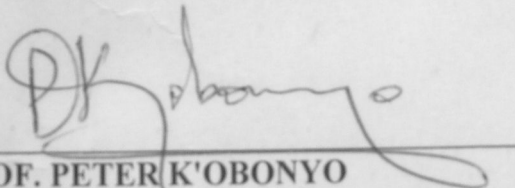


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This project has been submitted for examination with my approval as the University Supervisor.



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DEDICATION

We used to say that a degree is an harambee, but that was before I came for MBA. It is for the three most important women in my life; My mother, Mama Mer, for the total commitment in everything she sets out to do, including bringing me up; my wife, Wambui for her unswerving support even in very difficult times; and to sister Akinyi for her no nonsense approach to life - she always ensures that her younger brothers must work as hard as they can. My supervisor, Mr. [Name], deserved some rest, he accepted my request to supervise this project. After acceptance he dedicated his time to ensuring this project becomes a quality academic work, ever willing to interrupt his often busy schedule to advise me on the nitty-gritty of writing academic paper. I could not ask for more.

My entire family from where I drew my inspiration for academic excellence and who are always willing to sacrifice something to make my dream come true. Most particularly Mzee Okaka who though had a meagre earning has ensured that all his children get all the education they needed. Brother George - he has immensely sacrificed his personal comfort to see his younger siblings through and brother Rich and Oloo. Always comforting. I also feel indebted to my siblings' immediate families for allowing them to support me, most particularly brother-in-law Dr. Giedo, this man is truly an inspiration.

Special thanks to all my classmates for the teamwork they showed throughout this two years trying time, for all through we were adversaries and never enemies. Most sincere thanks to Oswald Okaka, who was the classmate.

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We used to say that a degree is an harambee, but that was before I came for MBA; at MBA the word harambee assumed its true meaning and added to it the word sacrifice.

The following people had immense contribution towards this noble course - MBA.

Professor Peter K'Obonyo. Despite the fact that the Professor had just arrived from South Africa and obviously deserved some rest, he accepted my request to supervise this project. After acceptance he dedicated his time to ensuring this project becomes a quality academic work, ever willing to interrupt his often busy schedule to advise me on the magic behind writing academic paper. I could not ask for more.

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Special thanks to all my classmates for the teamwork they showed throughout this two years trying time, for all through we were adversaries and never enemies. Most sincere thanks to Gerald Ondick who was the closest.

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To all these and many more who have been with me all I can say is may the Almighty God bless you - Amen.

ABSTRACT

Societal marketing is the latest method of marketing, it looks at marketing as a process that would lead not only to the betterment of the society but would also ensure long term profitability. This concept is actively being pursued in developed world and lately being adopted in developing countries. This study therefore attempts to find out the extent to which Kenya has adopted this new concept (earlier studies show that it actually has been adopted and whether the application of societal marketing concept is influenced by the type of product a firm is offering. It considered two categories of firms: those offering socially stigmatized products and those offering non-socially stigmatized products.

The study was carried out in Nairobi using structured questionnaire. The target respondents were marketing executives or their equivalents in manufacturing firms falling in either category of firms (i.e. those with stigmatized and those with non-stigmatized offers). The researcher personally administered the questionnaire in more than 50% of the cases; the rest he used drop and pick method. The finding of this research was then exposed to statistical analysis, specifically measures of variation and t-statistics were used.

The finding was that there is a difference in the extent of application. Those firms with socially stigmatized products tend to apply more societal marketing concepts than those with non-stigmatized products. If societal marketing is meant to take societal welfare when marketing products, then its higher application by firms offering socially

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stigmatized products could be understood from the background of the fact that they are trying to make up for the social stigma attached to their products.

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The study considered tobacco and alcohol as stigmatized products while banking and food processing were considered as non-stigmatized products.

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CHAPTER ONE

INTRODUCTION

1.1 Background

Brech (1953) argues that marketing is the process of determining consumer demand for product or service, motivating its sales and distributing it for ultimate consumption with the aim of making a profit. The definition clearly shows that marketing starts with the consumer; it also acknowledges the need to encourage the consumer to buy, but Brech did not recognize that marketing is prouder than identifying demand and encouraging consumers to buy.

According to Kotler (1985) marketing is a management process that proceeds from analysis, planning, implementation and control of programmes designed to build and maintain beneficial exchanges with target buyers for the purpose of achieving organizational objectives and goals. The Kotler definition is more comprehensive, thus we will return to it later.

But first let us look a how Bartel (Jan. 1968; 29-33) defines marketing. He argues that marketing is the process whereby the society in order to supply its consumption needs, evolves distributive systems composed of participants who interacting under constraints – technical (economic) and ethical (social) – create the transactions or flows which resolve market separations and results in exchange and consumption. It is interesting that Bartel as early as 1968 recognized that marketing is not only done under economic constraints but also under ethical constraints. It is obvious from his reasoning that marketing is both an economic and social activity. Although early

marketers emphasized economic aspect of marketing, the trend has been continuously moving towards social aspects. Indeed in developed countries the trend is either at 50% or more; particularly in socially questionable industries like tobacco, alcohol and foodstuffs.

Going back to Kotler's assertion above, it can be seen that Kotler attempts to marry the business needs and the societal needs for mutual benefit. Indeed later on Kotler (1989) made this explicit when he explained that marketing serves as the link between society's needs and its pattern of industrial response.

Briefly put, marketing therefore exists at both micro and macro levels. Micro marketing is the performance of activities which seek to accomplish an organization's objectives by anticipating customer needs and directing the flow of needs (wants)-satisfying goods and services from producer to customer on the one hand and macro marketing being a social process which directs an economy's flow of goods and services from producers to consumers in a way which effectively matches supply and demand and thus optimizes societal utility.

The big problem is that more often than not micro and macro marketing seem to be pulling in the opposite direction, and for short time managers this can be very frustrating – the good thing is the realization that in the long run these two are in harmony.

Before discussing societal marketing proper let's briefly see how marketing as a concept has changed over time.

Production Concept – this was predominant during industrial revolution ages early last century. It states that consumers will favor those products that are available and are highly affordable. Kotler and McDougall (1985) clarified that at this stage management concentrated on improving production and distribution efficiency. This served producers well because at this time the economies were characterized with shortages and everything produced at the right prices was quickly sold. Indeed this concept is still alive in developing countries and some industries. But as consumers become more informed and competition increases this orientation had to be quickly abandoned as it ignores quality and is too internally focused.

As conditions favouring production concept withered out a new concept grew up.

The Product Concept. Because production concept was considered too cruel to quality, product concept tried to address the quality issue albeit from producers' point of view. The marketer assumed that the consumers would buy products of high quality and shun those of inferior quality. A lot of emphasis was therefore laid on producing products that the managers perceived to be of high quality and that so long as the product is of high quality the consumers will be ready to pay the price.

The big blunder made here is that; people are completely aware and knowledgeable about product quality and that technical experts know exactly what constitutes quality to the consumer. Little or no effort at all was made to inform the consumers about this 'quality' let alone involve him. Kibera and Waruingi (1988) assert that the

assumption that consumers will buy a product just because it is of high quality with no persuasion at all was misleading.

The Selling Concept – developed out of the major weakness of product concept – namely, lack of persuasion effort. It insists that consumers will not buy unless the organization pushes them to do so. A lot of emphasis was therefore put on persuading the customers to buy. However the major weakness is that marketing process is still looked at from the producers side. No effort is being made to consult the customer before being persuaded to buy. It thus lacked the most important ingredient in the marketing mix; the consumer.

Another concept had to develop to take care of this weakness of the selling concept. This is the *Marketing Concept*. Kotler and McDougall (1985) stated that marketing concept is the determination of needs and wants of target market(s) and delivering the desired satisfactions more efficiently than competitors. This means that the process begins with the target market and ends with it. It also takes care of the competitors, worth noting is that there is the product concept in this but only that quality is seen from the customer's point of view. Kibera and Waruingi (1988) advised that once consumers needs and wants have been identified then a product is developed that will satisfy these needs, followed by an integrated marketing programme involving the 4Ps of marketing and the commitment of all personnel in the organization. the idea is to see marketing effort as every organization's members responsibility, such that all departments work at achieving customer satisfactions.

All the above concepts treated the customer as an individual, removed and divorced from his society. The driving force behind the marketing concept is customer needs and wants identification and satisfaction. This leads to the production and marketing of goods like tasty but non-nutritious baby formulas, use of disposal one way beer cans, turning of catchment and natural beaches into modern hotels and so on. This leads to rampant abuse of environment, wastage of natural resources and sometimes introduction of socially undesirable goods and services (e.g. pornographic movies) to the consumers (particularly the youth).

Dalrymple and Parsons (1990) argued that although marketing concept has helped to tie the activities of business executive to the interest of consumers, companies are still faced with hordes of customers demanding refunds, suing for damages and supporting restrictive legislation, this is borne out of the problem that marketing concept does not distinguish between satisfying customer wants in the short run and need for customer welfare in the long run.

It is out of this that **societal marketing** concept originated. Dalrymple and Parsons (1990) defined societal marketing concepts as follows:

The societal marketing concept holds that the organization's task is to determine the needs, wants and interests of target markets and to deliver the desired satisfactions more efficiently than competitors in a way that preserves or enhances the consumer's and the society's well being.

The main aim of marketing under societal concept is the long-term satisfaction of the consumers which also ensures long run profitability to the organization. It holds that

the organization's principal task is to determine the needs, wants and interests of the target markets and to deliver the desired satisfaction in a way that preserves or enhances the consumer's and the society's well-being (Kotler and McDougall 1985: 13).

It came out of the realization particularly in the western world that sometimes what satisfy customer needs better than competitors can ruin the society in the long run. A good example is the disposal cans for beer and soft drinks that sorted out the problem of cumbersome bottles that had to be returned after emptying the contents; soon it was realized that the convenient cans ended up posing a serious environmental problem as it littered the towns and some of its parts could not be picked even using magnetic cleaners. The impact of marketing particularly on the environmental jobs, education, health and the general social well being had to be re-examined. It forced marketing to reassess product packaging, advertising, sales packaging, pricing to see how they affect the societal well being and not only on the organization.

It forced the marketing executives to realize that business does not exist in isolation but is just one unit of the entire society's system. And that ruining the society is bad for the business in the long run however profitable it is in the short run (Stanton and Ferrel 1989).

Kotler (1975) identified the following as the underlying concepts of societal marketing.

- ❖ *The major reasons for organization is to create satisfied and healthy customers and to contribute to the quality of life.*

- ❖ *The organization must research for products that combine high appeal and high benefits to consumers. It must provide information on the proper use of product to maximize the benefits consumers receive.*
- ❖ *Consumers will patronize those organizations that are perceived to be generally concerned with their immediate satisfaction and long run welfare.*

It is important to note that any organization that practices the above three is difficult to beat particularly in the long run.

