FACTORS THAT INFLUENCE INTERNATIONAL TRADE OF MULTINATIONAL CORPORATIONS IN THE PREMIUM LIQUOR INDUSTRY IN KENYA: A CASE STUDY OF PERNOD RICARD KENYA LTD

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DECLARATION

This is research project in my original work and has not been submitted for examination in any other university.

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This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate this project to my Loving Husband, Francis N. Njoroge, for the encouragement throughout my studies and for believing in me.

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I would like to acknowledge the following people for making this project a success. My parents in law, the Kanyingi's. They have been there for me throughout my studies and have always been encouraging. My Children, Jonathan and Michael. They are the reason I wake up every day. Dr. John Yabz. He has been very responsive and encouraging all the way. The University of Nairobi lectures. I wouldn't have chosen any other place to study. My husband. He has been instrumental in pushing me and keeping my hopes alive. Last but not least, to the almighty God for his favour. I could not have done this without the abundance of God's blessings.

ABSTRACT

The purpose of this was to establish the factors that influence international trade of multinational corporations in the premium liquor industry in Kenya: a case study of Pernod Ricard Kenya Ltd. The value of this study was to help the players in this industry understand better those factors that influence international trade in the premium liquor industry. These players can be both local and international players. They would be able to know those factors that affect them from social, economic, legal, political and technological angle. The study was anchored on the international trade theories such as the mercantilism, absolute advantage, country similarity theory, product life cycle theory and current dominant trade theory.The study adopted a non-technical, exploratory approach that combined both qualitative and quantitative tools. The target population were 48 staff of Pernod Ricard Kenya Ltd through a census sampling. Questionnaires were the source of primary data and the study employed exploratory data analysis and presented in frequencies, percentage, means and standard deviations using tables.The study concludes that the political factors influencing international trade of Pernod Ricard Kenya Ltd are the threat of terrorism, the dynamic political environment, the interaction between the organization and other international bodies/nations and political instability. Among the legal factors were the legal barriers between various countries, restrictive laws, lack of supportive legal systems and the high taxation rates. The study further found that the economic factors were the high rate of competition, the cost of buying premium liquor and finally the amount of income extracted from the international markets. The socio-cultural factors were the religious disparities between the market structures, the different cultural practices across the global players, the religious believes between the players at the international market and the drinking occasions across the market. The environmental factors were the process of customs clearance, the ability of the organization to access business permit, the presence of a friendly business environment and the rampant cases of corruption. Key conclusions are that threat of terrorism, too many legal requirements, lengthy customs clearance processes, religious disparities and very high competition influence IT. Recommendations include the government working to ensure systems support IT. Security is controlled to avert terrorism and promote fair competition practices.

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ABBREVIATIONS

EU	European Union
EABL	East African Breweries Limited
FDI	Foreign Direct Investment
GDP	Gross Domestic Profit
IMF	International Monetary Fund
IT	International Trade
MNC	Multinational Cooperation’s
PC	Personal Computer
PRK	Pernod Ricard Kenya
UK	United Kingdom
US	United States
WTO	World Trade Organization

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

International businesses are those that operate in the international business arena for profit. Internationalization is a major dimension of the growth of a firm (Pend & Delios, 2006). The world is a global village. With the rise of communication era, the world has become so tightly interconnected that distance is no longer an obstacle to trade. Products manufactured in the United States of America can be ordered online by a consumer in Australia at the click of a button. This however, has not always been the case. Trade has developed from barter trade (exchange of goods for goods) to more sophisticated trading terms involving money that is backed by a countries holding of gold.

There are different external forces that affect firms in international trade. There are those forces within the domestic market and those that are in foreign markets. In some cases, these external forces in the foreign market are distinctively different from the domestic one. These therefore create difficulty for firms to assess the foreign markets with the same lenses. Firms have to adopt different strategies to suit the situation in each market. Different market have varying belief systems, cultural diversity, unstable or stable political environment, different levels of income etc. All this factors contribute to the strategic plans of firms in deciding whether to enter a market or not.

Given this complexity, organizations may not be fully able to make corresponding strategic decisions since what might work for one market everything else remaining constant, might not work in another. This ability to evaluate external forces is vital because the environment creates opportunities for firms to achieve crucial objectives such as profits and growth. At the global level the external environment can force organizations to alter policies on prices, modify products and adapt promotional policies. It may oblige them to reconstruct the organization, to change strategies regarding moves into new product or geographical markets and it can make them vulnerable to takeover. These can be seen as indirect costs of operating business abroad.

The premium liquor industry in Kenya is dominated by MNCs. These MNCs are operating in environments quite different from their founder countries. Some of these MNCs in the premium liquor industry include Pernod-Ricard, Diageo, William Grant & Sons, Louis Vuitton Moet Hennessy just to mention but a few. A big percentage of international trade is conducted by MNCs. This trade is sometimes intra-firm whereby, subsidiaries trade with each other. An example is a car manufacturing plant that imports its various components from different countries. The engines could be built in Germany, the tires Belgium and the assembly perhaps in Sweden.

In Kenya, the sale of expensive spirits, especially wines and whiskies is going up. Mainly driven by the growing well-travelled, cosmopolitan and thirsty middle class with increased disposable incomes (P Maina, 2014). There has been growing government intervention to curb illicit alcohol production, together with rising disposable incomes supported by the development of economy spirit brands and affordable premium spirits products in 2015. Furthermore a growing young population, new product packaging and the expansion of modern retail outlets across Kenya has further promoted volume and value sales of spirits (Euromonitor International, 2016).

