

**INFLUENCE OF RELIGION ON MARKETING STRATEGIES OF  
INTERNATIONAL PHARMACEUTICAL FIRMS IN KENYA**

**BY**

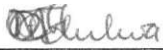
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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION  
SCHOOL OF BUSINESS  
UNIVERSITY OF NAIROBI (UON).**

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## DECLARATION

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

Signed: 

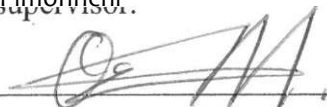
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## DEDICATION

*To the men in my life:*

*William, Wesley and Wayne.*

## **ACKNOWLEDGEMENTS**

Foremost, I would like to express my sincere gratitude to my supervisor Dr. Martin Ogutu for his patience and motivation in all time of the research. His guidance made me see things in a totally different perspective beyond my imagination. I would also like to thank my moderator Dr. John Yabs for his enthusiasm and encouragement during the whole duration of my study. Besides my supervisor and moderator, I would like to thank the University of Nairobi - School of business for giving me the opportunity to study in their department.

Last but not the least; I would like to thank my late parents Peter and Mary Mucliilwa for giving birth to me in the first place and supporting me spiritually and emotionally throughout the time they were alive. Thanks for instilling in me the value of hard work and faith in Gods' promises. To my siblings: Debbie, Betty, Cathy, Silvano, Margy, Kevin and Angie. To my husband William, Sons; Wesley and Wayne, thank you very much for the joy you bring in my life.

Most of all, thank you GOD for your love, guidance and my family who are always there for me.

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## **ABSTRACT**

At the moment, companies are facing increasing competition because of changing political, legal, socio-economic, cultural and trading environments thus ushering in new challenges for businesses. This means that those who are able to detect the changes in the environment and change their strategies as the market dictates will survive. This requires constant and precise reading and scanning of the environment and the consumer's behavior so that they can deliver the greatest value to customers. As the operating environment changes; a more pronounced transformation of the business landscape lies ahead. Therefore, strategy becomes vital to the adaptation of the changing business environment. The pharmaceutical industry in Kenya has undergone numerous changes since being liberalized in the early 1990s. There has been an influx of many pharmaceutical companies into the market, either as direct investments or through franchise holders. The product range within the industry has widened greatly to meet the ever increasing consumer needs.

The industry has been characterized by man)' changes and an increasingly turbulent environment. The configuration of competitive forces such as intensity of competition, new entrants, substitute products and supplier and buyer power have transformed the environment a great deal, creating the need for firms to change their competitive positions (Wamalwa, 2009). In response to competition, firms in Kenya have taken measures such as improved product quality, improved product design, branding and brand extensions, provision of affordable products and increased customer focus. In the pharmaceutical industry, responses by firms to competitive pressure have taken such forms as price reduction, offering discounts and bonuses on their various product

offerings. In some cases the multinationals have opted to exit particular markets and instead work through a distributor to avail their products to the consumers. This shows that the pharmaceutical industry is very competitive and survival of any firm depends on how best it understands the perception of consumers about product attributes and how these perceptions influence consumers' purchase decisions.

Culture is that whole complex of distinctive, spiritual material, intellectual and emotional features characterizing a society or social group. This definition encompasses in addition to art and literature, lifestyles, way of living together, value accepted, systems, traditions and beliefs (Office of VP, Ministry of state for National heritage & Culture, 2009). The Kenyan Cultural policy recognizes culture as a repository of knowledge which is manifested in all aspects of life as a guide to evolution of morals, attitudes, beliefs and values in the society. Societies with a dominantly protestant faith have traditionally been richer than others partly due to the high value attributed to individual economic achievement which is considered God's blessings (Onkvisit & Shaw, 2002). Islamic societies (with the exception of oil rich countries) have traditionally been rather poor. This is partly due to religious belief that wealth is to be used to satisfy basic needs in moderation thus material status does not entail higher status or merit. This must be understood by international marketers in the process of evaluating the attractiveness of the country markets (Deresky, 2008).

This study will investigate the influence of religion on marketing strategies employed by international pharmaceutical firms in Kenya. It is based on the assumption that the pharmaceutical industry targets all cultures and religions. My objective is to build on what is currently practiced and update the existing knowledge. This will assist us to

determine the extent of religion's influence on marketing strategies formulation in the pharmaceutical industry in Kenya. As this will be a survey on international pharmaceutical companies, data shall be collected by way of a structured questionnaire through one to one interviews to facilitate probing for greater detail. Population under study will be international pharmaceutical firms which are registered to trade in Kenya thus submit necessary taxes to the government in their name and not through a distributor. It will benefit managers in the pharmaceutical industry, academicians, government and other related sectors thus provide a foundation for further related studies.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background**

This chapter gives a background of the study. It points out the main concepts underlying the study, the objectives and the importance of this study. Further in the study, we will investigate in detail the impact of religion on marketing strategies in international pharmaceutical firms hosted in Kenya. It is based on the assumption that pharmaceutical products are global products targeting people of all cultures and religions. A cross-sectional descriptive survey will be adopted for this study because the sample measurements will be earned out at a single point in time and the respondents will be giving a description of the state of affairs as it exists currently. My objective is to build on what is currently practiced and shed light on the development of acceptable practices and sustainable competitive advantage in international pharmaceutical firms.

#### **1.1.1 International Business**

An international business is one that by operating in more than one country, gains marketing, production, research and development and financial advantages that are not available to purely domestic competitors (Kotler and Armstrong, 2001). In some cases, marketing activities, interests and operations of an international business are controlled from outside the country in which the goods and services will actually be sold (Doole and Lowe, 2008). International business dictates that organizations should have a global strategy, a multinational strategy and a glocal strategy (Kotler et al, 2001). Global strategy treats the world as one unit. It is warranted when the forces for global integration

are strong and forces for national responsiveness are weak for instance electronic goods business.

A multinational strategy treats the world as a portfolio of national opportunities. It is warranted when the forces favoring national responsiveness are strong and the forces favoring global integration are weak as is the case in branded packaged goods business that is food products and cleaning products. Glocal strategy on the other hand standardizes certain elements and localizes other elements. This strategy is warranted in telecommunication industry where each nation requires some adaptation of its equipment but the providing company can also standardize some of its core components. The business environment will consist of the political environment, legal environment, socio-cultural environment and Technological environment (Belohlavek, 2008) It is crucial for any international business to understand its host country's environment so that it can maximize the opportunities presented and design ways of handling the challenges without losing out on profitability.

### **1.1.2 International Marketing Strategies**

These are the elements of marketing that can be used by an international organization to influence consumers in every host country to purchase goods or services or in this context, influence demand for a product or service (Keegan, 1999). These variables are referred to as the Marketing Mix or the Four P's of marketing. They are Product, Price, Promotion, and Place (distribution). International marketing strategies can also be defined as the set of marketing tools (that an international firm uses to pursue its marketing objectives in the target market (Kotler et al, 2001). He further goes to define a product as

anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need. Product presentations will encompass labeling, product attributes; branding, packaging and product support services whereby the attributes are quality, features, style and design. This should provide the benefits to convince an end user to purchase and/or use your product anywhere in the world.

Place or distribution means bringing the product closer to the client (Belohlavek, 2008).

It has two elements: distribution channels and physical distribution activities (Lazer & Culley, 1983). The channel chosen should add value to the whole supply chain in which ever international market with profit making as the bottom line. Price on the other hand is the value paid for a product in a marketing exchange or transaction. The major factors affecting pricing decisions are target customers, costs, competition and business objectives (Keegan, 1999). Multinationals face several pricing problems when selling abroad. They must deal with price escalation, transfer prices, dumping charges and gray markets (Kotler, 2001). Finally, promotion communicates and informs the client the attributes and the benefits a product or service has. A company's promotion mix - also called its communication mix consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objectives (Kotler et al, 2001). Marketing strategies adopted by international firms should ensure they meet the needs of a global customer and not a domestic customer.