It is also important to note that it is a big challenge for organizations to strike a balance between profitability, service to the customers and taking care of the environment (Broffman 1971).

But we must accept that the societal well being is always the organization well being in the long run. Taking care of the society therefore is always equal to taking care of the business in the long run.

Scholars the world over have tried to show that societal marketing is the way forward for businesses. Dawson (1969) researched on the human concept. He concluded that long-term profitability is only possible through marketing that takes care of the society. This he called "enlightened profit maximization". His works proved that businesses involved in societal marketing were doing better in the long run. Research also has been done in India (Gosh and Kapoor 1985) that went along to clarify that societal marketing and profit maximization are consistent contrary to the view held by businessmen that they go counter.

Indeed Kotler (1987) concluded that societal marketing and the business social responsibility help the society and the business to grow together. The end result is that both are better off as the two feed on each other in a symbiotic manner.

Locally Bashaija (1977) studied business social responsibility in Uganda. His research set out to find out the extent of practice of social responsibility and the general attitude toward social responsibility by business executives. At this time dictator Amin was in power in Uganda, this meant a lot of political influences affected his findings, but he concluded that most business executives were either ignorant or refuse to be socially responsible as they could not tie business objectives and social welfare. Ngahu (1987) worked on the attitude of executives at the time were more concerned with marketing concept as they could easily relate profits to marketing concept. Only less 50% had favorable attitude towards societal marketing. But this was before liberalization which has intensified competition which calls for the best method of marketing that would ensure long term survival as is today. Apart from Ngahu, Kweyu (1993) another local researcher studied attitudes of bank executives towards social responsibility. Like Ngahu Shehe discovered that the awareness of these executives toward social responsibility was very high indeed higher than Ngahu discovered but that the attitude was still not favourable.

Both awareness and attitude towards societal marketing has been improving according to local researchers listed above. Indeed Chepyegon (1996) found an awareness of 100% and an attitude of index 80% which is considerably higher than what his predecessors found out. Though his findings could have been affected by the nature of

the industry he studied (i.e. hotel); it could also be the result of poor economic performance at this time compared to the economy before 1994; but more weight in his findings could be attributed to globalization and liberalization which intensified competition and forced executives to look for better ways of survival other than depending on the government to protect them from competition.

All these findings show a gradual move towards societal marketing orientation, only that they all concentrated on attitude and not application. There is therefore need to study the extent of application to see how the attitude has been translated into action. It will also be interesting to discover how socially stigmatized product/service providers particularly tobacco and alcohol firms are fairing compared to the other types of firms, will call non-socially stigmatized product/service providers particularly hotel, banking and textile.

1.2 Definitions

1.2.1 Socially Stigmatized Products/Services

These are products that in one way or another the society views and or their consumption as harmful to the society. The stigmatized products here will refer to only those products whose consumption has been proved to be harmful to the society or consumers.

To qualify as stigmatized therefore the product background will be traced to find out if there is any authentic medical or social research that have found that such product consumption is harmful; either directly to the consumer or to people around him/her.

In this category the researcher has zeroed in on alcohol and tobacco. World Health Organization estimates that every second a person dies as a result of tobacco use (WHO 1997). This number is poised to be one person every three seconds by 2030. Tobacco consumption is reputed to be responsible for the following ailments – chronic obstructive airways disease, lung cancer, heart disease, peripheral vascular disease, peptic ulcer disease to bladder among others. In USA and UK where extensive research on effects of smoking has been done, it has been discovered that smoking kills more people than heroin, alcohol, AIDS, fires, homicides and automobile accidents combined (SALUS, 1994: 2). These health effects combined with the antisocial behavior like waking up at night to smoke, foul breath and erratic behavior makes tobacco a good case of stigmatized product. On the other hand alcohol has been positively identified as a harmful drug. It is a drug which has the capacity at least in the short run to remove and allay wide variety of unpleasant feelings (Edwards, 1982). For the person who is insecure or who doubts his worth drinking may temporarily remove these feelings.

But unfortunately if alcohol is to produce any of these wanted effects it is likely to be needed in quantities which exceed safe drinking and it only gives temporary relief, the dose must be frequently repeated (Edwards, 1982). Because alcohol gives only temporary respite from the unpleasant feeling it has to be taken in large quantities to sustain the wanted effects in the process tolerance of alcohol develops and ever increasing quantities have to be taken to achieve the desired ends. The end result is that not only does the pre-existing problems remain, others which comes as a result of

drinking like financial problems, world becoming hostile to drunken behavior, family troubles and finally a feeling of failure.

In short alcohol is a drug which is responsible for the following complications; sexual impotence among male (Lemere and Smith 1973), beriberi heart disease (Madden, Walker and Kenyon 1976) among other cardiac problems, fetal alcoholic syndrome (Jones and Smith 1973, liver disease (Rubin and Lieber 1968), intestinal complications (Israel, Valenzuela, Salazar and Urgarte 1969), pancreatic dysfunctions (Orrego-Matte et al 1969), the widely researched effects on the central nervous system which leads to myriad social problems among other complications.

1.2.2 Non-Stigmatized Products

These will be products that has no clearly researched problem of serious side effects to the society during or after their consumption. They have been identified using grounded theory using questionnaires sent to five medical doctors, five religious leaders and ten male and female adults selected randomly in Nairobi of which two were female teachers and three male teachers. The researcher has chosen banking industry, textile industry and food stuff as they qualified highly among non-stigmatized products.

1.3.0 Research Problem

Some research has been done on societal marketing, most of which concentrated on attitude of executives of business firms towards the concept. Among these, only Ngahu (1987) attempted, albeit to a small extent, to investigate whether these firms were actually using societal marketing concept.

First, the general consensus seemed to be that favorable attitude towards societal marketing by business executives will generally translate into its application; nothing can be further from the truth. Secondly, very little has been done in terms of research in Kenya to find out whether the type of product a firm offers has a bearing on rate and levels of application of societal marketing. It is my contention that societal marketing would be used more by certain firms than by others depending on their offer. To this end, firms with the products perceived by the society as being harmful when consumed may probably be forced by these circumstances to seek to placate the society through more use of societal marketing techniques. This is as opposed to those firms whose products are perceived to cause little harm to society when consumed.

This study is therefore an attempt to find out if there is a relationship between an offer by a business and its application of societal marketing. It is important to note that two extremes have been taken so that the effect any other intervening variables that can come into play is minimized. Stigmatized and non-stigmatized products constitute a continuum.

The study will also seek to find out whether societal marketing is behind the success of alcoholic and tobacco firms. This arises from the fact that despite intense lobbying against tobacco consumption spearheaded by WHO it is estimated that about 82,000 and 99,000 teenagers alone start smoking every day in the world (Sunday Nation April 2, 2000) and the figure is higher for alcohol. It is the researcher's contention that these firms must be doing something better than others for this success.

1.4 Objectives of the Study

- (i) To find out the extent of application of societal marketing among firms in Kenya.
- (ii) To determine if there is a difference in application of societal marketing depending on the perceived effects of the firm's product on the society.

HYPOTHESIS

There is no significant relationship between the use of societal marketing concept by a firm and the perceived harmful effects of its products.

1.5 Importance of the Study

This study is expected to be of benefit to the following groups of people.

- (a) Business Community. This study will help to increase awareness on the need for societal marketing and relationship with profitability and competition war. It will

also give them an insight on better ways of presenting a business as part of the society, thus helping in its acceptance by the society.

- (b) To the government the study will create deeper understanding on ways of protecting its people against poor business practices and the need to allow for formation and operation of consumer watchdogs.
- (c) Lobby groups – particularly those targeting the perceived harmful product that the war has been taken at them by these firms; and therefore the competition is improving that the social ills brought about by the firms product far much outweigh the social benefits – the society better be convinced – on this law of relativity rather than just giving sweeping statements without allowing the society to compare.
- (d) Academicians – the study is a good groundwork to build on so that more insight can be thrown into the extent of use of societal marketing by different industries in a larger and deeper scale.
- (e) And lastly to the consumer, is it possible that the adage ‘buyer beware’ is more relevant today than ever before? And that it is time they started demanding that the society be protected form bad business practices? The research findings will throw some light on this.

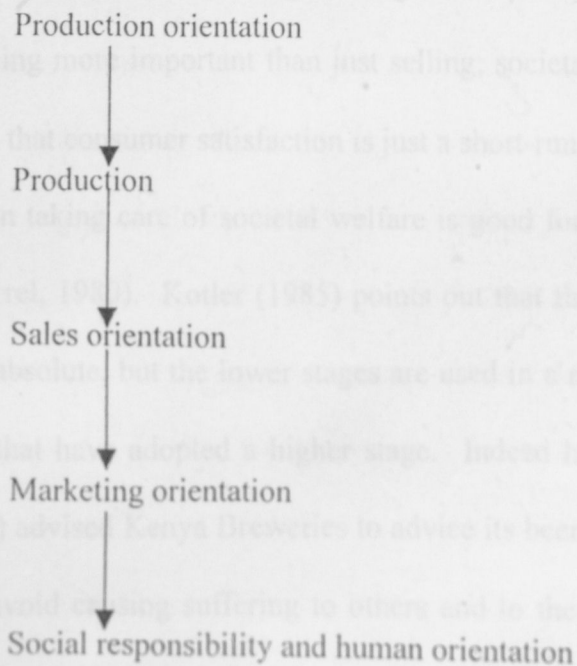
CHAPTER TWO

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 Introduction

Marketing as a business function has undergone revolution with time. Changes have been occasioned by the environment within which these businesses operated. One of the major changes has occurred in marketing philosophy.

Kotler (1985) has outlined marketing philosophies as consisting of production orientation, selling orientation, marketing orientation and lastly societal orientation, arguing that under marketing orientation the society is catered for. A better arrangement of these stages of changing marketing philosophies is presented by Stanton (1981) who started with



Marketing management philosophies started with production concepts and is now moving into the area of social responsibility. As Keith (1960) argued, marketing revolution is a continuous process with the centre being the consumer. His argument implies that the preferences of the consumer keep changing and marketing is just a vehicle to deliver satisfaction at each stage in time. Right now the consumer is more inclined toward environmental protection and thus marketing has to move there. Slowly, we are seeing consumers agitating for morality in marketing. This will have to be taken seriously by marketers.