1.1.1 International Trade

International trade is the exchange of goods and services between countries. Globalization is a process whereby physical borders are eradicated giving rise to an integration of cultures, trade, systems and process. This has mainly been brought about and hastened by information and technology. Ultimately this causes countries to be affected by activities in other nations that would normally not have affected them.

The clash between Russia and Ukraine over Crimea would most likely affect transit of gas from Russia to Europe. This clearly shows how economies can be affected by world events. Pirates in the Indian Ocean would affect shipments to Eastern Africa. The recent Britain's exit from the EU caused a fall in the pound value which affected Kenyan flower exporters. Kenya will have to have separate contracts with Britain and the other EU partners whereas initially it was just one agreement.

International trade has both pros and cons. Goods and that are available in only some countries are made available elsewhere. Many Kenyan patients go to India for cheaper and better treatment especially for cancer. Countries that lag behind in terms of technology benefit from inventions from more advanced countries. On the negative side, cultures are eroded and some that are more detrimental than progressive are adopted by way of exposure to the internet and ease of travel to other nations. In as much as inventions are to make life easier, some ideas are used by terrorists to plan for mass destruction of property and human lives.

As countries become more interconnected through information and technology, international trade is seen to be increasing in leaps and bounds. Kenya so far has seen increased interaction with China, a marked deviation from the traditional western countries. International business includes firms undertaking imports and exports, producing abroad or being involved with joint ventures, licensing or franchising arrangements with a foreign partner. Traditionally, companies are seen as internationalizing incrementally in three stages (Johanson & Vahlne, 1977). From their domestic base firms develop gradually by exporting to another country which is geographically and culturally similar. Of late however, this has been leading to an eventual entry into less similar but strategic country.

1.1.2. Multinational Corporations

MNCs are those firms that own assets in more than one country. They also maintain management of these assets outside their countries. A large proportion of FDI is attributed to MNCs. MNCs are seen as creating a loss of jobs in their home countries while creating employment in other countries. This is because MNCs seek to take advantage of resources in other markets that are cheaper or more readily available that in their home markets. Case in point is China, where labor is cheap. MNCs will open factories in these part of the world to take advantage of the cheap labor. These markets usually provide just a small fraction of the consumption pool with most of the products still being consumed in their home markets. China however also provides a considerable consumption pool.

A multinational corporation is usually a large corporation which produces or sells goods or services in various countries. Its activities includes importing and exporting goods and services, making significant investments in a foreign country, buying and selling licenses in foreign markets, engaging in contract manufacturing, permitting a local manufacturer in a foreign country to produce their products, opening manufacturing facilities or assembly operations in foreign countries.

The concept of globalization has greatly supported the actions of MNCs. various economic blocs have been framed to support trade between countries in certain regions like NAFTA, EU, EAC amongst others. Therefore MNCs, which are mainly firms from the US, Europe and Japan are exposed to very large markets with high purchasing power. MNCs invest in foreign markets in two ways when it comes to manufacturing. These are Greenfield and brownfield investments.

Greenfield investment is where a MNC invests in a new production facility in a foreign markets while brownfield investment is when it invests in an existing facility. In Kenya, a brownfield investment would be demonstrated by Diageo acquisition of eabl. Diageo products are packaged by the eabl existing production line. Castle larger on the other hand invested in Keringet water production facility.

MNCs are usually more competitive that their local counterparts. They enjoy economies of scale because of their large sizes and exposure to huge markets cutting across national boundaries. Since most of them are clustered around the developed nations, they are exposed to new technologies much earlier than their third world competitors. They also have better experience in different marketing strategies brought about by their presence in different dynamic markets.

1.1.3 Pernod Ricard Kenya

Pernod Ricard was created in 1975 through the link-up of two French anise-based spirits companies: Pernod, which was founded in 1805, and Ricard, founded by Paul Ricard in 1932. Pernod Ricard has operations in 85 affiliates. It has numerous production sites in various countries like the US, Cuba, Ireland, Scotland, China, France and many more. Pernod Ricard Kenya is one of these numerous affiliates and was licensed to operate in Kenya in 2012. Pernod Ricard Kenya employs over 40 staff. This goes to show how MNCs created employment in countries that they invest in.

Pernod Ricard manufactures a range of alcoholic products cutting across the various categories. These are cognac, tequila, champagne, whisky, rum, vodka, liqueur and wines. Pernod Ricard is the second largest alcoholic drinks company and the leader in premium spirits by volume and value.

As part of its expansion plan and to follow in other multinational giants footsteps, Pernod Ricard opened up its offices in Kenya in the year 2012 with the main objective of tapping into emerging middle class consumer basket with its premium and super premium offering. Pernod Ricard owns some of the most Iconic brands in the liquor industry like Chivas

Regal Scotch whisky, Martell cognac, and The Glenlivet single malt Scotch whisky etc. These brands give it a competitive edge in the market place seeing as the target market wants to be associated with iconic, quality and premium international brands.

Being a new comer in the Kenyan market, Pernod Ricard has managed to clinch to top position in the premium liquor category in the Modern trade (Nakumatt, Uchumi, Chandarana), with its flagship brand (Jameson Irish Whisky). Pernod Ricard sales in Kenya have been growing steadily with increased marketing and more engagement in the market by its increased staff.