### **1.1.3 Religion in International Business**

According to the dictionary.com, religion is a set of beliefs concerning the cause, nature, and purpose of the universe, especially when considered as the creation of a superhuman agency or agencies, usually involving devotional and ritual observances, and often containing a moral code governing the conduct of human affairs. This is something one believes in and follows devotedly; a point or matter of ethics or conscience. International business environment consists of actors and forces outside business that affect management's ability to develop and maintain successful transactions with target customers (Kotler & Armstrong, 2001). It is made up of Micro and Macro environment. Micro environment consists of forces closer to the organization that affect its ability to serve the customers and macro environment consists of larger societal forces that affect the micro environment for instance socio-cultural forces.

Socio cultural forces are the influences in a society and its cultures that bring about changes in attitudes, beliefs, norms, customs and lifestyles (Pride & Farrell, 2010). Religion as part of socio-cultural forces defines the ideals of life which in turn are reflected in the values and attitudes of societies and individuals for instance the Christian religion, the Muslim religion, and Buddhist religion. Such values and attitudes shape the behavior and practices of institutions and members of cultures and are the most challenging for a marketer to adjust to (Czinkota & Ronkainen, 2007). Societies with a dominantly protestant faith have traditionally been richer than others partly due to the high value attributed to individual economic achievement which is considered God's blessings (Onkvisit & Shaw, 2002). Islamic societies (with the exception of oil rich countries) have traditionally been rather poor. This is partly due to religious belief that

wealth is to be used to satisfy basic needs in moderation thus material status does not entail higher status or merit. This must be understood by international marketers in the process of evaluating the attractiveness of the country markets (Deresky, 2008).

#### **1.1.4 Religion and International Marketing**

Culture is that whole complex of distinctive, spiritual material, intellectual and emotional features characterizing a society or social group. This definition encompasses in addition to art and literature, lifestyles, way of living together, value accepted, systems, traditions and beliefs (Office of VP, Ministry of state for National heritage & Culture, 2009).

Religion as part of culture influences the way people relate with and to each other and with the environment (Gillespie, Hennessey & Jeannet, 2011). Culture and religious differences limit the standardization of a product offering on a global basis for example food and clothing (Justin and Kapoor, 2003). It is even more complex in an international firm where marketing activities of an organization includes activities, interests or operations in more than one country and where there is some kind of influence or control of marketing activities from outside the country in which the goods and services will actually be sold (Doole and Lowe, 2008).

International marketing on the other hand is the multinational process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. For instance, Islam prescribes a number of rules concerning food consumption and personal cleanliness. Products that contain no forbidden ingredients such as pork and alcohol may be certified halal (acceptable under Islamic teaching). Halal not only affects food



products but other products like lipsticks and vaccines (Gillespie et al, 2011). The same way Muslims and Jews shun pork, Hindus refuse to eat beef ((Muhlbacher, Helmuth & Dahringer, 2006). Many other patterns of behavior like gift giving during certain times of the year are based on religious beliefs. This must be understood by international marketers in the process of evaluating the attractiveness of country markets (Deresky, 2008). Major holidays are often tied to religion. It is good to put this in to consideration in the scheduling of events ranging from fact finding missions to marketing programs and plans.

Marketers are interested in perception because it involves consumer beliefs. Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world (Roller and Armstrong, 2004). To provide satisfaction effectively in the market place, marketers must understand how all their marketing activities are perceived because perceptions greatly influence buyer behavior. McDonalds, a USA based fast food chain, operates in many countries in the world and is one of the world's largest users of beef. At McDonalds in New Delhi-India a sign reads "No beef or beef products sold at this restaurant" Pork is also omitted so as not to offend the Indian Muslims. (Gillespie et al, 2011). Consumer's religious perceptions are fundamental to understanding acquisition, consumption and disposal of goods and services (Price, Arnould & Zinklian, 2004). Since perceptions underlie product preferences, it is important for pharmaceutical companies to gain in-depth understanding of how their products and related strategies are perceived in relation to religious beliefs and practices and develop programs aimed at building positive perceptions in conformity with religious beliefs and practices.

### **1.1.5 International Pharmaceutical Finns**

International can be defined from a perspective of size, Structure, performance and behavior (Onkvisit & Shaw, 2002). They further state that International implies bigness putting in mind a number of dimensions for instance; Market Value, Sales, Profits and return on equity. Pharmaceutical Companies firms on the other hand relates to a company that is engaged in pharmacy or the manufacture and sale of pharmaceuticals drugs. The world pharmaceutical market has sales of about US \$ 0.5 Trillion as per 2005 data (Siebert, 2007). He further states that the biggest players in terms of turnover in 2007 were Pfizer (US \$ 52.5 Billion), Johnson & Johnson (US \$ 47.3 Billion), Bayer (US \$ 39.2 Billion), GlaxoSmithKline (US \$ 38.2 Billion), Sanofi Aventis (US \$ 33.4 Billion) and Novartis (US \$ 28.2 Billion). Kenya spends about 8% of its GDP on health (Kenya Pharmaceutical Industry, 2005). Per capita expenditure per person stood at about US\$ 11 per person in 2003. According to pharmaceutical-market-research.com, pharmaceutical sales in Kenya reached a value of KES27.12bn in 2009, representing a growth of 15.4% year-on-year in local currency terms.

The government, through Kenya Medical Supplies Agency (KEMSA) is the largest purchaser of drugs manufactured both locally and imported. It buys about 30% of the drugs in the Kenyan market through an open-tender system and distributes them to government medical institutions (Kenya Pharmaceutical Industry, 2005). There has been an influx of many pharmaceutical companies into the market, either as direct investments or through franchise holders (Ronoh, 2002). Currently the pharmaceutical sector consists of about 137 licensed concerns (Kenya Medical Directory, 2010/11). These include local manufacturing companies, large Multi National Corporations (MNC's), distributors and

retailers. Most of these firms are located within Nairobi and its environs and collectively employ over 60,000 people. The target market for the pharmaceutical industry comprises the doctors and clinical officers who eventually prescribe the medicine to the patient and the pharmacist who is increasingly playing a significant role in influencing or convincing doctors to change medication in the prescription (Ongubo, 2003). Patients also play a significant role in influencing the doctor's prescription by preferring certain brands on the basis of perceived effectiveness or origin more so in the private care setup.

The pharmaceutical industry in Kenya consists of three segments namely manufacturers, distributors and retailers. They all actively support Ministry of Health and other key players in developing the country's health sector, which is estimated to have about 4,557 health facilities countrywide. Kenya is currently the largest producer of pharmaceutical products in the Common Market for Eastern and Southern Africa (COMESA) region, supplying about 50% of the regions' market (Ndiho, 2002). Out of the region's estimated fifty recognized pharmaceutical manufacturers; approximately thirty are based in Kenya. These firms collectively employ over 2000 people, about 65% who work in direct production (Kenya Pharmaceutical Industry, 2005). It is approximated that about 9,000 pharmaceutical products have been registered for sale in Kenya. The product range within the industry can be broadly categorized into prescription medication and non prescription medication. In 2007, there were 9,640 medical doctors with less than 20% of these being in the public sector (Wamalwa, 2009). Putting in mind a population of 39.8 Million Kenyans (Kenyan Population, 2009); this translates to approximately one doctor per 4129 people. Similarly, there were 3,050 pharmacists, which roughly translate to one pharmacist per a population of 13049.

## 1.2 Research Problem

International Marketing Strategies are those elements or variables of marketing that can be used by an organization to influence consumers to purchase goods or services and thus influence demand for a product or service. These variables are referred to as the four P's of marketing or the marketing mix. They are product, price, promotion, and placement or distribution. According to World English Dictionary, religion is defined as belief in, worship of, or obedience to a supernatural power or powers considered to be divine or to have control of human destiny. It is also defined as the attitude and feeling of one who believes in a transcendent controlling power or something of overwhelming importance to a person. It includes the practice of sacred ritual observances and sacred rites and ceremonies. Religious beliefs will determine how we perceive certain things and thus affect our decisions and the way we behave towards those and what is around us. International pharmaceutical firm relates to a company that is engaged in pharmacy or the manufacture and sale of pharmaceuticals drugs in other countries other than the host country.