Societal marketing sprang out of the inadequacy of marketing concept to effectively address the problems of the society (Dawson 1969). Just like product concept replaced production concept by adding product quality, selling concept replaced product concept when marketers were convinced that sales is an integral component of marketing and marketing conception replacing selling concept by introducing consumer satisfaction as being more important than just selling; societal concept has emerged with the insistence that consumer satisfaction is just a short-run agenda of the business; but in the long run taking care of societal welfare is good for the health of any business (Pride and Ferrel, 1980). Kotler (1985) points out that the mover from one stage to another is not absolute, but the lower stages are used in a more modified form even for these firms that have adopted a higher stage. Indeed here in Kenya, Kibera and Waruingi (1988) advised Kenya Breweries to advise its beer consumers to drink moderately so as to avoid causing suffering to others and to themselves. The two saw this as being good for Kenya Breweries in the long run.

Similarly BAT has been repeatedly advised to clearly show that smoking is a dangerous habit and to leave it upon their consumers to decide; indeed as earlier stated BAT is currently running a programme aimed at educating the youth on the hazard of smoking.

Originally, and currently in some firms, marketing decisions are based on how much profits it will generate. Kotler and McDougall (1985) advise that society's interest must be balanced with profits to come up with a better marketing programme, as business is just but a part of the society, that gets its input from the society and gives its output back to the society (Kweyu 1993).

But first let us see why there is an ever increasing pressure to abandon marketing concept or to improve it.

2.2 Problems of Marketing Concept

The marketing concept's emphasis on customer satisfaction has been its major undoing. As pointed out by Ferrel and Pride (1980) there is always a limit to which a firm can satisfy customer needs for a particular product. Indeed, determination of needs is the first major problem as accuracy here is very stochastic and even if the need is accurately determined, the problem of developing a product that can satisfy this need is ever acute (Kotler 1987). For example, the problem of producing a water proof package for Omo detergent has actually led to another problem of having to get into grasp with environmentalists who insist and rightly so, that the current package is environmental unfriendly as it litters the environment and is non-bio-degradable; a

clear case for EAI of developing a wrong product for the right need. It shows that satisfying short term needs while ignoring long-term consideration may only lead to customer dissatisfaction. (Gaba 1987).

Marketing concept also suffers from the problem of satisfying target market. For example, for a beer firm if the target market needs high alcoholic drink, a beer manufacturer will be inclined to give it to them. The result of this action is more quarrels at homes, absent parents, more road accidents and so on. As for home drinkers, given them beer cans that can easily fit in their bags; but what about the estate environment? Segmentation calls for satisfying one segment of the society whose interest may be in conflict with the larger society. This can have very bad results for the long run interest of the society and business.

Firms that adhere firmly to the marketing concept are continuously under attack from consumer groups. Currently the leading elite of marketing concept is computer industry. Microsoft is at this time yet to resolve a suit brought on it for unfair business practices. As Dawson (1980) asserts, marketing concept only considers people in their capacity as consumers. He insists that marketing concept is limited in dimension and has to be changed to contain changes in society for any meaningful firm growths.

It is also possible that marketing concept inhibits innovation. For example, had the Wright brothers waited for an average man to feel the need for flying before innovating aircraft probably we may not be flying today. Dawson (1980), and Riess (1980) argued that marketing concept has contributed to the death of true product

innovation. This is because consumer being an average man, is not capable of articulating needs and wants for goods and services that are technologically and functionally advanced (Ngahu 1987).

Levit (1977) clarified that the major problem with marketing concept is its tendency towards rigidity. He calls for societal marketing as a solution to this dogging problem of lack of innovation and rigidity. He further argues that marketing concept is an illusive philosophy and points out that the meaning of marketing concept itself is dependant on whoever is looking at it.

2.3 Societal Marketing Concept

It is important to note that just like marketing concept, societal marketing concept also recognizes that business is formed to make profit, only that this profit must be made responsibly to lead to the long run benefits of both the society and the business. The reason for resistance of societal marketing so far as pointed out by Peter and Donnelly (1988) is its emphasis on changes in business conduct and strategies that involve cost without yielding immediate and visible profits.

Societal marketing is also at variance with the business philosophy of "free enterprise system" which allows businesses to do everything possible to make profit. Indeed though still held strong by some executives this doctrine (free enterprise system) has led to the demise of several business organizations. The global business is moving towards what Donnelly and Peter (1988) described as "managed capitalism" which thrust the onus of societal well being on the hands of business executives.

2.3.1 Morally Fit Society

Societal marketing is hinged on long run customer orientation, long run profit direction, societal orientation and integrated marketing (Stanton 1984) clearly showing that inspite of being perceived as an investment without return it actually gives returns in the long run. It also helps in promoting the business to the public as belonging to them, something that is very important for any business entity.

Before proceeding, let us see how societal marketing plays a role in marrying business needs and societal requirements, starting with the society.

2.3.1 Benefits to the Society

2.3.1.0 Environment

If business practice societal concept one of the major factors they have to consider is the impact of their operations on the environment. Indeed it is true that the first move towards societal marketing was borne out of environmentalist insistence that businesses should not be allowed to pollute environment without proper controls. Kotler (1983) asserts that environmentalists are concerned with forest depletion, factory smoke, littering and with increase in health problems due to polluted air, water and food. He said that they are not against marketing and consumption, but that they want them to operate responsibly towards the environment. Thus a business operating under societal philosophy will do everything to protect the environment. This will lead to a healthy nation.

2.3.1 Morally Fit Society

Business can affect the morality of the society in several ways; indeed in this age of the computer the extent of this effect has reached unprecedented levels. Computers can be made to come up with products and services that are generally not possible without them. These days, people can watch simulated pictures made through digital systems or disguised using computers.

It has been argued repeatedly that violent movies have led to very violent societies. Indeed toy guns were banned as a result of their encouraging violence. Today there is a campaign going on between church leaders and politicians on the issue of marketing of contraceptives and most importantly condoms.

All these problems causing conflicts between the business and society can be avoided with the adoption of societal marketing concept. The concept will refrain businesses from introducing any marketing programme that will hurt the society.

2.3.1.2 Optimization of Societal Wealth and Welfare

As Stanton (1984) points out, marketing develops as society and its economy develops, meaning that marketing should be responsible to the societal needs and desires. Societal marketing concept realizes that all institutions are tools of the society, which are established by society and continue to exist in the long run with the consent of the society (Gosh and Kapoor 1985). The institutions therefore must be seen by the society to be existing to perform some constructive role – the societal marketing concept ensures that this desire by the society is realized. In this case, a

firm endeavors to use the societal wealth carefully ensuring that everything is done to see to it that the society benefits from allowing the use of its resources by the business. In Mombasa for example, Bamburi Cement has created very beautiful sceneries out of the quarries it dug to extract its raw materials, it has built roads and is currently building schools, the end result is that the society benefits from giving up the use of its resources to the business.

2.3.2.0 Benefits to the Business

2.3.2.1 Long Run Profitability

As Dawson (1969) puts it societal marketing concept allows the business to pursue “enlightened profit maximization”. It is enlightened as it allows the business to make profits for a very long time.

Kotler (1987) argued that enlightened marketing grows out of a concept of enlightened capitalism. Enlightened capitalism calls on the businesses to go for fair business practices as these will honestly allow them to reap long term profitability unlike short term profitability, that is gained through creating unfair entry barriers, charging skimming prices and seeking favors from political powers.

Gosh and Kapoor (1985) insist that profits maximization as put in 1976 by Adam Smith is not bad for societal marketing, only that societal marketing sees it in the long run. Indeed long run profits is the dream of every businessman and this is what societal marketing is offering them.

2.3.2.2 Acceptance by the Society

Closely tied to long run profit maximization is the issue of acceptance of business by the society within which it operates. As Stanton (1984) put it, marketing that responds to societal needs is one that considers that business is actually owned by the society, and the society perceived ownership of the business will make the society protect it. The society will not allow its social asset to be destroyed by any force. It means the business is operating with the consent of the society (Gosh and Kapoor 1985). Such a business will stand the test of time and event administrative-political changes. Meaning that it will benefit from the society; as it will be their preferred choice for input and will enthusiastically accept its output.

2.4.0 Problems Associated with Societal Marketing

The major problem with societal marketing is that it seeks to eat its cake and still have it. Stanton (1981) showed his desperation with societal marketing concept when he graphically wondered how we could want autos while we reject jams and air pollution.

To marketing managers the frustration with societal marketing is how to beat financially hinged evaluation done at most yearly, how to compromise with competitors and still seek to beat them, how to strengthen brand loyalty and reduce brand shifting (Fornell 1981) yet improve relationships with competitors and so on.

Kotler (1987) wonders how the producer is supposed to produce a product that is salutary just because it is socially good, for example how do you make a movie that has no violence and sex and still sell it if the consumers prefer sex and violent movies;

how do you sell a highly nutritious baby formula that is tasteless to mother with babies? Is it possible to combine the highly costly societal demands and the societal demands of lower pricing?

But, all these problems have been addressed by one single argument. If the society's welfare is considered obviously price will drop as a result of drop in costs of inputs. For an alert businessman, producing a product that is both pleasing and salutary is a challenge, a challenge that leads to creativity, creativity that was being smothered under marketing concept.

2.5.0 Integrated Marketing

Ngahu (1987) asserts that integrated marketing involves the integration of company and coordination of all its activities that will affect customer satisfaction. And Foster (1972) argues that it is the coordination of the interest of each facet of the business and the unification of marketing and other functions to achieve a common purpose.

Integrated marketing is aimed at achieving the customers short and long term needs and do so in a manner that will benefit the firm and the society.

It is by the reasons that it involves the participation of everyone in the firm and breaking of departmental barriers that integrated marketing calls most for the involvement of top management.

Indeed integrated marketing is in harmony with Total Quality Management as advocated by Crosby, where he insists that the problem of quality is an entire organization problem and its solution can only be found with the involvement of all stakeholders customers included – that is exactly what integrated marketing calls for.

Integrated marketing sees customer satisfaction as an all round phenomena, that goes beyond product performance, it shows clearly that customer expects from a firm more than just a superb product but also other accompaniment. It is for this reason that societal marketing and integrated marketing come together. It is possible to see the link when one looks at integrated marketing as a programme aimed at helping the entire workforce in the organization to do all they can to attract, maintain and thrill the customer; obviously the workers themselves must be thrilled by the organization, and it is difficult to see how a customer can be maintained by an organization that ignores societal welfare. It therefore follows that integrated marketing is part and parcel of societal marketing. It is the marketing concept of the future (Kotler 1987).

2.6.0 The Status of Societal Marketing in Kenya

When Ngahu (1987) did her research she noted that more than 90% of top executives were aware of the need for societal marketing and its potential on the long run profitability, yet only 20% or less supported the fact that it contributed to profitability. This was at the time of government control of business environment, this has since changed with liberalization.