1.2 Research Problem

The bottom line is what drives any organization involved in the manufacture and distribution of products. Without sales, there is no profit hence no need to manufacture. Manufacturing of any products for sale is driven by innovation which is as a result of anticipation of consumer needs and the decision to fulfill these needs. This however, is not and end on its own. There should be demand for these products. Which means that there should be a customer(s) with the ability, desire and willingness to purchase the product.

The liquor industry is no different in that it produces a unique product that is mainly used for social occasions although if abused could lead to dire consequences including but not limited to health related complications, criminal behavior resulting from loss of self-control etc. MNCs in the liquor industry seeking foreign markets to drive sales and profitability therefore seek to establish those factors that will affect their ability to trade in foreign markets and how they can overcome these problems, if they can be overcome.

Empirical studies have been done of factors that influence or challenge globalization of firms. (Kamau 2008) tackled strategic responses to globalization by Kenya Airways. (Murigi 2013) dealt with challenges major mobile application development companies in Kenya in their international operations. Even more specifically, (Muthoni 2012) dealt with influence of culture at Beiesdorf East Africa Ltd which is and international company. Others that came close to investigating factors that influence international trade are like (Masinde 2015) who looked specifically at the influence of global strategies on foreign multinational commercial banks in Kenya.

There is no specific study on factors that influence international trade of MNCs and in particular Pernod Ricard Kenya. Some studies have been done on some of the bigger players in the liquor industry in Kenya like East African Breweries (Euromonitor International) but none specifically that touches on this particular problem. A research gap therefore does exist where firms in the premium liquor industry seek to establish factors that influence international trade of their products. Alcoholic products in Kenya have come under strict monitoring from the government over the years and firms are always lobbying to have regulations that are favorable. A study specific to this industry will aid firms become aware of the environment in which they operate and have strategies that suit their needs.

1.3 Research Objective

The objective of this study was to determine the factors that influence international trade of MNCs in the premium liquor industry in Kenya: A case study of Pernod Ricard Kenya.

1.4 Value of the study

The value of this study was to help the players in this industry understand better variables that determine success in their operations in a foreign market like Kenya. Some of these players specifically are firms that manufacture, market and sell liquor products. The study will give them insights into price setting taking into consideration the percentage taxation on liquor, Lead time of getting new shipments considering the delays at the customs office, stock levels to keep in the bonded warehouses as they await clearance from customs etc.

Legislators would also draw from some of the factors and ensure the law is clear where it is vague to support or regulate the industry for the benefit of the country. The liquor industry is heavily taxed due to the nature of the products it sells by governments and therefore, governments and policy makers should be able to benefit from this study as well as they understand better the challenges faced by the industry players in terms of setting equal playing ground and penalizing those not abiding by the law e.g. contraband and counterfeit.

Scholars and academicians are another set of benefactors of this study as it would offer a stepping stone in furthering a study on the same or while referencing for other academic works. The next chapter presents the literature review.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter will be looking at international trade theories, advantages of international trade for MNCs, barriers to international trade and the role of World Trade Organization in international trade.

2.2 Theoretical Foundations

International trade theories are theories that seek to explain why international trade exists. International trade is the exchange of goods and services across different countries. Countries will trade because they need goods and services that are not available in their countries. Some countries have abundance of natural resources and skill therefore not needing to import as much as others whilst others end up importing quite a lot.

The theories of international trade are classified into classical country based theories and modern firm based theories. The classical theories are based on exchange of goods and services between countries and are the older and more historic versions while the modern firm based theories lean more towards firms. There are several theories but in this study we shall only look at two classical country based theories and two modern firm based theories. Though classified as classic and modern, elements from both basis are practiced today. Protectionism is one of the elements in the classical theories practiced today by governments to protect their countries from exploitation.

2.1.1 Mercantilism

This is a classical country based theory. This is the earliest known theory developed in the 17th and 18th century. This was mainly practiced by Britain, Spain, France, and Netherlands just to mention but a few. The Mercantilists believed that a country should export more than they imported. They reasoned that they should hold more gold and silver reserves than those of other nations. Importing meant losing these reserves while exporting meant gaining and holding onto these same reserves.

These countries therefore went out and got colonies from where they got raw material to feed their budding industries and produced in excess so that these could be exported. Exports meant that the home population remained employed. Countries are therefore seen even today to encourage exports while discouraging imports. The US offers subsidies to its farmers to encourage farming and agricultural production.

In Kenya, there has been an ongoing battle between sugar importers and the local sugar industry and farmers. Cheap sugar is sourced from countries that are growing it more efficiently thus cheaper and unscrupulous businessmen are importing this sugar into the country. This causes and imbalance in that the Kenyan farmers are unable to fetch good prices for their produce thus the need to want to get out of the industry. This of course causes loss of jobs and a livelihood for majority of Kenyans who still depend on much needed manual labor to fend for their families.

To curb this menace, the government has been trying to control sugar imports but still struggling due to the rampant corruption seen at many government institutions. The mercantilist theory is however flawed in that no one nation can survive without some form of imports. Europe get its gas supply from Russia. Labor intensive products are produced in china for other countries. A nation can only seek to balance its imports so as not to exceed exports which is a challenge for some countries especially in less developed countries that have not yet developed strong industries to compete with the very highly developed counterparts especial in Western Europe.

2.1.2 Absolute Advantage

Another classical country based theory is the absolute advantage theory. The absolute advantage theory seeks to dispute the mercantilism theory. This was done by Adam Smith in 1776 where he reasoned that countries shouldn't exist as net exporters. He argued that countries should specialize in producing that which they were efficient at and exporting it while importing that which they were not good at producing locally. That, he saw was more realistic and sustainable.