The pharmaceutical industry in Kenya had over 9000 pharmaceutical products registered for sale in 2007 (Wamalwa, 2009). This number has definitely increased over the years. During the passing of the Kenyan constitution in the recent past, it was evident that religion which is part of socio-cultural forces that influence marketing environment plays a major role in health care matters.®With new infections coming in for instance HIV, Ebola and introduction of new vaccines some of which contain bovine serum concentrates which is prohibited by the Hindu religion (Muhlbacher et al, 2006), existence of cough syrups which contain alcohol, which is prohibited by Islam, the

pharmaceutical industry is faced with the task of aligning their marketing strategies based on environmental factors in order to survive. For instance, Islam prescribes a number of rules concerning food consumption and personal cleanliness. Products that contain no forbidden ingredients such as pork and alcohol may be certified halal (acceptable under Islamic teaching). Halal not only affects food products but other products like lipsticks and vaccines (Gillespie et al, 2011). The same way Muslims and Jews shun pork, Hindus refuse to eat beef (Muhlbacher et al, 2006). Based on these trends in the Fast Moving Consumer Goods (FMCG) business, the research questions I would like to address are: what are the challenges of religion in International Pharmaceutical firms in Kenya and can we establish the influence of religion on the marketing strategies used in International i

Pharmaceutical firms in Kenya?

From research of past papers and projects done in the University of Nairobi and educational journals, none has been on religion. The closest to this study was by Ochuka (2009), whose project was on Cross Cultural Training for Kenyan Expatriate Managers: A survey of practices among Kenyan manufacturing firms. According to his findings, he ranked religion seven out of eleven, the priorities in cross cultural training considered by manufacturing firms while undertaking cross cultural trainings for expatriate managers to be deployed abroad. This provides a knowledge gap which this study will be able to fill and provide a basis for further studies.

### **1.3 Research Objectives**

This study will be guided by two research objectives:

- i. To determine challenges of religion in International Pharmaceutical firms Kenya.
- ii. To establish the influence of religion on marketing strategies used International Pharmaceutical firms in Kenya.

## **1.4 Value of the Study**

This study will benefit the pharmaceutical industry through the manufacturers, distributors and retailers. To the manufacturers, the study will provide insights into the influence of religion in strategy formulation touching on the development of the marketing mix (Product, Place, Price and Promotion). This will provide a foundation to related studies which can involve the prescribers view on what they expect from the manufacturers in the pharmaceutical industry. To the distributors and retailers, this study will assist them in coming up with strategies for placement in line with the marketing strategies made by their suppliers. It will also provide insight on what products/services/markets to take up for distribution/placement and which supplier to partner with.

Secondly it will benefit the academicians by enabling researchers to improve and develop better understanding of the influence of religion on marketing strategies in the pharmaceutical industry. Finally it will help the government by providing better understanding on the influence of religion as part of national culture to the pharmaceutical industry and thus provide ways on how they can support and sustain pharmaceutical industry in the country through the Ministry of Health.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Environment of International Organizations**

Organizations are social arrangements for the controlled performance of collective goals (Campbell and Craig, 2005). They exist to facilitate synergy, division of labor and to increase performance owing to establishments of formal systems of responsibility and authority. At the moment, companies are facing increasing competition because of changing political, legal, socio-economic, cultural and trading environments thus ushering in new challenges for businesses. This requires constant and precise reading and scanning of the environment and the consumer's behavior so that they can deliver the greatest value to customers thus making strategy vital to the adaptation of the changing business environment.

All marketing activities occur within legal, socio-cultural, political and other environment to which strategies and policies must relate. Marketers need to operate within the constraints of this environment and in case of international marketing, there will be more than one environment constraining the company at any one time (Bennet & Blythe, 2002). Organizational/business environment\_ has two components: The Internal Environment and the External Environment. The Internal Environment comprises of factors within the particular organization like financial resources, physical resources, objectives of the business, management policies, morale & commitment of human resources, work environment, brand and corporate strategies, labor management relationship, technical and research and development capabilities and promoters vision. Internal environment also includes an organization's system that is inputs, transformation



process and outputs and all the resources knowledge and the actions of decision makers and employees that make up the organization.

The external environment is divided in to two, the micro/operating environment and the macro/general environment. The later includes economic factors, political, socio-cultural where religion is embodied, technological, natural, demographic and international/global factors (Bennet et al, 2002). These act on an organization and their industry environments. For instance legislation affects organizations ability to hire and fire, trademarks, patents, merger with other organizations, dispose of its waste products and controls over the host country imposed by other nations (Onkvisil et al, 2002). Most of the world fits into one of the following legal systems; common, civil, communism, Islam or indigenous and it is up to a marketer to evaluate this and know how to operate within these forces. The macro/general environment involves suppliers, customers, market intermediaries, competitors and the public. Social and cultural influences on international marketing are immense. Differences in social conditions, religion and material culture all affect consumer's perceptions and patterns of buying behavior (Doole & Lowe, 2008). This area determines the extent to which consumers across the globe are either similar or different and so determines the potential for global branding and standardization.

## **2.2 Challenges of Religion in International Business Environment**

Organizations are embedded in environments which offer both opportunities and constraints. It is assumed that organizations are driven to seek predictability and control thus seeking to reduce uncertainty in the environment (Tichy, 1983). Managers are especially concerned with shifts in uncontrollable environmental factors that significantly

affect the organization. Such factors may be mainly unpredictable, somewhat predictable, or mainly predictable (Lazer et al, 1983). Management can do little about unpredictable changes other than to prepare the organization to withstand or accept them. Mainly unpredictable examples of environmental challenges are natural disasters like floods, fires, and disease out breaks, radically new products and products deemed hazardous. It is important in such cases for an organization to invest in insurance and research and development, hedge risks and accept the situations (Wilson & Gilligan, 1997).

Somewhat predictable challenges are like nationalization, quotas and tariffs, birthrates, consumers' tastes, status symbols, technological developments and government actions. Organizations should be able to identify likely trends and scenarios thus make contingency plans and strategies (Lazer et al, 1983). Mainly predictable examples are like religious practices, demographic patterns, rising energy costs, aging population, working wives, smaller households, suburban growth and growth of particular regions. Marketing responses to the above is by planning for change and altering plans and strategies to adapt to the environmental challenges and thus take advantage of the new market opportunities (Lazer et al, 1983). Levels of uncertainty and dependence will vary, but can never be totally eliminated, and must therefore be taken in to account-treated as a contingency-when designing organizational structures and procedures (Burnes, 2000).

Social and cultural challenges on an international business are immense. Differences in social conditions, religion and material culture all affect consumer's perceptions and patterns of buying behavior (Doole & Lowe, 2008). Religion practices as a "mainly predictable challenges" and as a component of socio-cultural forces on marketing environment has become a major consideration when any company is introducing new

products in the market or intends to sustain the existing products ((Lazer et al, 1983). Failure to understand religious dimensions of a market can be complex to manage as McDonald's found in India when it had to deal with a market that is 40% vegetarian thus an aversion to either beef or pork and frozen meat and fish but with general fondness for spice with everything. They discovered that they had to do more than provide the right vegetarian burgers but also to make sure that all vegetarian dishes were cooked in a different kitchen with a different set of utensils and sauces. Most of the world fits into one of the following legal systems; common, civil, communism, Islam or indigenous and it is up to a marketer to evaluate this and know how to operate within these forces with minimal challenges.

In conclusion, it is crucial for organizations to conduct regular environmental monitoring and scanning to eliminate challenges from both external and internal forces that are likely to affect the running of the organization, its markets, and the demand for its current and future products. It requires analysis of past developments and current situations to discern trends and identify likely future developments thus coming up with strategies to sustain the organization (Kerin & Peterson, 1998).

### **2.3 Concept of Strategy**

Strategic management is defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization (Pearse and Robinson, 2002). The concept of strategy has developed considerably over the years. It is no longer seen as a process but an outcome of a process: an outcome that is shaped not by mathematical models but by human creativity (Burnes,

2000). Pearce et al, (2002), identified four generic approaches to strategy: the Classical, Evolutionary, Processual and Systemic and later in the 70's, the contingency theory (Burnes, 2000).

Classical approach portrays strategy as a rational process, based on analysis and quantification, and aimed at achieving the maximum level of profit for an organization (Pearce et al, 2002). It is characterized by three common propositions: organizations are rational entities, the design of organizations is a science and people are economic beings (Burnes, 2000). It argues that, through rigorous analysis and planning, senior managers can predict future trends and shape the organization to take advantage of these. This approach assumes that there is a "one best way" for all organizations to be structured and operate. The Evolutionary approach portrays that the purpose of strategy is profit maximization, but regard the future as too volatile and unpredictable to allow effective planning. Instead, those practicing the evolutionary approach advice organizations to focus on maximizing chances of survival today.