Right now we are seeing an upsurge in societal marketing with leading firms supporting one project or another or going all the way to safeguard their consumer interests. EABL is sponsoring poverty eradication programmes, Nation Media House is busy with coordinating funds collection to help the starving Turkanas, BAT is running programmes to warn youth against dangers of early age smoking, Aerial is busy donating funds to children homes, these are just some of what firms are doing in the area of societal marketing.

Kenya at present has a consumer organization that is functional, recently (1997) it

With liberalization many firms have realized that taking consumers for granted can be very costly as reported in the Daily Nation Newspaper June 11th 1998, the tide has changed and business competition will only be won by firms that are responsive to their customers, you either do this or risk loosing them. Bata shoe company realized that it was losing ground and went on to design a programme Buy Kenya Build Kenya (BKBBK) obviously meant to tell Kenyans that they risk loosing if they do not buy from their local firms.

1. Grooming in friends and family and warning them about the product or services

We have also been seeing the rate at which firms are moving fast to address issues raised by customers in the Daily Nation Newspaper Watchman column. Indeed even hitherto deadwood like Kenya Postal Services now has customer response section. All the leading banks (e.g. KCB, Barclays, Standard Chartered etc) now have an outside counter meant to speed up processing of customer complaints.

2. Warning a letter to the press

The matter of societal marketing has been aggravated by more informed consumers in Kenya. It should be noted that in December 1996 the Daily Nation Newspaper carried

a report of people demonstrating in Thika against a firm that they alleged was releasing harmful gases in the air, an issue of the same newspaper in March 12th 1999 carried a story of residents of Zimmerman Estate threatening to sue a hide processing plant over air pollution. These issues go a long way to show that consumers in Kenya are becoming more and more assertive towards their rights and the need to protect the society from harmful products or their influences.

Kenya at present has a consumer organization that is functional, recently (1997) it sued the Kenya Postal Services for hiking the local postage rates. As it becomes more daring business will be seeing a lot of their actions being monitored to see how they impact on the society.

Waruingi (1979) discovered that consumers take the following actions when they are dissatisfied with a product in services or the firm.

1. Grumbling to friends and family and warning them about the product or services.
2. Making a trip to the shop where the product was purchased to register the complaint.
3. Writing a letter to the appropriate government department such as Kenya Bureau of Standards or the price control departments.
4. Writing a letter to the manufacturer of the product.
5. Writing a letter to the press.
6. In desperation going to a court of law.

I would add from recent observation a seventh action.

7. Demonstrating against the firm if their issue is not addressed in good time.

2.7 Attitude Measurement

Gordon and Allport (1946) defined attitude as learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable manner. So that consumer attitude towards a product is his learned tendencies to evaluate a product consistently as favorable or unfavorable. According to Ngahu (1987) attitudes are an important influence in behavior.

If attitude is learnt then it has to be affected by an individual environment which includes cultures, peers, personality and so on. Attitude consists of three components as expounded by Summers (1970), these are cognitive, affective and behavioral components.

Cognitive component is the belief or thinking component of attitude. It is based on knowledge of a particular object of concern. This is why it is important to know what people know about an object in order to gauge their attitude. Alreck and Settle (1985) assert that if people respond that they have never heard about an object it is not necessary to ask for their attitude.

Affective component of attitude deals with the feelings of individuals towards something. Kibera and Waruingi (1988) pointed out that when individuals add words like "I prefer" they are expressing their attitude more fully. It introduces comparison

components and gives deeper overall evaluation. This can be measured as “poor” or “excellent” on a rating scale.

Behavioral component is people tendency to act towards an object. When an individual says she is going to implement a societal marketing programme next year, then she is at the behavioral level of attitude.

Summers (1970) asserts that attitudes are not open to direct observation and that, self reported beliefs, feelings and intentions to act with respect to a particular object have been used as the main basis for inferences.

Alreck and Settle (1985) gave as the following steps to measure attitude.

1. One should proceed from measuring awareness. This he said can be done by asking questions that require true or false answers.
2. He then proceeded to articulate that next the feeling component should be measured so that negative or positive predisposition towards an object can be captured.
3. As Ngahu (1987) asserts that in measuring behavioral tendencies towards an object the use of past, present and future should be captured. The respondent should be given hypothetical situations and asked how he had, is and would react towards a phenomena or object given such conditions (Settle and Alreck 1985).

2.8 The Place of Alcohol and Tobacco in Society

A lot of work has been done by different researchers on the effect of alcohol and tobacco on the health of their consumers and the consumers' social orientation. Indeed very gloomy pictures have been created about their effects on the consumers in particular and society in general.

Tobacco, in particular is reputed for approximately four million deaths every year worldwide. Among the multiple complication associated with smoking the following have been positively confirmed (WHO 1997); chronic obstructive pulmonary diseases, lung cancer, heart diseases, peripheral vascular diseases, peptic ulcer, bladder cancer, cancer of the lips, tongue, salivary glands, mouth, larynx, esophagus and lower pharynx. In USA alone studies reveal that about 80-90% of all chronic obstructive pulmonary diseases, 8.5% of all lung cancer deaths, 30% of all heart diseases deaths are a result of smoking.

Chollat-Traquet (1996:2) reported that in industrialized countries as a whole annual deaths attributable to smoking more than doubled from seven hundred thousand to one and a half million for men and from about one hundred thousand to five hundred thousand for women between the period 1995-1996. This figure is even higher for less developed countries which account for approximately 80% of smokers worldwide. It is also approximated that 40-45% of all cancer deaths among men are caused by smoking and women 10% which is increasing very fast (Chollat-Traquet, 1996:4).

Chollat-Traquet (1996) also approximate that seven million people will die from effects of tobacco by the year 2010 a startling statistic. Indeed one person dies every eight seconds from tobacco related disease, which will increase to one in every three seconds in the year 2030 (WHO 199). Tobacco is responsible for 2.6% of all deaths and diseases in the world, while evidence shows that on average lifelong smoker has 50% chance of dying from tobacco (Economic review, June 16-22, 1997).

Despite these worrying figures about 82,000 to 99,000 teenagers start smoking everyday. This trend is even increasing among women. K'Obonyo (1998) revealed that the average number of sticks consumed per adults has been increasing in South Africa, that 28% between 1970 and 1992, this shows that smoking in South Africa is rising at an increasing rate, given than smoking has increased by 3% between 1992-1995 (South African Medical Journal, 1995:826) as documented by K'Obonyo (1998). If this South African trend is taken to be typical of developing countries in general and Africa in particular, then there is a serious increase in smoking trend in general in Kenya.

K'Obonyo (1998) concluded that in the face of the rise in smoking trends and the startling statistics of the side effects of smoking more regulations should be put in place. The only worry as he confirms is that so far the regulations that South Africa has put in place are either ineffective or are being ignored – could tobacco firms be smarter than the regulating bodies? Could they be doing something that more than

compensates for all these problems their products cause to the society? Could societal marketing be the trick?

On the other hand, just like tobacco, alcohol is responsible for several ailments in its consumers which include liver problems. Indeed liver is the fourth leading killer in US (Madel et al 1976). In Britain 70% of al cirrhosis is caused by alcohol (Blendis et al 1975). This is worse in developing countries where predisposing factors towards alcoholism are more. It also causes pancreatic complications, cardiac problems which include beriberi heart disease (Madden, Walker and Kenyon 1976), recurrent arrhythmias (Bridgen and Robinson 1994), alcoholic cardiomyopathy which gives rise to cardiomegaly and electrocardiographic or heart failure (Burch and De Pasquale 1969) and lastly cobalt toxicity resulting from addition of cobalt (discontinued) in alcohol to improve foam quality (Sullivan, Egon and George 1969); pancreatic problems which results from toxic effects of ethanol on the pancreas (Orrego-Matte et al 1969); male impotence which results from the destructive effect of alcohol on the neurogenic reflex arc that serves the process of erection (Lemere and Smith 1973) – this effect is two fold as it affects physically the alcoholic and diminishes the family bond; and psychiatric complications which include tremor nausea, sweating, hyperacusis, tinnitus (ringing of the ears), itching, muscle cramps, mood disturbance, sleep disturbance, hallucinations and grandmal seizures and delirium tremens (Edwards, 1982).

The above problems are compounded by the alcoholic loss of self-respect, carelessness and dependence on the society. He becomes irresponsible towards the family which reacts by becoming stressed both at the emotional and reality levels.

There is a general sense of anxiety, fearfulness and misery; self doubt or self blame crops within the family members, they drift further towards emotional breakdown as they try to cope with the feeling of love towards the alcoholic on the one hand and the murderous hate towards the same person on the other. They are insecure and ashamed by his/her behavior. Generally the entire family and friends of the alcoholic suffer physically and/or emotionally.

As the alcoholic develops tolerance towards alcohol he takes even larger quantities, becomes increasingly dependent, he develops withdrawal syndromes and loss of control thus depends on the society for both physical, financial and emotional support – eventually he/she is overwhelmed by alcohol and succumbs – leaving behind thoroughly exhausted society which struggles to cope with the damages he/she caused by his/her alcoholism. Furthermore Goodwin et al (1973) postulates that there is a strong clinical impression that the alcoholic sons are more prone to alcoholism than the non-alcoholic sons. Thus the society has to prepare itself to take care of another alcoholic from the same family.

CHAPTER THREE

RESEARCH METHOD

3.1 Population

Population was drawn from the following industries: tobacco industry, alcoholic beverage industry, food processing firms and banking industry. Nyaga (1986) noted that chemical industries (food included), tobacco manufacturing firms, financial institutions (banks included) are the elite of modern marketing, yet are dogged by consumer complaints. These makes them very ideal for this investigation.

Tobacco Industry: All the four registered firms dealing in the manufacture of cigarettes, namely Mastermind tobacco, Pickwell Products (E.A.) Ltd and Popot Brothers. This list is drawn from Kenya Directory of manufacturing industries (April 2000).

Alcoholic Beverage Industry: All registered firms producing alcohol for human consumption. The Kenya Directory of Manufacturing industries (April 2000) put the figure at seven, though two of them belong to the same firm, that is, Kenya Breweries Kisumu and Kenya Breweries, Nairobi. However, these firms were investigated independently (see Appendix 1). These two (i.e. alcoholic and tobacco industries) were investigated as stigmatized product firms as their offers are considered by society as harmful, as will be explained in chapter 2.

Only registered food processing firms were chosen randomly. This list was drawn from the Kenya Directory of manufacturers.