In Kenya, tourism and agriculture are the main foreign exchange earners. Going by the absolute advantage theory, Kenya should therefore invest more in agriculture and tourism and in effect becoming a leading destination for tourists and a leading exporter of agricultural products. By specializing in only those activities that a country is efficient at, the country becomes better and better improving on the different ways of producing a particular product.

Some countries though will have an advantage in more than just one area of production. For instance, France is highly industrialized but at the same time a leading tourist destination. Compared to Kenya, France earns much more as a tourist destination than does Kenya, yet tourism is one of the biggest foreign exchange earner in Kenya.

2.1.3 Country Similarity Theory

This is a modern firm based theory developed by Swedish economist Steffan Linder in 1961. He put forward that firms will produce for domestic consumption and once this is achieved, they will produce more to sell outside of the home market. For this to happen, firms would target countries that are similar to their home countries. This will be definitely be in terms of tastes and preferences, economic level, level of development, education and much more. Thus, firms in developed countries will trade more with firms in other developed countries than with less developed ones.

A practical example would be the luxury goods industry. Take for instance champagne. Champagne is an expensive product that is used mainly for celebratory occasions like birthdays, graduations, promotions etc. It is not common culture in Africa to celebrate using champagne. The only country that consumes a lot of champagne in Africa would be Nigeria and this is due to western influence. Champagne producers therefore targeted European and American markets where the markets are similar in tastes, level of development as well as cultures. Perhaps thereafter, and with globalization would firms pursue different markets

2.1.4 Product Life Cycle Theory

The second modern firm based theory is the product life cycle theory by Raymond Vernon developed in 1966. He tried to explain the stages in a product that led up to its eventual exportation. Vernon divided the product life cycle into three stages. The new product stage where the product has just been introduced into the market and is growing. The second stage was the maturing product where the product is well known and has probably transformed with improvements here and there. Finally there is the standardized product stage where the product is now available everywhere and even outside the country of production.

In the new product stage, there are heavy investments in innovation, research and development. There is also consideration for spending power of the consumers of the product. The product is expensive in this stage. A good example would be mobile phones. When mobile phones were invented they were out of reach for most people. Mobile phones were available only in the western world. They were large and unaffordable to majority. Subsequent improvements and market growth led to popularity and the second stage of maturity.

Mobile phones started getting exported to other parts of the world and more and more firms started to explore the technology. The thirds stage is where the mobile phone became standardized. Prices fell and now mobiles are available in most parts of the world.

Manufacturing moved to china where labor is cheap and now the US imports mobile phones since it is now cheaper to import them from labor rich markets.

2.2 Current Dominant Trade Theory

So far, there is no one particular theory more relevant than the other. As mentioned earlier, in mercantilism, an element of protectionism is practiced where governments seek to protect their countries from cheap imports while advocating for exports. That was practiced by old economies in the western world but still relevant today. The US now imports a lot from China since it is a cheaper market to produce in.

The product life cycle on the other hand states that products are invented and initially only manufactured in their home countries. With globalization and availability of cheaper factors of production elsewhere, products are being innovated across the globe. Case in point is Alvaro drink by east African breweries which is owned by Diageo. Alvaro was and African invention in as much as Diageo is based in London. Clothes designed in Paris are tailored in China for export back into the French market without having to go through the entire product life cycle theory. Some products however still go through this but less and less as more products are having a shorter and shorter life cycle.

With globalization and development in third world countries, more and more luxury products meant for the European market are appealing to the African market. This puts into question the country similarity theory. These theories are still relevant and as one can see it is difficult to determine which is more dominant to the other. They work together depending on the dynamics of the market and the ever changing complexity of the global economy.

2.3 Advantages of International Trade for MNCs

According to Needle (2010), Multinational enterprises are those enterprises which carry its production activities in more than one country. MNCs find it necessary to explore overseas market for additional profits. Globalization and its expedition by the communication era has necessitated and encouraged MNCs to explore. Trends are changing pretty fast and being adopted even faster by the entire world. A fashion statement in New York is adopted almost instantaneously by citizens of a country in a different continent.

MNCs are therefore taking advantage of this interconnection of geographical areas to leverage on cheap resources and new markets. Globalization has turned the world into a global market place where players cut across and even language is a barrier being broken by employing locals. Governments are managed by WTO to keep order in this intertwining web of competing forces for the consumer pocket.

2.3.1 New Market Access

When businesses are set up, they mainly seek to satisfy the needs of the consumers in their home country. Exporting overseas could be part of the plans but more in the long term. Different products go through different life cycles in different countries. Firms that seek international markets sometimes are looking to align an old product as a new one in a new market. Therefore, we find products that are a household commodity in the US are pretty new in the African market.

Take the dishwashing machine. This is a standard item in the US, Britain and other first world countries. In Africa however, a dish washer is more a luxury item and considered new in the market. Many households ae yet to adopt it as a standard kitchen must have item. When products become mature and standardized, markets tend to get saturated and with a given population, no more growth can be achieved. This is motivation for MNCs to seek markets outside of their comfort zone.

With globalization, it is taking less time for products to be exported to other countries. The smart phones are a good example. When the Samsung S7 series was launched, it was ready in several markets at almost the same time including in Africa. The more established markets especially in the developed nations are currently experiencing slow growth as compared to developing countries majority of who are in Africa. MNCs are looking to leverage on this growth by bringing their products and establishing affiliates in Africa. Heineken, Pernod Ricard Kenya, Louis Vuitton Moet Hennessey are just but a few examples of MNCs that have set up offices within the past five years.