Thirdly, Processual approach concentrates on the nature of organizational and market processes. The processualists are equally skeptical of long-range planning and see strategy as an emergent process of learning and adaptation. Strategy under these conditions is portrayed as a pragmatic process of trial and error, aimed at achieving a compromise between the needs of the market and the objectives of the warring factions within the organization (Kerin et al., 1998). Lastly, the Systemic approach is strategy linked to dominant features of the local social system within which it takes place. The systemic perspective argues that the nature and aims of strategy are dependent upon the particular social context in which the organization operates. Also, under such conditions,

the objectives managers seek to pursue may be related more to their social background, degree of patriotism or even professional pride, than profit maximization.

However, the period between 1960 and 70's, saw rapid economic and technological changes with tendency towards much larger organizations and significant increase in domestic and international competition. Contingency theory approach emerged and offered a plausible explanation of not only why these events were causing problems for organizations but also how to resolve these problems (Burnes, 2000). This approach views organizations as open systems and seeks to reject the "one best way" approach previously sought in the previous theories. In its place is substituted the view that structure and operation of an organization is dependent (Contingent) on the situational variables it faces - the main ones being environment, technology and size (Burnes, 2000). Consequently the "one best way" for all organizations is replaced by "one best way" for each organization.

## **2.4 International Marketing Strategies**

International Marketing is the performance of business activities designed to plan, price, promote, and direct the flow of a company's goods & services to consumers or users in more than one nation for a profit (Justin et al, 2003). Marketing strategies are the set of marketing tools that the firm uses to pursue its marketing objectives in the target market (Kotler, 2001). These elements are referred to as the Marketing Mix or the Four P's of marketing that is Product, Price, Promotion, and Place. Product is the cornerstone of the marketing mix. It means the goods and services combination the company offers to the target market (Kotler et al, 2001). According to Keegan (1999), products may be

classified according to a variety of criteria for instance based on users who can be consumer or industrial goods. He further classifies both types on the basis of how they are purchased - Convenience, preference, shopping or specialty goods and according to their lifespan - Durable, consumable or disposable. These and other classification frameworks developed for domestic marketing are fully applicable to global marketing. Marketers should be able to get the specific features that work well in specific markets thus come up with products which will do well across all cultures and nations globally.

Price refers to the amount of money customers have to pay to obtain the product (Kotler, 2001). Price is important because it affects demand and an inverse relationship between the usually prevails (Onkvisit et al, 2002). Price also affects the larger economy because inflation is caused by rapid price increases. Negotiations on discounts, credit terms, payment periods and trade-in allowances affect price one way or another (Kotler et al, 2001). Multinationals face several pricing problems when selling abroad. They must deal with price escalations, transfer prices, dumping charge and gray markets (Kotler, 2001). Thirdly promotion refers to activities that communicate the merits of the products and persuade target customers to buy it (Kotler and Armstrong, 2001).

A marketer's job would be to communicate that the right product is available at the right place at the right price. What an international marketer communicates is determined by target customers needs and attitudes (McCarthy and Perreault, 1993). Communication can be through direct selling or marketing, advertisement, publicity, sales promotions, use of sales force/people and so on. Place includes company activities that make the product available to the target consumers (Kotler et al, 2001). Place involves the distributions channels used to avail the product in the right condition and the right lime,

assortments and coverage (Kotler, 2001). This can be direct or by use of an agent or intermediary. Channel planning and decisions requires firms to decide on the degree of exposure they want (McCarthy et al, 1993). Service marketers have added three more P's i.e. People, Process and Physical Evidence (Nargundkar, 2006). For the purpose of this study we will concentrate on the first four P's.

## **2.5 Influence of Religion on International Marketing Strategies**

Religion defines the ideals of life which in turn are reflected in the behavior, values and attitudes of societies and individuals. Such values and attitudes shapes the behavior and practices of institutions and members of cultures and are the most challenging for a marketer to adjust to (Czinkota et al. 2007). Religious beliefs and practices influence our perception of the environment. Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world (Kotler et al, 2004). Kibera and Waruinge (1998) define perception as the process by which we attribute meaning to incoming stimuli received through our five senses whereas Dember, (1960) posits (hat perception is a cognitive process that lets a person make sense of stimuli from the environment. Different people can perceive the same stimuli differently because people are more likely to notice stimuli that relate to their current need, or the stimuli that they anticipate and are likely to notice stimuli whose deviations are large in relation to the normal size of the stimuli (Kotler,-2003).

Kotler et al (2001), defines marketing strategies as the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. International marketing strategy derives from the firms' overall strategy and concerns such matters as product

positioning, branding strategies, choice of target countries and methods of entering them i.e. whether to use national or international media for promotion campaigns and so on. Product or services is the cornerstone of the marketing mix that should be considered as the starting point for an international marketing strategy, because without it there is nothing to price, promote or to distribute. A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need (Kotler et al, 2001). Marketers should recognize that much of the "want-satisfying" nature of the product is derived from the consumer perceptions. The true nature of the product is what the consumer perceives it to be and not what the company thinks it is or would like it to be (Czinkota et al, 2007).

Marketing management is responsible for finding out what perceptions will contribute to the consumer satisfaction and then manage the marketing mix to ensure that the product embodies these perceptions. Customers perceive services in terms of the quality of the service and how satisfied they are overall with their experiences (Zeithaml and Bitner, 1996). Satisfaction is the customer's fulfillment response. It is the customer's evaluation of a product or service in terms of whether the product or service meets their needs and expectations (Zeithaml et al, 1996). Perceptions may be controlled by the socio cultural factors in which religion fall under for instance, Muslims prefer blister packaged medicine in place of loose packs. This should be put into consideration when introducing new products to these markets. The same to alcohol based products which are prohibited in Islam. Most cough syrups contain alcohol and thus many pharmaceutical firms are coming up with herbal cough syrups for such markets because of the religious beliefs and perceptions on alcohol taking.



Religion also affects promotion and placement of products and service delivery (Czinkota et al, 2007). When beef or poultry is exported to an Islamic country, the animal must be killed in a halal method and be certified appropriately. Whereas products and services are external, experiences exist only in the mind of the individual and the perceptions they have been molded to believe (Kotler et al, 2001). A company's total communication mix - also called its promotion mix consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objectives. Kotler (2001) defines advertising as any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor.

Secondly he defines personal selling as the personal presentation by the firm's sales force for the purpose of making sales and building customer relationship. For instance the role of women in business is tied to religion especially in the Middle East where women are not able to function as they would in the west. A firm may be limited in its use of female managers or marketing personnel in these areas and women's role as consumers and influencers in the consumption process may be different (Lewis, 1999). Except for food decisions, men make the final purchase decisions. Access to women in Islamic countries may only be possible through use of female sales personnel, direct marketing and women's specialty shops. To provide satisfaction effectively in the market place, international marketers must understand how all their marketing activities are perceived because perceptions greatly influence buyer behavior. For instance; Islam prohibits the charging or collection of interest. While Islam is supportive of entrepreneurship, it nevertheless strongly discourages acts that may be interpreted as exploitation (Mead,

1994). This should be considered when identifying distribution channels and in determining credit terms when dealing with a Muslim customer.

## **CHAPTER THREE:**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The research design adopted was a cross-sectional descriptive survey method. This entailed; collecting data pertaining to variables (marketing strategies) in a representative sample from international pharmaceutical firms. Orodho (2003) describes a descriptive survey as a method of collecting information by interviewing or administering a questionnaire to a sample of individuals at a single point in time.

#### **3.2 Population of Study**

The population of interest in this study was international pharmaceutical firms' which manufacture human medicines in the following formulations; capsules, tablets, suppositories, syrups, suspensions and vaccines. Currently the pharmaceutical sector consists of about one hundred and thirty seven licensed concerns (Kenya Medical Directory, 2010/11) which include local pharmaceutical manufacturers and international pharmaceutical manufacturers, pharmaceutical distributors and large scale retailers.