3.2 Data Collection Instruments

Primary data was collected through the use of structured questionnaire. The questionnaire is divided into four sections. Section one deals with the measurement of cognitive perspective of the information, it tries to answer the question - are the marketing executives aware of societal marketing? The respondent was required to indicate the degree of agreement or disagreement with Section two of the questionnaire is designed to bring out the attitude of these executives towards societal marketing. It uses matrix format questions scales towards the statement. A five point type likert scale was used to measure the attitude The third section deals with the behavioral tendencies of the executives towards societal marketing concepts. It sought to discover whether they are doing anything or are planning to do something about societal marketing. All the above three sections use structured questions. Responses was summed and a percentage out of total responses per question calculated. Percentages and standard deviation were used to gauge the Section four of the questionnaire uses ranking scale to determine how societal marketing is ranked by executives compared to other forms of marketing concepts (i.e. selling and marketing concepts). This section specifically tries to find out how much in terms of importance (not exact proportion but in order of importance as the executives could not avail any information on proportion or amount budgeted) is budgeted for this trading season for societal marketing. The gist is in finding out what area societal marketing occupies in the use of resources or general business planning.

This questionnaire was self administered where possible and where not possible self-addressed stamped envelopes were sent to respondents, who were top executives in the marketing department.

DATA ANALYSIS AND FINDINGS

3.3 Data Analysis Technique

A series of questions related to a particular attitude being measured were asked. The respondent was required to indicate the degree of agreement or disagreement with each statement. A numerical score consistent with the degree of agreement was given to each statement which reflected on the respondent's attitude or action tendencies towards the statement. A five point type likert scale was used to measure the attitude. The correct response depending on the direction of the statement (towards or against societal marketing) was chosen for each statement.

4.1 Number Of Respondents

The number of correct responses was summed and a percentage out of total responses per question calculated. Percentages and standard deviation were used to gauge the extent of application.

Table 4A. Number Of Respondents

Non-stigmatized Products	Total	Received responses	%
Milk processing firm	37	24	64.9
Exporting	48	33	68.75
Total	85	57	67
Stigmatized Products			
Tobacco	4	4	100
Alcohol	6	5	83
Total	10	9	90

The responses received were in excess of 60% at least in each category.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

This chapter deals with summarizing, analysing and trying to answer research questions using the data collected from the field. It proceeds from gauging the awareness level of both the executives of firms dealing in socially stigmatized products and those dealing in socially non-stigmatized products. The awareness level is measured in terms of mean percentages for each category of firms. The chapter then continues to measure the attitude of executives of each category of firms towards societal marketing and finally measure the extent of application of societal marketing by these categories of firms. Statistical tools like mean, standard deviation and t-statistics are used to measure each variable being tested.

4.1 Number Of Respondents

The table below summarizes the number of responses received out of the total responses expected.

Table 4A. Number Of Respondents

Non-stigmatized Products	Total	Received responses	%
Milk processing firms	37	24	64.9
Banking	48	33	68.75
Total	<u>85</u>	<u>57</u>	<u>67</u>
Stigmatized Products			
Tobacco	4	4	100
Alcohol	6	5	83
Total	<u>10</u>	<u>9</u>	<u>90</u>

The responses received were in excess of 60% at least in each category.

4.2 Awareness Of Societal Marketing Concept

Question 5 (see appendix 1b) sought to find out marketing executives understanding of the various aspects of societal marketing. The results are shown in table 4B below.

Table 4B. Number of Marketing Executives that are aware of Societal Marketing Concept

Statement	Stigmatized Products		Non-stigmatized Products	
	Number of Respondents	%	Number of Respondents	%
◆ A lot of concern for environmental effects shown	9	100	49	86
◆ It emphasizes that information about safe use of product is clearly passed to consumers	9	100	42	74
◆ Regular improvement of physical working environment even if it means sacrificing current profitability	7	77	53	93
◆ It requires that certain profits made be invested on non-profit making ventures which improves the lives of people around the business	8	89	29	51
◆ Warning labels on the negative aspects of our products are clearly communicated to customers	9	100	44	77
Mean		93.2		76.2

The percentage mean score of 93.2% registered by stigmatized product executives clearly show that they are more aware of societal marketing than their counterparts in the non-stigmatized category. Indeed it is only on the question of physical working environment that non-stigmatized product firms had a higher score than stigmatized product firms.

But it is important to evaluate the wrong statement scores before we could get a clearer picture of the level of awareness, this is because the answers to the two categories of statements (correct and wrong) are not mutually exclusive.

The wrong statements are those statements that emphasize other marketing concepts like selling of marketing concept and so on but not societal marketing. The choice of such statements show that the executive is confusing societal marketing concept with the other concepts. Table 4C below shows this analysis.

Table 4C. Number of Executives that chose the Wrong Statement

Statement	Stigmatized Products		Non-stigmatized Products	
	Number of Respondents	%	Number of Respondents	%
◆ Consumers have to be given the product they need	4	44	38	67
◆ Regular investigations are made to ensure that sales are growing as fast as possible	2	22	41	72
◆ It relies mainly on technical department to produce goods/services for customers	0	0	28	49
◆ Advertisement is its major driving force	3	33	19	33
◆ Emphasis is laid on what customers prefer now any adjustment will be made as directed by profitability later	1	11	40	70
Mean		22		58.2

The higher percentage mean score for non-stigmatized products executives clearly indicate that they are less aware of the societal marketing, than their counter parts in the stigmatized products category. So both the correct and incorrect statements have given a consistent result in terms of awareness mean scores.

Though awareness mean score for both executives (stigmatized and non-stigmatized) is not a hundred percent, this was calculated using the various concepts of societal marketing; it is important to note that no firm at all got all the concepts wrong. Therefore taken from this angle it is right to conclude that a hundred percent of the executives in the firms interviewed know about at least one concept of societal marketing. It is also worth noting that two executives of stigmatized firms and one from non-stigmatized firms got all the concepts right and did not indicate any that is not a concept that belongs to societal marketing. The number and proportion of respondents from all firms who showed complete understanding of societal marketing concepts are presented in table 4D. From the table, we can see that socially stigmatized products have a higher proportion of executives with highest awareness than those of non-stigmatized firms.

Table 4D Proportion of Executives with complete (i.e. 100%) Awareness of Societal Marketing Concepts.

	Total Respondents	Number with 100% Correct Responses	% of those with Correct Responses
Socially stigmatized	9	2	22
Non-socially stigmatized	57	1	2

4.3 Attitude of Marketing Executives of Both Stigmatized And Non-Stigmatized Products Towards Societal Marketing

This evaluation is based on the executives predisposition towards or away from certain concepts of societal marketing. A percentage score of 100 is the highest and zero (0)

the least (see table 4E). The column labeled score is the number of executives that have a predisposition towards societal marketing as indicated by the statement.

Towards Societal Marketing

The score column was calculated using the sum of scores that show a leaning towards societal marketing. Both the neutral and those leaning away from societal marketing were not included in the evaluation. It was this sum that was calculated as a percentage of the total respondents for each statement and from which mean percentage was calculated for stigmatized and non-stigmatized products firms respectively.

The standard deviation which is the deviation of the attitudes from the percentage mean score gives the distance on average, on how far the executive attitude vary from the average. This will help predict, given one executive, how close his attitude towards societal marketing can be predicted by the mean calculated. This is done for both stigmatized and non-stigmatized products executives. Table 4E(1) summarizes the findings for executives of socially stigmatized products; and Table 4E(2) summarizes the same for socially non stigmatized products.

	Definitely	Tend to	Neither agree nor	Tend to disagree	Definitely	Scores	%
1. Any new products should only be researched if there is a complaining customer	0	2	0	0	0	9	100
2. Complaints from other people other than our target customers should be ignored	0	0	1	2	6	8	89
3. Our competitors' products should be avoided	0	0	0	2	0	0	78
4. Our advertisements should show our products in a positive light	0	0	0	0	0	0	56
5. Our advertisements should show our products in a negative light	0	0	0	0	0	0	56
6. The price of expensive equipment by our competitors should be investigated	0	0	0	0	0	0	44
7. The price of our products should be investigated	0	0	0	0	0	0	78
8. Our products are not suitable for the market	0	0	0	2	3	0	56
9. Sales should be the most important aspect of their training	2	0	1	2	4	6	67
10. R&D experts should be properly valued to guess what customers want etc.	0	0	0	3	0	0	100
11. Most customer complaints are usually the cause	0	4	3	2	1	4	84
12. Recalling a product that has been launched not because customers complain about certain details in it is good for our business	0	0	0	0	0	0	89
13. There should be inter-departmental communication to market the sales of our products	0	2	1	0	0	0	78
Percentage mean score							71
Standard deviation							2.4
Standard error							

Table 4E(1) Attitudes of Executives of firms with Stigmatized Products Towards Societal Marketing

	Definitely agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Definitely disagree	Score X/9	%
i. In my opinion spending on environmental protection puts too much strain on my business.	0	0	2	2	5	7	78
ii. Rather than serve a fresh customer we would rather serve a complaining customer first.	2	1	3	2	1	3	33
iii. All employees must take instructions from their superiors before they take any action.	0	1	2	2	5	7	78
iv. Any new product should only be launched after thorough consumer research is done.	6	3	0	0	0	9	100
v. Complaints from other people other than our target customers should be ignored.	0	0	1	2	6	8	89
vi. We should incur extra costs to protect our consumers from the possible negative effect of our offer to them.	2	5	0	1	1	7	78
vii. Our advertisements should show our consumers the possible negative effects of our products.	1	4	2	2	0	5	56
viii. I will not support a government legislation that would require the adoption of expensive equipment by firms to reduce pollution.	0	1	3	3	2	5	56
ix. Contribution towards societal welfare is more politicking than business.	1	1	3	3	1	4	44
x. Acknowledging that your product is not perfect is part of marketing.	3	4	2	0	0	7	78
xi. Training our sales force in pushing sales should be the most stressed aspect of their training.	0	1	2	2	3	5	56
xii. R&D experts should be properly trained to guess what consumers needs are.	2	0	1	2	4	6	67
xiii. Most consumer complaints are usually inaccurate.	0	0	0	3	6	9	100
xiv. Recalling a product that has been launched just because customers complain about certain defects in it is good for our business.	0	4	3	2	1	4	44
xv. There should be interdepartmental coordination to oversee the satisfaction of our customers.	6	2	1	0	0	8	89
Percentage mean score							
Standard deviation							70
Standard error							21
							5.4

Table 4E(2). Attitudes of Executives of firms with Non-Stigmatized Products towards Societal Marketing Concept

Statement	Definitely agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Definitely disagree	Score X/57	%
i. In my opinion spending on environmental protection puts too much strain on my business.	1 0	2 2	3 8	4 41	5 6	47	82
ii. Rather than serve a fresh customer we would rather serve a complaining customer first.	4	28	12	11	2	32	56
iii. All employees must take instructions from their superiors before they take any action.	0	18	10	27	2	29	51
iv. Any new product should only be launched after thorough consumer research is done.	14	25	10	7	1	39	68
v. Complaints from other people other than our target customers should be ignored.	2	8	10	34	3	37	65
vi. We should incur extra costs to protect our consumers from the possible negative effect of our offer to them.	10	12	17	9	9	22	39
vii. Our advertisements should show our consumers the possible negative effects of our products.	13	18	9	11	6	31	54
viii. I will not support a government legislation that would require the adoption of expensive equipment by firms to reduce pollution.	4	10	18	16	9	25	43
ix. Contribution towards societal welfare is more politicking than business.	8	12	16	14	7	21	37
x. Acknowledging that your product is not perfect is part of marketing.	15	25	2	8	8	39	68
xi. Training our sales force in pushing sales should be the most stressed aspect of their training.	18	8	4	23	7	30	53
xii. R&D experts should be properly trained to guess what consumers needs are.	21	18	8	8	2	10	18
xiii. Most consumer complaints are usually inaccurate.	0	8	15	25	9	34	60
xiv. Recalling a product that has been launched just because customers complain about certain defects in it is good for our business.	10	8	20	12	7	18	31
xv. There should be interdepartmental coordination to oversee the satisfaction of our customers.	23	25	0	8	1	48	84
Percentage mean score							
Standard deviation							54
Standard error							18
							4.6

This table 4E(2) summarizes the findings of the attitude of executives from firms with socially non-stigmatized products. Each statement is analyzed separately and the mean percentage positive attitude towards societal marketing calculated for each statement.