2.3.2 Reduced Dependence on Local Market

Firms that trade internationally have reduced dependence on their local markets. For instance, global iconic brands like Gucci, Chivas Regal, Givenchy and many others have presence across the globe. These brands do not depend on their local markets entirely. In fact, most of their revenue and profits are significantly from foreign markets. This independence from local markets protects these firms from risks inherent in their home countries. Should there be an economic depression, they will be cushioned by their overseas investments.

2.3.3 Increased Profits

Increased sales naturally means increased profits if the pricing is strategic and right. Therefore, MNCs that trade cross boarders are more likely to make more money than those who don't. Access to foreign additional markets means more sales which translates to more revenues and profits. When firms innovate new products, there's likely to be competition from the same country as the technology could be readily available to them going by countries similarities theory. This means that there will be heavy competition within no time and the fierce fight for the consumer pocket leads to a need to approach a different consumer base that is outside the home country.

Firms can sometimes capitalize on these far away markets to charge higher fees for products that go for much lower in their countries. Champagne for instance is relatively cheap in France as compared to Kenya. Products considered pretty standard in home countries could be charged at a premium and considered superior in comparison to where they originate from. Geographical separation of countries ensures that this is possible.

Jameson Irish whiskey is an Irish product whose popularity is growing pretty fast. The US is currently the largest consumer of this brand. In Ireland ironically, Redbreast Irish whiskey seems to be the leading Irish whiskey brand and most preferred. Clearly, by expanding the market outwards, Irish distillers are able to tap into new and sometimes very large markets making great profits that would otherwise not be achievable with limited markets.

2.3.4 Economies of Scale

With massive production of goods, operational efficiencies are achieved. This brings down the cost of per unit production. This particular saving in costs is achieved when firms are producing very large amounts of a certain product. This is only possible when there is corresponding demand. Scoping and entering markets outside of the home market crates this much needed additional demand which in tur saves costs for the firm.

To leverage on this aspect however, the products produced need to be acceptable across the board in their standard formats. If products need much changing for adoption into other markets then it doesn't serve the purpose. The liquor industry is pretty much enjoying economies of scale cost savings since a whisky sold in japan is likely to be sold in the same format in the US and Kenya In Kenya, they just need to be labeled in one of the national languages and not be above 40ABV which is pretty much the standard..

2.4 Factors that Influence International Trade

Firms do not operate in isolation when trading across borders. There are external factors that are sometimes similar or not to their home countries. When these variables are dissimilar, it takes for a firm to adjust its mode of operations to suit and survive in the unfamiliar external environment. This explains why most countries will trade first with countries that are similar in legislation, culture, demographics, level of development amongst other things, before embarking on new markets in terms of these perceived differences.

2.4.1 Economic Factors

Economic factors are those that have to do with the rate of growth of an economy, inflation and interest rates amongst other things. Economic factors are of utmost importance while considering international trade. MNCs have to be careful where they enter as different countries have different potential depending on a population's ability to purchase. Luxury products like expensive liquor, designer clothes, perfumes, cars are more relevant in the developed world. These trickle down to third world countries but the consumption is nowhere near what developed markets purchase in any financial year.

Kenyans will import used cars more easily than they would buy a new car because of the cost implications. Kenya on the other hand is experiencing a higher economic growth rate than that of the developed world's counterparts. This means that income levels are rising and by extension purchasing power. Most MNCs are now looking to Africa where the growth rate is higher than the much slower one in the developed markets.

Kenya has become attractive to foreign investors and PRK joined the bandwagon in 2012 setting up offices to tap into this growing market. The premium liquor industry definitely recognizes the potential that Kenya as a market has to offer with the rising number of middle class consumers with sophisticated taste and an eye for the finer things in life.

2.4.2 Socio-Cultural Factors

The social environment is described by different aspects of a society like level of income, employment or unemployment levels, education and health. Demographics also play a part in social aspects of a society and this ranges from the gender composition, ethnicity, age etc. Culture on the other hand is the norms and beliefs of a community. This dictates their way of life and includes factors like religion, diet, behavior etc.

The urban dwellers in Kenya are big consumers of social media and a lot of behavioral influences come from the internet. The global scene is easily accessible and this makes it easier for global brands to penetrate the target market and this includes the premium liquor industry. Culturally, Kenyans have consumed traditional brews in ceremonies and this therefore has set the base for a people that consume alcohol. Companies like PRK will hence not find it difficult to break any cultural barriers.

2.4.3 Political and Legal Factors

Political and legal factors ultimately affect the businesses that operate under their jurisdiction. Parliament passes laws that the judicial interprets and follows. Thus these two work in tandem. The government of Kenya has been passing laws to restrict alcohol consumption and smoking of cigarettes. Behaviors going against this are punishable by law. Political regimes range from liberal democratic systems to Dictatorships. In Kenya, alcohol has been a menace for a long time and the government has banned the sale of illicit brews. These brews have contributed to the deaths of many unsuspecting revelers in their quest for a cheap liquor. Despite the obvious negative effects of these liquors, many brewers are still engaging in its illegal production and there has been no lack of consumers of the same.

This in a way affects sale of premium liquor because after the directive and with a lack of clear definition of second generation brands as the government preferred to call these brews, premium imported brands were destroyed during raids sanctioned by area chiefs and because of the value of these products to the business men, many lost financially as the raiders were not selective of what is and what wasn't illegal. Should this trend persist then it will be difficult for companies like PRK to convince wholesalers to stock their products for fear of potential losses seeing as these products are not cheap.