#### **3.3. Sample Design**

From the one hundred and thirty seven local and international pharmaceutical firms, thirty three of them have the pharmaceutical license to trade as manufacturers and marketing firms for pharmaceutical products. Seventeen of them are international firms licensed by the Kenyan government to operate as business units with scientific offices

located in Kenya. This means that formulation of marketing strategies, control and determination of the marketing budget is implemented and executed by the local office. The seventeen were the subject of our study.

### **3.4 Data Collection**

Primary data was collected through the use of structured questionnaires with both open ended and close ended questions designed along the study objectives. Every company had one questionnaire to be answered by the marketing manager / director or whoever was in charge of coming up with marketing strategies. The questionnaires were given to respondents to fill under close supervision of the researcher as she waited to pick the questionnaires. Questions that were not well understood were explained to the respondents. The Likert method of summated ratings was used in the questionnaire as it allows an expression of intensity of feeling (Churchill and Iacobucci, 2005) and respondents readily understood how to use the scale making it suitable and appropriate. A five point Likert scale was used in the questionnaire to measure level of importance or level of agreement.

### **3.5 Data Analysis**

Data was analyzed in regard to collected qualitative as well as quantitative answers from the field. There was measurement, analysis, comparison and interpretation of the data (Kisilu and Tromp, 2006). Descriptive statistics with tabulations of findings was used. Data reduction included quantification or other means of data aggregation and reduction,

including the use of data matrices, tables, and figures (Miles & Huberman, 1994). Frequency distribution tables mean scores and standard deviation were generated and interpreted. Visual representational tools such as charts and graphs were used to back up the narrative report.

## **CHAPTER FOUR: DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter will focus on analysis, interpretation and discussion of the data collected during the survey. Through the interpretation and the discussion, the chapter will also seek to address the two objectives of the study i.e. determining challenges of religion in international pharmaceutical firms and establishing the influence of religion on marketing strategies in international pharmaceutical firms in Kenya. The questionnaire was divided into three sections. The first section was the respondents profile, the second section was addressing objective one and the third section was addressing objective two. A total of seventeen questionnaires were administered to seventeen firms. Sixteen firms (96%) out of the seventeen completed the questionnaires and returned them in time for the analysis.

### **4.2 General Information**

#### **4.2.1 International Pharmaceutical Companies Profile**

According to Kenya Drug Index 2010/211 and Kenya Medical Directory, 16<sup>th</sup> Edition, 2011/12, there are seventeen firms licensed to operate in Kenya as International pharmaceutical manufacturers. This license is given by the government of Kenya and pharmaceutical activities regulated by Pharmacy & Poisons Board (PPB) of Kenya. The seventeen firms have met the governments' requirements of opening a branch office of an overseas company by submitting the necessary papers to the Registrar of Companies and also prescribing to the requirements of PPB as stipulated by Kenyan Law.

Some of the requirements are; certified copy of the Charter, Statutes or Memorandum and Articles of Association of the Company, or other instruments defining the constitution of the company; A list of the directors and secretary of the company, giving full names, nationality and other directorships of companies in Kenya; A statement of all existing charges entered into by the company affecting properties in Kenya; Names and postal addresses of one or more persons resident in Kenya authorized to accept, on behalf of the company, service of notices required to be served on the company; Full address of the registered or principal office of the company in its home country; and lastly full address of place of business in Kenya.

It is important to note that, there are many international pharmaceutical firms in Kenya but they operate under a distributor's import and wholesale license. The advantage of this kind of model is; reduced operating cost in terms of head count, warehousing, hustle of importing, clearing, warehousing and distribution. The disadvantage is there is divided focus by the distributor because of many other firms they may be trading with. That is why some firms have decided to set up a branch office of their overseas company so that they can have control of the marketing and budgetary activities in Kenya.

#### **4.2.2 Respondents Statistics**

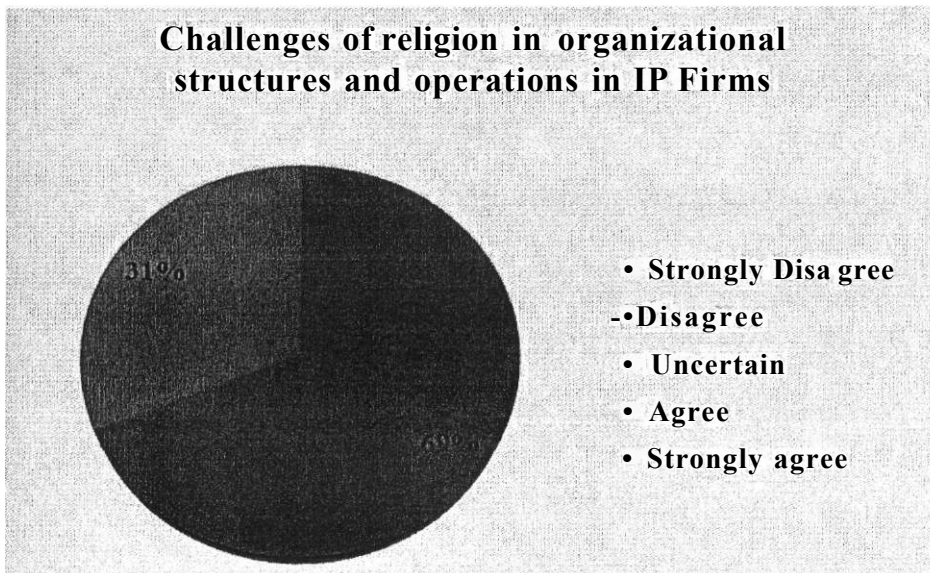
The target respondents were managers in sales and marketing departments. Out of the sixteen respondents ten were male (62.50%) and six female (37.50%). 56.25% were aged between thirty years to thirty nine years, 31.25% forty to forty nine years old, 6.25% twenty to twenty nine years old and lastly those over fifty years old, 6.25%. All the respondents either had direct reports or indirect reports or in some case both. 93.75% of

the respondents had a basic degree in sciences and 6.25% had a diploma in Pharmacy. 56.25% had thirteen to sixteen years experience, 25.00% nine to twelve years experience and lastly 18.75%, five to eight years experience.

### **4.3 Challenges of Religion in International firms**

This was the first objective of the study and comprised the second section in the questionnaire. The first question in this section was to gauge the understanding of the pharma market by the respondents by confirming their opinion on whether religion was a challenge in organizational structures and operations of international pharmaceutical firms in Kenya. The respondents were given five options; strongly agree, agree, uncertain, disagree and strongly disagree.

**Figure 4.1: Challenges of Religion in International Pharmaceutical Firms**

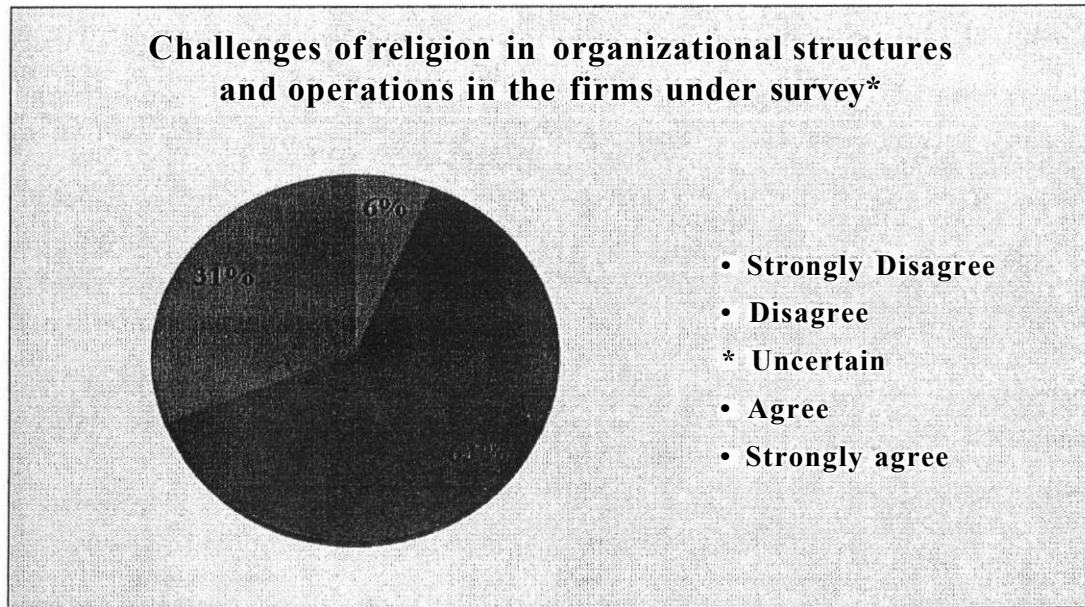


From Figure 4.1, 100.00% of the respondents agreed that religion was indeed a challenge in organizational structures and operations of international pharmaceutical



firms in Kenya. The second question in Section B was more specific to the respondents' firm. The respondents were given five options; strongly agree, agree, uncertain, disagree and strongly disagree.