The attitude of executives is in both cases lower than the awareness. For non-stigmatized products, while the awareness is 76.2% on average, the average percentage favourable attitude is only 54%, that of stigmatized is 93.2% and 70% for awareness and favourable attitude respectively. It shows that despite high awareness, attitude towards societal marketing remains relatively low.

It is also interesting to note that the difference between awareness and favourable attitude for both categories of firms is almost the same, that is 22.2% for non-stigmatized and 23.2% for stigmatized products. Showing that there could be a relationship between awareness and attitude in societal marketing concept. Just like in awareness, stigmatized products executives have scored higher than the non-stigmatized products executives in attitude towards societal marketing.

4.4 Implementation of Societal Marketing

It is important that we find out how the positive attitude is translated into action. This section tries to find out the extent to which the two categories of firms have implemented the societal marketing concepts. The analysis is based on statements in Appendix 1(b) section 3.

To find out whether the two groups of respondents (those from firms with stigmatized products viz those from non-stigmatized firms) were significantly different with respect to the extent to which they applied societal marketing concept, a t-statistic was

used to test for the difference between the means of the two groups. The result shows the difference was significant at $t=4.79$, $p<.05$ (see Appendix 2a and 2b).

The table below shows extent of application of given concepts of societal marketing by executives of firms dealing in socially stigmatized products and those dealing in socially non-stigmatized products. It summarizes the number applying each aspect of the concept and then calculating the number as a percentage of the total response from each category of firms.

Table 4F Level of Implementation of Societal Marketing

	No. from stigmatized (n)	%	No. from non-stigmatized (n)	%
a. Clearly communicate possible negative effects of our products to our customers other than those required by law.	3	33	11	19
b. Participation in poverty eradication programmes through use of our resources	6	67	28	49
c. Invest on technology or programmes that make our environment safe	5	56	32	56
d. Have set aside part of our profits for emergencies particularly resulting from any unforeseen negative impact of our product on the society at any time in the future	2	22	1	2
e. Have employed or contracted experts who investigate and report all possible negative effects of our product on our customers	2	22	0	0
f. Investing in programmes that will help our consumers improve their economic status and/or proper financial discipline	3	33	19	33
g. Have set aside funds for improving our product to make its safer to use	2	22	6	11
h. We have a customer service section which is empowered to listen and process immediately customer complaints	6	67	36	63
i. Have reduced cost of our product particularly during this hard economic time to maintain our poorer customers*	3	33	31	54
Mean % score		39		31
Standard deviation		18		24.4

NOTE: N = Total respondents

N₁ = 9 (stigmatized)

N₂ = 57 (non-stigmatized)

n = number implementing

and % = $n/N \times 100$ for each category

* During my talks with the executives, it emerged that most of them have not reduced their prices but have developed cheaper brands or have reduced volume of their products to respond to the hard economic times.

Both firms have performed below average in the use of societal marketing concepts.

Socially stigmatized product firms implementation of 39% on average is above the

31% of non-stigmatized product firms. This clearly shows that executives in the firms

with socially stigmatized product are doing more in terms of use of marketing

activities that have social orientation. Though this is the case, the average 39%

implementation clearly shows that the use of societal marketing concepts is still very

low and probably the business environment in Kenya is yet to exploit societal

marketing full potential.

The standard deviation about the mean of 18 and 24.4 for stigmatized and non-

stigmatized products implementation of societal marketing are so high seen on the

background of 39 and 31 means respectively. This clearly shows that implementation

of the concepts are being taken not in a consistent manner by both categories of firms,

and that some concepts are favored while others are almost completely ignored. For

example the concept of investigating for possible negative effects attracted a zero

implementation from non-stigmatized products' firms while that of having customer

service empowered to listen and solve customer complaints attracted a staggering

63%. The same two concepts attracted 22% and 67% respectively from stigmatized

products' firms. This shows a selective implementation of societal marketing,

probably motivated by profit. Those aspects that can improve economic position or

boost profits are implemented and those without immediate benefits are ignored.

Though this being the case, stigmatized firms are more rounded in implementation

(implementing even those aspects ignored by non-stigmatized firms) than non-

stigmatized firms. This is testified to by the smaller standard deviation of 18 against a higher mean of 39 compared to a larger standard deviation of 24.4 against a lower mean of 31 for non-stigmatized firms. Viewed from this background we can conclude that the higher standard deviation of non-stigmatized firms is a result of them implementing those societal marketing concepts they have implemented not for the main reason of concern for society but for other reasons like profits, market share and so on; otherwise they should have implemented even the others. Though also varied, the stigmatized product firms showed more leaning towards societal marketing concept, clearly indicating that they care more for society than their counterparts in the non-stigmatized product category which employs selective implementation comparatively more.

4.5 Future and Current Use of Resources on Societal Marketing

This section tries to find out how the firms are currently employing their marketing budgets in the various forms of marketing, and which position societal marketing is taking. The analysis is based on appendix 1(b) section 4.

The table below seeks to show how each marketing concept is given formal importance, particularly during budgeting. Concepts like marketing (represented by advertising, sales force allowance, salaries etc.) perform against societal marketing concept. The table lists each concept in appendix 1(b) section 4 that was given first priority by the executives as shown by budget allocated to in this financial period.

Table 4G Response towards Resource Allocation

	Number of Executives with first choice			
	Stigmatized		Non-stigmatized	
	Number	%	Number	%
• Advertising	7	77	41	72
• Sales force allowances and salaries	2	22	10	18
• Distribution costs and in-store Services	1	11	4	7

No firm listed any societal marketing concept first, nor second or even third. Indeed most executives are of the view that societal marketing does not bring in income; and they only do it for public relations purposes - this came in very clearly when I explained why I needed this section. They insist that they cannot divorce societal marketing activities from the other marketing activities, and thus have included its budget inside these other marketing activities like advertising and salesforce. Indeed only two executives both from stigmatized products firms indicated they have a "small" proportion of this year's budget allocated to consumer protection directly from budget; others simply accepted that the resources have been allocated but at the discretion of the concerned executive but cannot be directly isolated from the budgeted figures. In all firms societal marketing concepts were selected as the fifth and sixth (last two positions) rank in the budgetary allocation. And only two firms have direct allocation of resources to any societal marketing concept.

This shows the low place societal marketing occupies in the Kenya firms; indeed it shows that it is hardly discussed as a major business area. The unplanned and ad-hoc allocation of resources to this area by those firms that bother with it at all clearly show

that it is not considered as beneficial enough to allocate specific resources to but can only be considered if extra funds are available. Even under commitment of resources therefore only stigmatized product firms can clearly show that they have budgeted for some aspects of societal marketing; this is shown by two firms that indicated that they have budgeted for it directly. Out of the nine responses received from this category, the non-stigmatized firms are yet to dedicate directly any funds to societal marketing.

4.6 Other Important Findings

Because the researcher carried personally administered questionnaire in about 51% of the respondents. During the administration the following points came out very clearly:

- ◆ Majority of executives from service industry (in this case banking) denied completely that their product could have any harmful effect on their consumers. Indeed the researcher asked this question after noting its weight midway through the research: Do you consider your product to be harmful in any way to your consumers?

A hundred percent of non-service industry (out of 26 questioned) answered Yes; while only 56.5% in the banking sector had a Yes answer, meaning that out of the 23 asked 10 did not consider their product harmful in any way to their customers. This is interesting considering the harm the product of banks have done to their consumers (particularly loans).

- ◆ It was also noted that some top marketing executives have a very narrow area of operation. Indeed some five in socially non-stigmatized product category and one in socially stigmatized (a parastatal) category were only in charge of advertising and sales people. Any other programmes rested with other offices or higher

offices. These other offices include - External Affairs Manager (e.g. in Coca-Cola Nairobi Bottlers), Public Relations Manager and top executives. This duplication hampered their efforts to control societal marketing programmes.

5.1 Summary of the Findings and Discussion

- ◆ Around three banks completely are without marketing departments, although two of them carry out marketing activities in the finance section one of them has completely no one designated for marketing activities and anybody can do it.
- ◆ Most marketing executives seem to feel that the questionnaires are designed to test their competence as marketers or their knowledge in marketing. This makes them very defensive and unwilling to seek clarification even in areas that may not be very clear to them. The researcher therefore found out that the best way to begin a personally administered questionnaire is to show the respondent that he/she is better; and that the researcher would like to learn from him/her, rather than trying to explain terms or even some concepts, that the researcher believes may have more than one meaning or whose meanings differ from everyday usage. The explanation can only be done later, when the respondent has felt comfortable enough.

CHAPTER FIVE

SUMMARY, DISCUSSION AND CONCLUSION

5.1 Summary of the Findings and Discussion

The study had the main problem of finding out whether the application of societal marketing concepts could be affected by the way a product is perceived by the society. To do this it chose two categories of products: stigmatized and non-stigmatized products. In each case it proceeded from the extent of awareness, attitude and ultimately implementation of societal marketing concepts. The study proceeded to compare between these two categories of firms the extent of use of societal marketing under all the areas mentioned (i.e. awareness, attitude and implementation) and sought to find out if there is any difference in magnitude under each area. The study was based on both manufacturing and service firms; to give it an all round outlook.