The government of Kenya has consistently increased the amount of tax on goods deemed to be harmful to society like Cigarettes and alcohol. These high taxes make these products less accessible and as in the case of PRK, consumers of premium liquor are subjected to this sin tax making them more and more inaccessible. Availability of contraband alcohol in the Kenyan market also points to a problem that directly affects the liquor industry.

Contraband are those goods that enter into the country illegally. This illegality may range from failing to declare the genuine nature of the goods or under declaring their corresponding value. Sometimes the importers fail to pay the tax on these products and leak them into the market at a lower cost competing unfairly with those who pay tax. An example would be a container full of premium liquor being declares as used clothes of a much less value.

2.5 World Trade Organization

The World Trade Organization (WTO) deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible (World Trade Organization, 2016).

Pernod Ricard Kenya would use the French government to negotiate any disputes it might have with Kenya should there be frustrations with importation of its products into the country since Kenya and France are trading partners. Jameson Irish whiskey, which is the flagship brand for Pernod Ricard Kenya, is manufactured in Ireland and imported into the country. Kenya and Ireland have increased trade between themselves considering the two MNCs that are leaders in their industries have affiliates in Kenya and have flagship brands with massive popularity being consumed in Kenya. These are Pernod Ricard and Diageo who manufacture and sell Jameson Irish whiskey and Guinness stout beer respectively.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research design, target population, data collection tools and data analysis techniques.

3.2 Research Design

The study adopted a non-technical, exploratory approach that combined both qualitative and quantitative tools, but with a focus on a qualitative approach. As Babbie (1994) puts it, an exploratory study is undertaken when not much is known about the situation at hand or no information is available on how similar problem or research issues have been solved in the past. As such extensive preliminary work needs to be done to gain familiarity with the phenomenon in the situation and to understand what is occurring and whether what is occurring is indeed affected by the chosen variables.

3.3 Target Population and Sampling Procedure

The target population were 48 staff of Pernod Ricard Kenya Ltd. Since the population is small, a census study was used. A census study is preferred when the population is small and when the population elements are quite different from each other. This means that all the elements in the population, were sampled. When the population is small, any sample we draw may not be representative of the population from which it is drawn, (Babbie, 1994).

3.4 Data Collection Tools

This study involved collection of primary data for the purpose of meeting its objectives. Questionnaires were the source of primary data in this study. The participants in the semi-structured questionnaire included ordinary staff and the managers of Pernod Ricard Kenya Ltd. The questions were focused on the factors that influence international trade of the organization.

3.5 Data Analysis Techniques

In theory, there are several techniques of analysing data obtained during research. Nevertheless, the analysis and interpretation of raw data is the apt way to answer research questions (Bryman, 2009). This study employed exploratory data. In exploratory data analysis, there is flexibility to respond to the patterns revealed in the preliminary analysis of the data. Thus, patterns in the collected data guide the data analysis or suggest revisions to the preliminary data analysis plan. This flexibility is an important attribute to this approach. Exploratory approach lies in the emphasis on visual representations and graphical techniques over summary statistics. In this case, frequencies and percentage were used to analyse demographic data while means and standard deviations were used to analysis data on the factors that influence international trade at Pernod Ricard Kenya Ltd. The next chapter presents the data findings and interpretations.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The chapter presents the analysis of the research data that was collected from a sample of 48 staff members of the Pernod Ricard Kenya Ltd. The data was collected to find answers on the factors that influence international trade of the organization. After the field work, 31 respondents among the 48 who were sampled out participated in the study and returned their questionnaires for analysis. This gave a response rate of 64.6% which is acceptable according to Mugenda and Mugenda's (2003) recommendation of a response rate of 50-100% from field data as being adequate for analysis as it is representative of the study population.

4.2 Demographic Information

The information gathered was to determine the age, gender, academic qualifications, work experience and number of years worked in their current departments

4.2.1 Age of the Respondents

The first item sought to establish the age distribution of the respondents. The response was presented in table 4.1.

Table 4.1 Age of the Respondents

Age	Frequency	Percent
25 – 30 Years	10	32.3
31 - 35 Years	15	48.4
36 - 40 Years	4	12.9
41 - 45 Years	2	6.5
Total	**31**	**100.0**

The study found that those age between 31-35 years ranked highest at 48.4%. They were followed by those aged between 25-30 years at 32.3%. Then the ones aged between 36-40 years were rated at 12.9% with the oldest being those age between 41-45 years at 6.5%.

4.2.2 Sex Distribution

Then respondents were asked to indicate their sex. The response was presented in table 4.2.

Table 4.2 Sex Distribution

Sex	Frequency	Percent
Female	8	25.8
Male	23	74.2
Total	**31**	**100.0**

The table shows that the men were the most among the staff of Pernod Ricard Kenya Ltd at 74.2%. The women were least at 8%. This means that the organization is mainly biased towards male employees.

4.2.3 Academic Qualifications

The study sought the highest academic qualification of the respondents. The response was presented in table 4.3.

Table 4.3 Academic Qualifications

Level of Education	Frequency	Percent
University graduate with post graduate degree	12	38.7
Undergraduate	16	51.6
Tertiary education	3	9.7
Total	**31**	**100.0**

The findings show that those with undergraduate degrees were the most at 51.6%. They were followed by the post graduate degree holders at 38.7% while the least were those with tertiary level of education at 9.7%.