**Figure 4.2: Challenges of Religion in the Firm under Study**



From Table 4.2, Majority (94.00%) of the respondents agreed that religion was indeed a challenge in their firms where as 6.00% were uncertain.

A five - point likert scale was used to determine in detail challenges of religion in international pharmaceutical firms in Kenya. The score range was one to five, where one represented; strongly disagree, two; disagree, three; uncertain, four; agree and five; strongly agree. To aggregate the response from the respondents, mean scores and standard deviation was used.

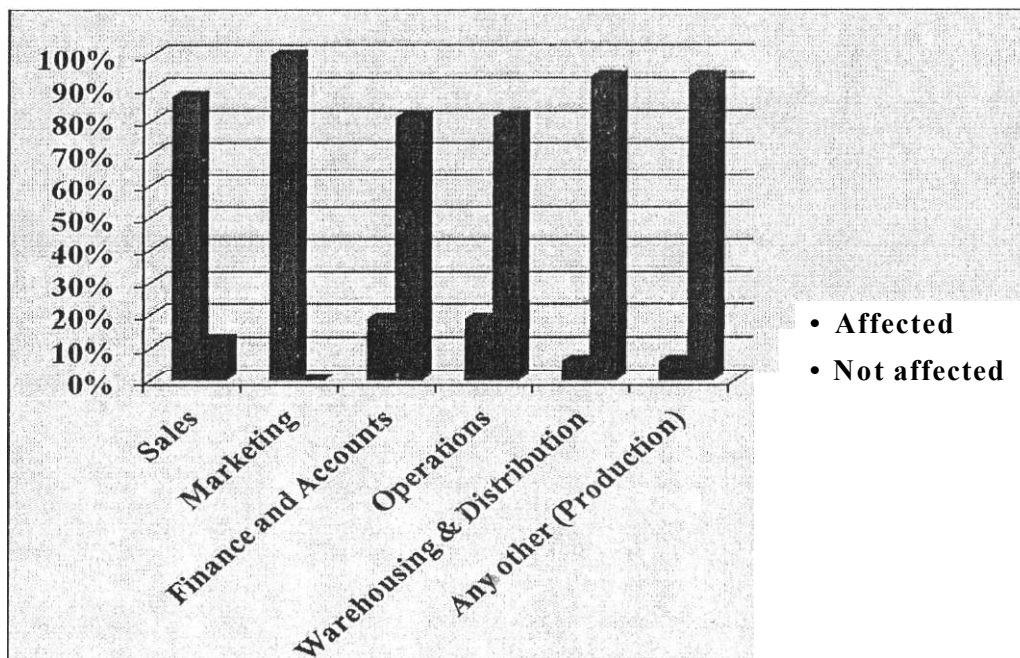
**Table 4.1: Challenges of Religion in International Pharmaceutical Firms in Kenya**

Challenges of religion in organizational structures and operations in International Pharmaceutical Firms	4.31	0.48
Challenges of religion in organizational structures and operations in the firms under survey	4.25	0.58
Challenges of Religion in formulation of overall Organizational strategies	4.19	0.75
Presence of many Christians in the organization	4.94	0.25
Presence of many Muslims in the organization	2.31	1.25
Presence of many Hindus in the organization	2.06	1.39
Presence of many people from other religions in the organization	1.00	0.00
Presence of many Christians in the Sales & Marketing Department	5.00	0.00
Presence of many Muslims in the Sales & Marketing Department	1.94	1.34
Presence of many Hindus in the Sales & Marketing Department	1.44	1.09
Religious practices in mother country affect overall organizational running	3.13	1.02
Religious practices in host country affect overall organizational running	4.94	0.25
<b>GRAND MEAN SCORE</b>	<b>3.29</b>	

From Table 4.1, mean scores were tabulated to aggregate the different responses by the respondents. With a grand mean score of 3.29, there was a high response frequency on challenges of religion in organizational structures and operations in international pharmaceutical firms in Kenya and also the firms under study with a mean score of 4.31 and 4.25, respectively. Religious practices in the mother country and host country were also reported to be a challenge with a mean score of 3.13 and 4.94, respectively. Considering the grand mean score of 3.29, it can be deduced that religious practices in

the host country was more of a challenge than religious practices from the mother country. The presence of Christians in the firms under study was at a mean score of 4.94 and in the sales and marketing department, 5.00. This is a clear indication that there are more Christians than other religions in international pharmaceutical firms in Kenya more so in the sales and marketing departments. In most of the organizations under study, Muslims were in other departments like accounts and operations, not in the Sales and marketing department. The ones in the sales and marketing departments were male. The only religions represented in the firms under study were Muslims, Christians and Hindus. Most of the Asian international pharmaceutical firms under survey had Hindu managers in most top positions including the top positions in sales and marketing department.

**Figure 4.3: Challenges of Religion in Different Departments in the Organization**



From the above table marketing department and sales department were affected by 100.00% and 88.00%, respectively, by challenges brought about by religion. The least affected were warehousing, and Distribution and any other (production) at 6.00% and 6.00%, respectively. Data analysis and presentation on Table 4.1 clearly indicate that marketing department and sales department are the most affected by religious practices thus building a case for the study of our second objective; establishing the influence of religion on marketing strategies of international pharmaceutical firms in Kenya. One of the respondents in their conclusion remarks stated that, she had an experience where a Muslim prospect declined to sign credit account opening forms because there was a clause on the form which stated that, the customer will be charged interest if they do not pay within the agreed credit period. Islam's shariah law does not prescribe to paying or charging interest on any owed amounts.

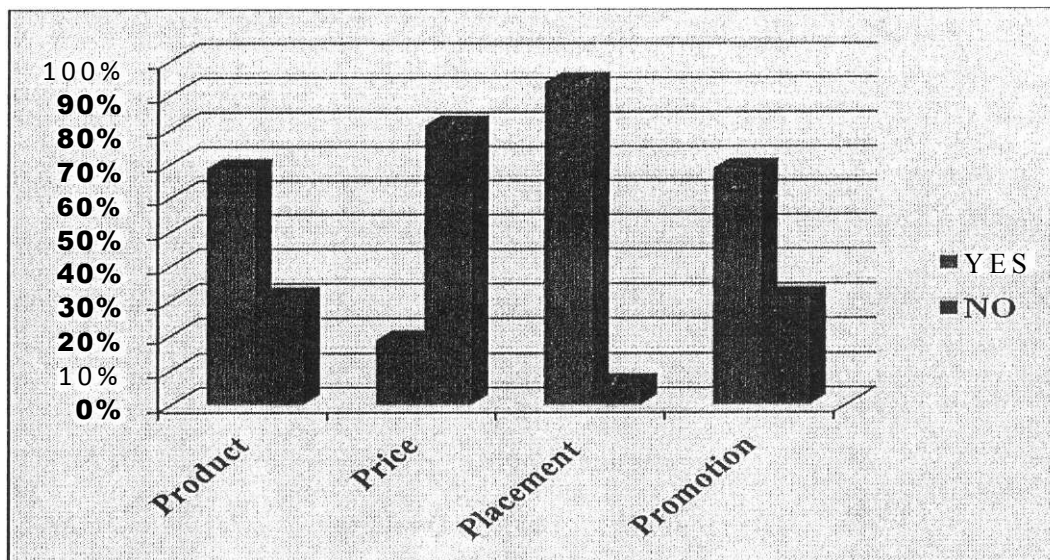
#### **4.4 Influence of Religion on Marketing Strategies**

This was the third section of the questionnaire. Several questions were asked which were aimed at establishing the influence of religion on marketing strategies. The first part of this section sort to establish whether the respondents found it important to consider religious practices when formulating marketing strategies and a confirmation from the respondents on whether some very well known general practices and holidays by different religions affected formulation of marketing strategies and / or certain aspects of marketing strategies.