The study found out that stigmatized product executives are not only more aware of societal marketing concept as they scored higher (93.2%) compared to (76.2%) non-stigmatized products on the scale used, but also that they have a more favorable attitude (70%) towards societal marketing compared to non-stigmatized product executives (54%). The two findings are consistent with the implementation of societal marketing concepts. As stigmatized product firms have an implementation rate (39%) which is higher than that of non-stigmatized products (31%). The study also revealed that only stigmatized product firms (22%) budget directly towards any societal marketing concept. Showing the importance of this concept to these firms; no non-

stigmatized product firm indicated that they budget at all directly towards any societal marketing concept.

Those findings obviously show that despite the global trend (as illustrated in chapter 3- literature review) it has not been taken seriously by Kenyan firms. This could be due to its level of development which is yet to allow for fast diffusion of information; as well as level of industrialization which could make the application of societal marketing relatively expensive compared to developed world. These dual reasons have the implication of having both less informed therefore less demanding customers as well as less resources to use in application of societal marketing concepts.

Though this be the case, Kenyan firms should be warned that with globalization, growth in the telecommunication sector and opening up of the air waves to many players as is currently happening in Kenya, they could soon find out that the assumption of not very well informed consumer cannot hold; indeed it will be advisable to be society friendly in marketing right away.

Though there is a clear improvement in the percentage favourable attitude towards societal marketing from Ngahu (1987) findings of below 50% as the executives of both stigmatized (70%) and non-stigmatized product (54%) are above Ngahu's findings. But both awareness (93.2% for stigmatized and 76.2% for non-stigmatized) are below 100% of Chepyegon (1996), the figure of favourable attitude (of 70% and 54% for stigmatized and non-stigmatized respectively) are below 80% that of

Chepyegon. This could have been contributed to by the fact that the firms (tourist hotels) are mainly foreign owned and that the clients are mainly from developed countries where the concept of societal marketing has taken very deep roots and thus have very high expectations.

5.2 Management Implication

This study has revealed that higher awareness leads to higher positive attitude and higher implementation for a given concept. This could be used to solve many forms of management problems: simply create greater awareness. It has also revealed that the application of societal marketing though higher in firms with socially stigmatized products is below average, at 31% and 39% for non-stigmatized and stigmatized products respectively and are selectively done as shown by very high variances ($sd = 18$ and 24.4 respectively for stigmatized and non stigmatized products). This could mean that despite its obvious benefits (as illustrated in literature review section chapter 2) management in Kenya is yet to appreciate its importance. With liberalization which is bringing in very many western firms and managers, the local firms could find themselves in worse problems very soon; this could be further complicated by increased awareness among consumers, which at the time is picking up very rapidly in Kenya (following the introduction of political pluralism in 1992 - thus increased freedom of expression).

5.3 Conclusion

The findings of the study shows clearly that societal marketing is a concept that is known by marketing executives; this awareness is above average (i.e. 93.2% for stigmatized and 76.2% for non-stigmatized) for both types of firms, but with a higher percentage for stigmatized firms. The attitude and implementation is also higher in the case of stigmatized products; this is also true about the current commitment of resources as is shown by direct budgeting for societal marketing. The foregoing clearly shows that societal marketing is applied more by firms with socially stigmatized products than those with socially non-stigmatized products.

The study had the following limitations:

This could be due to the fact that firms with socially stigmatized products have to find ways of going around the stigma attached to their product. They have to seek strategies that could compensate for the perceived (or real) harm that their product does to the society. The findings could also show that executives of firms with socially stigmatized products are more alert to any marketing concept that would improve the image of their product to the society. The findings could also show that executives of firms with socially stigmatized products are the first to receive the reaction of society towards what the society perceives as uncaring business concerns. This could have prepared them well ahead of their counterparts in the non-stigmatized product category, to accept societal marketing concepts.

It is also imperative to note that among the fastest growing market, stigmatized product category is among the leading, new entrants in the consumption of tobacco

industry is in excess of one hundred thousand daily world wide and the youth alone account for between **eighty two thousand** and **ninety nine thousand** new smokers daily, this amazing growth of market against a worldwide campaign against smoking could be explained by the finding of this study; that tobacco and alcohol (stigmatized) firms employ societal marketing more than the food and banking sector (non-stigmatized); and thus endear themselves more to the society through the practice (societal marketing) than the firms with non-stigmatized products.

5.4 Limitations of the Study

The study had the following limitations:

- ◆ It was conducted only in Nairobi; the firms in one location could have unique shared characteristic(s) that could bias the generalization of the study findings.
- ◆ The size of the sample, particularly that of stigmatized products was considerably very small (9). Though this was due to the small number of such firms in Kenya, it could lead to a misleading interpretation particularly when using average and percentages; this is as compared to the large sample size (57).
- ◆ Time was also a limiting factor, as most questions needed sometimes for respondents to react appropriately. Though the researcher did his best by explaining certain silent issues in the questions, it was obvious that some responses required further consultations among executives within a firm and with the researcher which was not possible within the time limit.

5.5 Problems Encountered

The researcher encountered certain major problems during the research particularly in the field. These include:

- ◆ The unwillingness of executives to part with certain information. In fact section 4 of the questionnaire had to be changed to enable them to respond to it. It also

5.6.2 became clear that some executives were suffering from research fatigue and were

- ◆ doing everything to block any researcher or were simply treating the questionnaires as examination which required the right answer rather than the

- ◆ correct response. The researcher thus had to commit a lot of resources to get good responses.

- ◆ Coming up with appropriate list of firms to include in the population also became

- ◆ a problem, as the researcher discovered that some firms, though appearing in the

- ◆ list of Kenya Directory of manufacturing industries simply do not exist. Even for

- ◆ those that exist, the addresses and telephone numbers indicated in the official list

- ◆ have since changed creating a lot of inconveniences to the researcher.

5.6 Suggestions

5.6.1 Recommendations for Further Research

- ◆ Further research should be done particularly if there is sufficient funds, time and labor to comprehensively include firms from all over the country. This could give

- ◆ a more balanced finding.

- ◆ The small number of stigmatized firms can be added through the inclusion of other industries like condom firms in this category.

- ◆ All the firms studied here were large firms; this precluded the majority of businesses driving this country. A study can be done to include even very small firms; even those which are not in official lists as is the case with small-scale businesses.

5.6.2 Recommendation for Practitioners

- For the executives of both firms, the application levels of below fifty percent shows that the opportunities of avenues for marketing inherent in societal marketing has not been fully exploited. Yet this is the new direction marketing is taking. It therefore is imperative that Kenyan executives wake up before it is too late to take advantage of societal marketing.
- It is rather depressing that firms from non-stigmatized products are performing so poorly in the use of societal marketing. Indeed the researcher even found out that some executives did not consider their product to pose any danger to the society. This type of apathy towards possible harm our product can have on the society is rather dangerous as there is no product that is absolutely harmless to the society. The time therefore is now for us (the executives) to roll up our sleeves and to do thorough research to find out possible side effects our product could have on our customers, and then use societal marketing concept to address the side effect and thus reduce the extent of damage that could be caused. Remember (from chapter 3) that long term profitability is only guaranteed through the use of marketing concept that is sensitive to the society.

NOTE:sd = standard deviation.

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APPENDIX 1 (a)

QUESTIONNAIRE

The questionnaire below consists of 4 sections.

Dear Sir/Madam,

Section 1

This questionnaire has been designed by an MBA student of the University of Nairobi doing Marketing Research Project.

It has been done with the sole aim of academic pursuit and no other reason.

I am kindly requesting you to assist me in this pursuit as it is my strongly held belief that you are the best placed person both in knowledge and experience in the subject.

The questionnaire is designed to find out the level of application of societal marketing concept in selected leading Kenyan firms.

Your cooperation will be highly appreciated.

Yours faithfully,

DAMIANUS OCHIENG OKAKA
MBA II – 2000 (U.o.N)

PROF. PETER K'OBONYO
BUSINESS ADMINISTRATION DEPARTMENT
UNIVERSITY OF NAIROBI

APPENDIX 1 (b)
QUESTIONNAIRE

The questionnaire below consists of 4 sections.

Section 1

1. Name of the business
2. What product(s) does the business deal in
3. Is your company:
 - Fully foreign owned []
 - Partly foreign owned []
 - Fully government owned []
 - Parastatal []
 - Others (specify).....
4. Approximately how many employees does your firm currently have:
 - Below 50 employees []
 - 51 – 100 employees []
 - Above 100 employees []
5. Which of the following statements are true about societal marketing according to you. Please tick the ones you agree with.
 - i) Consumers have to be given the products they need []
 - ii) A lot of concern for environment effects are shown []
 - iii) It emphasizes that information about safe use of products is clearly passed to the customer []
 - iv) Regular investigations are made to ensure that sales are growing as fast as possible in the shortest time possible []
 - v) It relies mainly on technical department to produce goods services for customers []
 - vi) Regular improvement of physical working environment even if it means sacrificing current profitability []
 - vii) Advertising is its major driving force. []

viii) It requires that certain profits made be invested on non-profit making ventures which improves the life of people around the business []

ix) Emphasis is laid on what customers prefer now, any adjustment will be made as dictated by profitability later. []

xi) Warning labels on the negative aspects of our products are clearly communicated to customers. []

xii) Others (specify).....

xiii)

xiv)

xv)

Section 2

Please indicate your reaction using a tick in the appropriate box towards the following statements.

Definitely Agree	Tend agree	Neither agree nor disagree	Tend to disagree	Definitely disagree
1	2	3	4	5

i) In my opinion spending on environmental protection puts too much strain on my business. [] [] [] [] []

ii) Rather than serve a fresh customer we would rather serve a complaining customer first. [] [] [] [] []

iii) All employees must take instructions from their superiors before they take any action. [] [] [] [] []

iv) Any new product should only be launched after thorough consumer research is done. [] [] [] [] []

v) Complaints from other people other than our target consumers should be ignored [] [] [] [] []

- Participating in
- vi) We should incur extra cost to protect our consumers from the possible negative effect of our offer to them.
 - vii) Our advertisements should show our consumers the possible negative effects of our products
 - ix) I will not support a government legislation that would require the adoption of expensive equipment by firms to reduce pollution.
 - x) Contribution towards societal welfare is more politicking than business.
 - xi) Acknowledging that your product is not perfect is part of marketing.
 - xii) Training our sales force in pushing sales should be the most stressed aspect of their training.
 - xiii) R&D experts should be properly trained to guess what consumers needs are.
 - xiv) Most consumer complaints are usually inaccurate.
 - xv) Recalling a product that has been launched just because customers complain about certain defects in it is good for our business.
 - xvi) There should be inter departmental coordination to oversee the satisfaction of our customers.

Section 3

Which of the following activities is your organization involved in currently or in the past. Please tick in the right statement box.

- a) Clearly communicate possible negative effects of our products to our customers other than those required by law.