4.2.4 Work Experience at Pernod Ricard Kenya Ltd

The respondents were asked to indicate the number of years they have been working as Pernod Ricard Kenya Ltd employees in their lives. The response was presented in table 4.4.

Table 4.4 Work Experience at Pernod Ricard Kenya Ltd

Experience	Frequency	Percent
Below 1 Year	5	6.1
1 - 5 Years	26	83.9
Total	**31**	**100.0**

The table shows that most of the respondents have been working with Pernod Ricard Kenya Ltd for 1-5 years at 83.9%. They were followed from a distance by the new employees at 16.1%.

4.2.5 Duration Working in the Current Department

They study sought information on the duration the respondents have been working in their departments. The response was presented in table 4.5.

Table 4.5 Duration Working in the Current Department

Duration	Frequency	Percent
Below 1 Year	9	29.0
1 - 5 Years	21	67.7
6 - 10 Years	1	3.2
Total	**31**	**100.0**

The results show that majority of the respondents have been working in their current departments for 1-5 years at 67.7%. They were followed by those who have been working in their departments for less than a year at 29%. Then those who have been working in their current departments for overs six years were ranked least at 3.2%.

4.3 The Factors that Influence International Trade at Pernod Ricard Kenya Ltd

The factors considered under this section were political, legal, economic, socio-cultural and environmental. The responses were given as follows.

4.3.1 Political Factors Influencing IT at Pernod Ricard Kenya Ltd

The researcher identified several political factors influencing international trade in organizations from a general point and asked the respondents to show the extent to which they agreed with them as affecting IT at Pernod Ricard Kenya Ltd. The mean responses were presented in table 4.6.

Table 4.6 Political Factors Influencing IT at Pernod Ricard Kenya Ltd

	N	Minimum	Maximum	Mean	Std. Deviation
Political Stability	31	1.00	4.00	1.8710	.67042
Changes in the Political Environment	31	1.00	4.00	2.1290	.88476
Relationships with other nations	31	1.00	3.00	2.0323	.65746
Terrorism	31	1.00	4.00	2.3871	1.05443
Valid N (listwise)	31				

The respondents observed that the threat of terrorism ranked highest among the political factors at a mean rating of 2.39. The dynamic political environment which in most case is unpredictable was rated second at a mean score of 2.13. Then the interaction between the organization and other international bodies/nations was third at 2.03 mean rating and finally the political instability was ranked least at a mean response of 1.87.

4.3.2 Legal Factors Influencing IT at Pernod Ricard Kenya Ltd

The respondents were asked to indicate their level of agreement with the legal factors affecting international trade at Pernod Ricard Kenya Ltd. The response was presented using mean and standard deviations in table 4.7.

Table 4.7 Legal Factors Influencing IT at Pernod Ricard Kenya Ltd

	N	Minimum	Maximum	Mean	Std. Deviation
Effect of Heavy Taxation	31	1.00	4.00	1.7097	.82436
Legal Barriers	31	1.00	5.00	2.8387	1.15749
Supportive Legal System	31	1.00	4.00	2.4839	.92632
Restrictive Laws	31	1.00	5.00	2.6452	1.17042
Valid N (listwise)	31				

Among the legal factors affecting international trade at Pernod Ricard Kenya Ltd, the legal barriers between various countries ranked highest at 2.84 mean rating. Presence restrictive laws also affected participation of Pernod Ricard Kenya Ltd at the international market at a mean response of 2.65. Lack of supportive legal systems was also rated third at a mean score of 2.48 while the high taxation rates were rated at a mean score of 1.71.

4.3.3 Economic Factors Influencing IT at Pernod Ricard Kenya Ltd

The researcher asked the respondents to show the extent to which they agreed with the identified economic factors affecting international trade at Pernod Ricard Kenya Ltd. The mean responses were presented in table 4.8.

Table 4.8 Economic Factors Influencing IT at Pernod Ricard Kenya Ltd

	N	Minimum	Maximum	Mean	Std. Deviation
Income Level	31	1.00	2.00	1.3871	.49514
Purchase of Premium Liquor	31	1.00	4.00	1.9355	.67997
Degree of Competition	31	1.00	5.00	2.0323	.98265
Effect of Competition	31	1.00	4.00	2.0000	.63246
Valid N (listwise)	31				

The study found that the high rate of competition was ranked highest at a mean score of 2.03. The level of competition among the players in that industry have also affected the performance of Pernod Ricard Kenya Ltd at the international trade at a mean score of 2.00. Then the cost of buying premium liquor was rated third at a mean score of 1.94 and finally the amount of income extracted from the international markets affected at Pernod Ricard Kenya Ltd at a mean score of 1.39.

4.3.4 Social-Cultural Factors Influencing IT at Pernod Ricard Kenya Ltd

The researcher identified several social-cultural factors influencing international trade in organizations and asked the respondents to show the extent to which they agreed with them as affecting trade at Pernod Ricard Kenya Ltd. The mean responses were presented in table 4.9.

Table 4.9 Social-Cultural Factors Influencing IT at Pernod Ricard Kenya Ltd

	N	Minimum	Maximum	Mean	Std. Deviation
Religion	31	1.00	5.00	2.1613	.89803
Effect of Religion	31	1.00	5.00	3.0968	1.07563
Cultural Practices	31	1.00	5.00	2.4194	.92283
Drinking Occassions	31	1.00	2.00	1.5484	.50588
Valid N (listwise)	31				

The study found that the religious disparities between the market structures at the international level had the highest influence on performance of Pernod Ricard Kenya Ltd at a mean score of 3.11. Then the different cultural practices across the global players was rated second at a mean score of 2.42. The religious believes between the players at the international market also was rated third at a mean score of 2.16 while the lowest were the drinking occasions across the market at a mean score of 1.55.