#### 4.4.1 Influence of Religion on the four P's of marketing

Several questions were asked with the aim of ascertaining from the respondents which of the marketing strategies was most influenced by religion. They were expected to answer in affirmative (YES) or negative (NO).

Figure 4.4: Influence of Religion on the 4 P's of marketing



As indicated in Table 4.4, the most affected marketing strategy was Placement (Distribution), Product and Promotion at 94.00%, 69.00% and 69.00%, respectively. Pricing decisions were the least influenced by religion at a 6.00% response from the respondents.

#### 4.4.2 Establishing Importance of religion in formulation of marketing strategies

To establish the importance of religion when formulating marketing strategies, a five - point likert scale was used. The score range was one to five with one representing; 1 don't know, two; not important, three; less important, four; important and five; very important.

**Table 4.2: Importance of Religion in Marketing Strategies Formulation**

How important is religion when deciding which product to introduce in to the market	<b>4.19</b>	<b>0.40</b>
How important is religion when deciding which packaging of your products.	<b>4.81</b>	<b>0.54</b>
How important is religion when deciding target market for your products.	<b>4.69</b>	<b>0.79</b>
How important is religion when deciding pricing for your products, bonuses to run and discounts to give to your customers.	<b>3.69</b>	<b>1.08</b>
How important is religion when deciding the promotion mix	<b>4.69</b>	<b>0.70</b>
How important is religion when deciding credit terms for prospects and existing customers	<b>4.50</b>	<b>0.82</b>
How important is religion when deciding who to recruit as a Medical Representative	<b>2.38</b>	<b>0.89</b>
How important is religion when deciding territory allocation for the Med Representative	<b>4.88</b>	<b>0.34</b>
<b>GRAND MEAN SCORE</b>	<b>4.23</b>	

From the above table, the grand mean score of 4.23 indicate that it is important to consider religion when placing Medical Representatives in prospective territories (4.88), deciding product packaging (4.81), and target market for your products (4.69), the promotion mix (4.69) and credit terms for prospective and existing customers (4.50). However, it is good to note that, religion is not important when deciding who to recruit as

a medical representative (2.38) but it becomes important during territory allocation (4.88).

#### 4.4.3 Influence of Different Religious practices on Marketing Strategies

A five - point likert scale was used to establish and confirm whether some well known religious holiday, practices and beliefs influence certain marketing strategies of international pharmaceutical firms in Kenya. The score range was one to five, where one represented; strongly disagree, two; disagree, three; uncertain, four; agree and five; strongly agree.

**Table 4.3: Influence of Religious Practices of Specific Marketing Strategies**

	<i>W</i>	<i>M</i>	<i>M</i>	<i>M</i>	<i>D</i>	<i>E</i>	<i>B</i>	<i>U</i>	<i>W</i>	<i>I</i>
Does religion influence your decision when formulating your marketing strategies										<b>0.40</b>
Does religious holidays affect marketing strategies										0.00
Does Good Friday and Easter Monday holiday affect marketing strategies										<b>0.81</b>
Does Christmas holidays affect marketing strategies										<b>0.25</b>
Does Ramadhan holidays affect marketing strategies										<b>0.63</b>
Does hajj holidays affect marketing strategies*										<b>1.45</b>
Does Diwali affect marketing strategies										<b>0.96</b>
Is there an impact on sales for vaccines with Bovine Serum in Hindu dominated areas										<b>0.50</b>
Is there an impact on sales on cough syrups containing alcohol in Muslim dominated areas										<b>0.50</b>
Is there an impact in sales for suppositories and rectal administered drugs in areas where religious practices require one to be a virgin before marriage										<b>0.50</b>
<b>Grand Mean Score</b>										<b>4.41</b>

Using the grand mean score of 4.41 as my unit of agreement or disagreement as shown on Table 4.3, the respondents agreed that religion influences marketing strategies of their firms (4.81) more so religious holidays (5.00). Religious holidays with the most influence were Christmas (4.94), Good Friday, and Easter Holidays (4.51) and lastly Raniadhan Holiday (4.50). From the conclusion remarks from some of the questionnaires, hajj holidays mostly affected the vaccines business since it was a requirement by the government for all travelers to Mecca to be vaccinated. This meant good forecasting, production of enough stocks and promotional activities in preparation for the spike in sales. Respondents agreed that cough syrups with alcohol content in Muslim territories would not record good sales (4.88), the same to vaccines with bovine serum in Hindu territories (4.88) and suppositories and rectal drugs in areas with religions prescribing to virginity before marriage (4.88). One of the respondents in their conclusion remarks stated that herbal and non alcohol cough preparations performed better in terms of sales turnover in Muslim dominated areas.



## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter will summarize the interpretations and discussions of the study findings and make a conclusion based of the data interpretation, state the limitations experienced during the study, make recommendations for further survey and lastly make recommendations for policy and practice.

### **5.2 Summary of the Findings**

The results of survey showed that 100.00% of the respondents agreed that religion poses a challenge in organizational structures and operations where as 94.00% agreed that religion is indeed a challenge in organizational structures and operations in their own firms. According to Table 4.1, with a grand mean score of 3.29, majority of the employees were Christians (4.94), Muslims at 2.31 and Hindus at 2.06. Other religious affiliations had a frequency of 1.00 which was the least. Christians were the majority in Sales and marketing department with a mean score of 5.00. Muslims in the two departments were of the male gender. According to the findings in Figure 4.3, it was evident that the most affected departments in the organization by religion were marketing (100.00%) and sales (88.00%).

The above findings build a good base for addressing the second objective which was confirmed by the response from the respondents as shown in Figure 4.4. The table showed that Placement, Product and Promotion were the most affected marketing strategies at 94.00%, 69.00%, 69.00%. respectively. Table 4.2 also indicated that the

respondents considered it important to factor and consider religion when formulating marketing strategies. The mean scores indicated that it is important to consider religion when placing Medical Representatives in prospective territories (4.88), deciding product packaging (4.81), and target market for your products (4.69), the promotion mix (4.69) and credit terms for prospective and existing customers (4.50). From Table 4.3, the respondents agreed that religion influences marketing strategies of their firms (4.81) more so religious holidays (5.00). Religious holidays with the most influence were Christmas (4.94), Good Friday, and Easter Holidays (4.51) and lastly Ramadhan Holiday (4.50). Diwali and Hajj had the least mean score 2.38 and 3.31, respectively. Respondents agreed that cough syrups with alcohol content would not record good sales in Muslim dominated territories (a mean score of 4.88), the same to vaccines with bovine serum in Hindu territories (4.88) and suppositories and rectal drugs in areas with religions which prescribe to virginity before marriage (4.88).

### **5.3 Conclusions of the study**

This study had set to determine and establish the influence of religion on marketing strategies of international pharmaceutical firms in Kenya. The results demonstrated that religion is indeed a challenge in pharmaceutical firms more so in the marketing department and sales department. Majority of the respondents agreed that religion and its practices was a very important factor to consider when formulating marketing strategies. They also agreed that the most affected marketing strategy was placement and distribution, product and promotion. Price was the least influenced by religion and / or religious practices. However it was noted that, religion did not influence recruitment of

medical representatives but influenced territory allocation decisions for the recruited medical representatives.

#### **5.4 Limitations of the study**

Some of the respondents were not very open in their answers because of the emotive nature of the subject under study. Some clearly stated that they would not want their firms to be seen as leaning towards employment of one religion. In spite of my assurance that the responses would be kept confidential, one respondent declined to fill the questionnaire.

Some of the respondents took long to fill the questionnaires because they were either out of the country on business or on leave out of Nairobi. Some did not feel safe delegating the filling of the questionnaire to another person. This delayed the data analysis in spite of having received some of the questionnaires in time.

#### **5.5 Recommendations for further study**

For further research, there is need to widen this survey to end-users who are the health care providers like doctors and pharmacists, for the purpose of identifying their needs so that marketers can come up with marketing strategies that meet these needs. The pharmaceutical products ethics code does not allow pharmaceutical companies to market drugs directly to the patients.

The healthcare providers through their interactions and direct contact with the patient can also advise the pharmaceutical industry, best practices in line with what is best for their

patients. This will also assist pharmaceutical companies tailor their overall organizational strategies and marketing strategies to meet what the market requires and demands.