- b) Participating in poverty eradication programmes through use of our resources. []
- c) Invest on technology or and programmes that make our environment safe. []
- d) Have employed or contracted experts who investigate and report all possible negative effects of our product on our consumers []
- e) Have set aside part of our profits for emergencies particularly resulting from any unforeseen negative impact of our product on the society at any time in the future. []
- f) Investing on programmes that will help our consumers improve their economic status and/or proper financial discipline. []
- g) Have set aside funds for improving our product to make it safer to use. []
- h) We have a customer service section which is empowered to listen and process immediately customer complaints. []
- i) Reduce cost of our product particularly during this hard economic time To maintain our poorer customers. []

Section 4

Approximately, what percentage of your marketing budget did spend last year on the following, or rank them in order of weight of budgetary allocation, 1 being the highest and 6 the lowest.

1. Advertisement
2. Sales force allowance & salaries
3. Distribution costs and in store services
4. Environmental protection
5. Educating consumers on proper use of your product
6. Social activities (like road maintenance, irrigation, provision of health care facilities etc)

For rank 5 and 6 do you have any direct budgetary allocation - tick appropriately in the space provided:

	Yes	No
Rank 5	[]	[]
Rank 6	[]	[]

Calculated 1

Percentiles of the t Distribution (One- and Two-Tailed Tests)*

d.f.	$P = .50$ (.25)	.20 (.10)	.10 (.05)	.05 (.025)	.02 (.01)	.01 (.005)	.001 (.0005)
1	1.000	3.078	6.314	12.706	31.821	63.657	636.619
2	.816	1.886	2.920	4.303	6.965	9.925	31.598
3	.765	1.638	2.353	3.182	4.541	5.841	12.941
4	.741	1.533	2.132	2.776	3.747	4.604	8.610
5	.727	1.476	2.015	2.571	3.365	4.032	6.859
6	.718	1.440	1.943	2.447	3.143	3.707	5.959
7	.711	1.415	1.895	2.365	2.998	3.499	5.405
8	.706	1.397	1.860	2.306	2.896	3.355	5.041
9	.703	1.383	1.833	2.262	2.821	3.250	4.781
10	.700	1.372	1.812	2.228	2.764	3.169	4.587
11	.697	1.363	1.796	2.201	2.718	3.106	4.437
12	.695	1.356	1.782	2.179	2.681	3.055	4.318
13	.694	1.350	1.771	2.160	2.650	3.012	4.221
14	.692	1.345	1.761	2.145	2.624	2.977	4.140
15	.691	1.341	1.753	2.131	2.602	2.947	4.073
16	.690	1.337	1.746	2.120	2.583	2.921	4.015
17	.689	1.333	1.740	2.110	2.567	2.898	3.965
18	.688	1.330	1.734	2.101	2.552	2.878	3.922
19	.688	1.328	1.729	2.093	2.539	2.861	3.883
20	.687	1.325	1.725	2.086	2.528	2.845	3.850
21	.686	1.323	1.721	2.080	2.518	2.831	3.819
22	.686	1.321	1.717	2.074	2.508	2.819	3.792
23	.685	1.319	1.714	2.069	2.500	2.807	3.767
24	.685	1.318	1.711	2.064	2.492	2.797	3.745
25	.684	1.316	1.708	2.060	2.485	2.787	3.725
26	.684	1.315	1.706	2.056	2.479	2.779	3.707
27	.684	1.314	1.703	2.052	2.473	2.771	3.690
28	.683	1.313	1.701	2.048	2.467	2.763	3.674
29	.683	1.313	1.701	2.045	2.462	2.756	3.659
30	.683	1.310	1.697	2.042	2.457	2.750	3.646
40	.681	1.303	1.684	2.021	2.423	2.704	3.551
60	.679	1.296	1.671	2.000	2.390	2.660	3.460
120	.677	1.289	1.658	1.980	2.358	2.617	3.373
∞	.674	1.282	1.645	1.960	2.326	2.576	3.291

* The α in parentheses is for a one-tailed test.Source: Adapted from Table IV of R. A. Fisher, *Statistical Methods for Research Workers*, 14th ed. (Copyright © 1970 University of Adelaide.)

Appendix 2(b)

Calculated t

X_1	X_2	$X_1 - X_2$	$(X_1 - X_2)^2$	$X_2 - X_2$	$(X_2 - X_2)^2$
-33	19	-6	36	-12	144
-67	49	28	784	18	324
-56	56	17	289	25	625
-22	2	17	289	-29	841
-22	0	17	289	-31	961
-33	33	-6	36	2	4
-22	11	17	289	-20	400
-67	63	28	784	32	1024
-33	54	-6	36	23	529
$X_1 = 39$	$X_2 = 31$		2832		4852

$$t = \frac{X_1 - X_2}{\sqrt{\frac{[\sum (X_1 - \bar{X}_1)^2 + \sum (X_2 - \bar{X}_2)^2] / (n_1 + n_2 - 2)}{n_1 n_2}}}$$

$$\begin{aligned}
 &= \frac{39 - 31}{\sqrt{\frac{2832 + 4852/34}{9 \times 9}}} \\
 &= \frac{8}{\sqrt{2.79}} \\
 &= \frac{8}{1.67} \\
 &= 4.79
 \end{aligned}$$

Appendix 3(a)

List of Banks

1. Kenya Commercial Bank
2. Barclays Bank of Kenya
3. Standard Chartered Bank
4. National Bank of Kenya
5. Co-operative Bank of Kenya
6. Citibank
7. Housing Finance Company (K)
8. Commercial Bank of Africa
9. ABN Amro Bank
10. CFC Bank
11. NIC Bank
12. Stanbic Bank
13. Diamond Trust
14. I & M
15. First American Bank
16. Credit Agricole Indosuex
17. Guardian Bank
18. Delphis Bank
19. Finu Bank
20. Middle East Bank
21. Giro Bank
22. Development Bank of Kenya
23. Victoria Commercial Bank
24. Habib A.G. Zurich
25. Bank of Baroda
26. Habib Bank of Kenya
27. ABC Bank
28. Imperial Bank
29. Akiba Bank
30. Bank of India
31. Consolidated Bank
32. Prime Bank
33. Prime Capital and Credit
34. Biashara Bank
35. Equatorial Bank
36. Credit Bank
37. Industrial Development Bank
38. Southern Credit Bank
39. Trans-National Bank
40. Charterhouse Bank Ltd.
41. Fidelity Bank
42. Paramount Bank
43. Universal Bank
44. Daima Bank
45. Glad-AK Finance
46. Devna Finance

Appendix 3(b)

List of Tobacco Manufacturing firms According to Kenya Directory of Manufacturing Industries

1. B.A.T. Kenya Ltd.
2. Mastermind Tobacco
3. Pickwell Products (E.A.) Ltd.
4. Popot Brothers
5. Kuguru Food Complex Ltd.
6. Modern Brewery Ltd.
7. Njohi Brewery Ltd.

Appendix 3(c)

List of Distilling Rectifying and Blending of Spirits Firms

1. Gilbeys (E.A.) Ltd.
2. Kenya Distillers Ltd.
3. Kenya Wine Agencies Ltd.
4. Kenya Breweries Ltd.
5. Kuguru Food Complex Ltd.
6. Modern Brewery Ltd.
7. Njohi Brewery Ltd.
8. Milk & Cream Products Ltd.
9. Milk & Cream Products Ltd.
10. Afya Pastries Ltd.
11. Associated Packers Ltd.
12. Frozen Food (K) Ltd.
13. Highland Canners
14. Misfood Executive Industries (K) Ltd.
15. Premier Food Industries
16. IceGals Ltd.
17. Wood Vegetables Repackers & Importers Ltd.
18. Kenya Canning Industries Ltd.
19. Ice & Snowflake Industries Ltd.
20. Dabone Ltd. (Ice & Snowflake Manufacturers Ltd.)
21. Premier Oil Mills Ltd.
22. Symbol Chemical Industries & Analytical Services Ltd.
23. Vegetable Oil Industries
24. Golden Grains Ltd.
25. Itaga Millers
26. Janbo Flour Mills Ltd.
27. Kenwheat Industries Ltd.
28. Kenya Millers Ltd.
29. Kenya Flour Millers Ltd.
30. Kirinyaga Flour Mills
31. Makindu Food Company Ltd.
32. Mt Kenya Dairy
33. Nairobi Flour Mills Ltd.
34. National Sugar Industries
35. Nile Maize Millers
36. Pacific Flour Mills Ltd.
37. Spz Flour Mills
38. Soda Food Grinding Mill
39. Star Flour Mills
40. Swania Food Products
41. Ugali Products (1973) Ltd.
42. Unga Maize Millers Ltd.
43. Manufacture of Bakery Products
44. Amcor Baking Company Ltd.
45. House of Manji Ltd.
46. Kenek's Bakery
47. Kapwafers Ltd.

Appendix 3(d)

List of Food Manufacturing Firms

1. BAT Kenya Developers Ltd.
2. NAS Food Processing Ltd.
3. B.R. Ice-cream Products
4. Cow & Gate (K) Ltd.
5. Dairy Den Ltd.
6. Glacier Products Ltd.
7. Igloo Food Industries
8. Kenya Co-operative Creameries
9. Milk & Cream Products Ltd.
10. Afya Enterprises Ltd.
11. Associated Packers Ltd.
12. Frozen Food (K) Ltd.
13. Highland Cannery
14. Micfood Executive Industries (K) Ltd.
15. Premier Food Industries
16. Trufoods Ltd.
17. Woni Veg-Fru Exporters & Importers Ltd.
18. Kenya Fishing Industries Ltd.
19. Lake & Sea Fish Industries Ltd.
20. Dubois Oil Mill & Soap Manufacturers Ltd.
21. Premier Oil Mills Ltd.
22. Symbol Chemical Industries & Analytical Laboratories Ltd.
23. Vegetable Oil Industries
24. Golden Grains Ltd.
25. Itaaga Millers
26. Jambo Flour Millers Ltd.
27. Kenwheat Industries Ltd.
28. Kenya Millers Ltd.
29. Kenya Flour Millers Ltd.
30. Kirinyaga Flour Mills
31. Muharate Food Company Ltd.
32. Mulchad Devji
33. Nairobi Flour Mills Ltd.
34. National Unga Industries
35. Nice Maize Millers
36. Pembe Flour Mills Ltd.
37. Save Flour Mills
38. Shah Food Grinding Mill
39. Shah Flour Mills
40. Swastic Food Products
41. Ugali Products (1973) Ltd.
42. Unga Maize Millers Ltd.
43. Manufacture of Bakery Products
44. Aurora Baking Company Ltd.
45. House of Manji Ltd.
46. Kencake Bakery
47. Kenwafers Ltd.