## **5.6 Recommendations for policy and practice**

As this is an emotive subject and most firms may not be willing to actively engage in it, it would be important for policy makers to come up with laws which will ensure involvement of all stake holders' thus good representation of the different religions not only in the pharmaceutical industry but all private and public organizations in Kenya. The same way there are laws on affirmative action and policies against nepotism and tribalism; I would recommend the same to be done for religious affiliations in both private and public organizations.

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## APPENDICES

### APPENDIX 1: PERMISSION TO CONDUCT RESEARCH LETTER

#### TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST TO CONDUCT A SURVEY ON YOUR FIRM.

I am currently undertaking my MBA course at the School of Business, University of Nairobi with International Business Management as my area of specialization. As a partial fulfillment of the requirements for the award of the degree, I am conducting a survey on "Influence of Religion on Marketing Strategies of International Pharmaceutical Firms in Kenya".

I humbly request for your valuable time in filling the questionnaire attached. The information you provide will be treated with utmost confidentiality and will not be used for any other purposes other than for intended academic use. A copy of the research findings will be availed to you upon request.

Please find attached a letter from the University confirming the same. Feel free to contact me in case you need clarification on any aspect of the questionnaire.

Yours Faithfully.

Muchilwa Caroline Racey.

## APPENDIX 2: QUESTIONNAIRE.

### INFLUENCE OF RELIGION ON MARKETING STRATEGIES OF INTERNATIONAL PHARMACEUTICAL FIRMS IN KENYA

Tick V where applicable

Questionnaire Number

#### SECTION A: RESPONDENTS PERSONAL PROFILE

1. Please indicate your gender:

a) Male ( )

b) Female ( )

2. Please indicate your age in years:

20- 29 ( )

30-39 ( )

40-49 ( )

>50 ( )

3. Please indicate education background:

Undergraduate ( ) Specialty;

Masters ( ) Specialty;

Any other (s):\_\_

4. Please indicate the number years in the pharmaceutical industry:

5. How many direct reports do you have:

None ( )

1-5 ( )

6-10 ( )

11-20 ( )

21-30 ( )

>31 ( )

6. How many indirect reports do you have?

None ( )

1-5 ( )

6-10 ( )

11-20 ( )

21-30 ( )

>31 ( )

7. Do you participate in formulation of marketing strategies in your organization?

Yes ( )

No ( )

8. If no, who does\_

## SECTION B: CHALLENGES OF RELIGION

1. In your opinion do you think religion poses a challenge in organizational structures and operations in International pharmaceutical firms?

Strongly Disagree    Disagree    Uncertain    Agree    Strongly agree

( )    ( )    , ( )    ( )    ( )

2. In your opinion do you think religion poses a challenge in your organizational structures and operations?

Strongly Disagree    Disagree    Uncertain    Agree    Strongly agree

( ) ( ) ( ) ( ) ( )

3. Which department(s) is most affected?

Sales ( )

Marketing ( )

Finance and Accounts ( )

Operations ( )

Warehousing and distribution ( )

Any other ( )

4. In your opinion do you think there are many Christians in your organization?

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

5. In your opinion do you think there are many Muslims in your organization?

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

6. In your opinion do you think there are many Hindus in your organization?

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

7. In your opinion do you think there are many people who practice other religions like;

Buddhists, Traditionalists and so on in your organization?

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

8. I think there are many Christians in sales and marketing department.

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

9. I think there are many Muslims in sales and marketing department.

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

10. I think there are many Hindus in the sales and marketing department.

Strongly Disagree Disagree Uncertain Agree Strongly agree

( ) ( ) ( ) ( ) ( )

11. Please list the therapeutic classes available your organization has in Kenya:

1.\_

2.\_

3.

4.

5.

12. Which of the above is most challenged by religion? Please indicate in order of most affected to least affected.

1,

2.\_\_\_\_\_

3\_

4.

5.

13. In your opinion, do you think religion poses a challenge in formulation of your overall organizational strategies

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

14. Which areas of the organizational strategies and how:

15. In your opinion do religious practices in your mother country affect overall organizational running?

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

16. In your opinion do religious practices in the host country affect overall organizational running?

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

**SECTION C: INFLUENCE OF RELIGION ON MARKETING STRATEGIES**

1. In your opinion, do you think religion influences your decisions when formulating your marketing strategies?

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

2. How important is religion when deciding which product to introduce to a market?

a) Not important.

- b) Less important.
- c) Important.
- d) Very important.
- e) Don't know

3. How important is religion when deciding packaging of your products?

- a) Not important.
- b) Less important.
- c) Important.
- d) Very important.
- e) Don't know

4. How important is religion when deciding which customer to sell to your products?

- a) Not important.
- b) Less important.
- c) Important.
- d) Very important.
- e) Don't know

5. How important is religion when deciding pricing for your products, bonuses to run and discounts to give to your customers?

- a) Not important.
- b) Less important.
- c) Important.
- d) Very important.
- e) Don't know

6. How important is religion when coming up with the promotion mix?
- a) Not important.
  - b) Less important.
  - c) Important.
  - d) Very important.
  - e) Don't know
7. How important is religion when deciding credit terms to be extended to prospective and existing customers?
- a) Not important.
  - b) Less important.
  - c) Important.
  - d) Very important.
  - e) Don't know
8. How important is religion when deciding who to recruit as Medical Representatives?
- a) Not important.
  - b) Less important.
  - c) Important.
  - d) Very important.
  - e) Don't know
9. How important is religion when deciding territory allocation for the medical representative?
- a) Not important.
  - b) Less important.



- c) Important.
- d) Very important.
- e) Don't know

10. In your opinion do religious holidays affect marketing strategies?

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

11.1 think Easter and Good Friday holidays affect marketing strategies in my organization

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

12.1 think Christmas holidays affect marketing strategies in my organization

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

13.1 think Ramadhan holidays affect marketing strategies in my organization

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

14.1 think Hajj holidays affect marketing strategies in my organization

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

15.1 think Diwali holidays affect marketing strategies in my organization

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

16. Which of the 4 P'S of marketing is most affected during the religious holidays?

- Product ( )
- Price ( )
- Placement/Sales ( )
- Promotion ( )

17. To what extent are marketing strategies you have chosen above affected by religious holidays.

- Positively ( )
- Negatively ( )
- Both of the above ( )

18. What is the impact of religious holidays on placement, sales and distribution?

- a) Low sales.
- b) High sales.
- c) Normal sales
- d) Both a and b
- e) Does not matter.

19. Please explain your answer for question 14.

20. In your opinion, putting in mind some of the vaccines are made from bovine serum, do you think this would have an impact on sales in Hindu dominated areas?

- |                   |          |           |       |                |
|-------------------|----------|-----------|-------|----------------|
| Strongly Disagree | Disagree | Uncertain | Agree | Strongly agree |
| ( )               | ( )      | ( )       | ( )   | ( )            |

21. In your opinion, putting in mind that some syrups have alcohol content in them especially the cough syrups and Islam does not prescribe to alcohol drinking, does this affect sales in Muslim dominated areas?

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

22. In your opinion, putting in mind that some religious practices prescribe to virginity when getting married, does this affect promotion and sales of suppositories and rectal medication in areas dominated by these religions?

Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
( )	( )	( )	( )	( )

## **CONCLUSION**

1. Is there anything more you would like to add?

Thank you!

## **APPENDIX 3: LIST OF REGISTERED INTERNATIONAL PHARMACEUTICAL ORGANIZATIONS**

1. Adcock Ingram East Africa
2. Astra Zeneca
3. Bayer East Africa Ltd.
4. Boehringer Ingelheim International
5. Cadila Pharmaceuticals
6. Dafra Pharma
7. Galaxy Pharmaceuticals Ltd
8. Glaxosmithkline
9. Gienmark Pharmaceuticals Ltd
10. Intas Pharmaceuticals Ltd
11. MSD-Essex
12. Novartis Pharma Services
13. Pfizer Laboratories Ltd
14. Ranbaxy Laboratories
15. Roche Products Ltd
16. Sanofi Aventis
17. Sanofi Pasteur

**Source: Kenya Drug Index 2010/211 and Kenya Medical Directory, 16<sup>h</sup> Edition,  
2011/12**