4.3.5 Environmental Factors Influencing IT at Pernod Ricard Kenya Ltd

The respondents were asked to indicate their level of agreement with the environmental factors as affecting international trade at Pernod Ricard Kenya Ltd. The response was presented using mean and standard deviations in table 4.10.

Table 4.10 Environmental Factors Influencing IT at Pernod Ricard Kenya Ltd

	N	Minimum	Maximum	Mean	Std. Deviation
Customs Clearance efficiency	31	1.00	5.00	3.2258	1.14629
Friendly Business Environment	31	1.00	3.00	1.9677	.48193
Business Permit Access	31	1.00	4.00	2.6129	.95490
Effect of Corruption	31	1.00	3.00	1.7419	.72882
Valid N (listwise)	31				

The result shows that the environmental factors that are affecting performance of Pernod Ricard Kenya Ltd. The process of customs clearance was the biggest challenge at a mean score of 3.23. The ability of the organization to access business permit was ranked second at a mean score of 2.61. Then the presence of a friendly business environment was ranked third at a mean score of 1.197 while the rampant cases of corruption of were rated least at a mean score of 1.74.

4.4 Discussion of The Findings

The findings of this study were discussed as follows based on the main factors that were in the external environment of a foreign market for an MNC.

4.4.1 Political Factors Influencing IT at Pernod Ricard Kenya Ltd

Political and legal factors ultimately affect the businesses that operate under their jurisdiction. Parliament passes laws that the judicial interprets and follows. Thus these two work in tandem. The government of Kenya has been passing laws to restrict alcohol consumption and smoking of cigarettes. Behaviors going against this are punishable by law Political regimes range from liberal democratic systems to Dictatorships.

In Kenya, alcohol has been a menace for a long time and the government has banned the sale of illicit brews. These brews have contributed to the deaths of many unsuspecting revelers in their quest for a cheap liquor. Despite the obvious negative effects of these liquors, many brewers are still engaging in its illegal production and there has been no lack of consumers of the same, (WTO, 2016).

In relations to the current study, the finding shows that most of the respondents observed that there were threats of terrorism at a mean rating of 2.39. The unpredictable dynamic political environment was rated at a mean score of 2.13. Then the interaction between the organization and other international bodies/nations was at 2.03 mean rating and finally the political instability was ranked at a mean response of 1.87.Other scholars argue that this in a way affects sale of premium liquor because after the directive and with a lack of clear definition of second generation brands as the government preferred to call these brews, premium imported brands were destroyed during raids sanctioned by area chiefs and because of the value of these products to the business men, many lost financially as the raiders were not selective of what is and what wasn't illegal. Should this trend persist then it will be difficult for companies like PRK to convince wholesalers to stock their products for fear of potential losses seeing as these products are not cheap.

4.4.2 Legal Factors Influencing IT at Pernod Ricard Kenya Ltd

Among the legal factors affecting international trade at Pernod Ricard Kenya Ltd, the legal barriers between various countries ranked highest at 2.84 mean rating. Presence restrictive laws also affected participation of Pernod Ricard Kenya Ltd at the international market at a mean response of 2.65. Lack of supportive legal systems was also rated third at a mean score of 2.48 while the high taxation rates were rated at a mean score of 1.71.

4.4.3 Economic Factors Influencing IT at Pernod Ricard Kenya Ltd

Economic factors are those that have to do with the rate of growth of an economy, inflation and interest rates amongst other things. Economic factors are of utmost importance while considering international trade. MNCs have to be careful where they enter as different countries have different potential depending on a population's ability to purchase dictated by the rate of growth of the economy and inflation. Luxury products like expensive liquor, designer clothes, perfumes, cars are more relevant in the developed world. These trickle down to third world countries but the consumption is nowhere near what developed markets purchase in any financial year.

In the same view, the study found that there was a high rate of competition at a mean score of 2.03. This has affected performance of the organization at a mean score of 2.00. The cost of premium liquor was at a mean score of 1.94 and finally how amount of income affects ability to purchase international liquor was ranked at a mean score of 1.39.

4.4.4 Social-Cultural Factors Influencing IT at Pernod Ricard Kenya Ltd

The study found that the religious disparities between the market structures at the international level had the highest influence at a mean score of 3.11. Then the different cultural practices across the global players were rated at a mean score of 2.42. The religious believes between the players at the international market also was rated at a mean score of 2.16 while the lowest were the drinking occasions across the market at a mean score of 1.55. The literature has shown that the socio-cultural environment is described by different aspects of a society like level of income, employment or unemployment levels, education and health. Demographics also play a part in social aspects of a society and this ranges from the gender composition, ethnicity, age etc. Culture on the other hand is the norms and beliefs of a community. This dictates their way of life and includes factors like religion, diet, behavior etc.

Therefore, things like packaging or ingredients might have to be changed in some products dependent on the factors above. Kenya enjoys diversity in its population and has embraced the western world culture on many levels.

4.4.5 Environmental Factors Influencing IT at Pernod Ricard Kenya Ltd

The result shows that the environmental factors that are the process of customs clearance was the biggest challenge at a mean score of 3.23. The ability of the organization to access business permit was ranked at a mean score of 2.61. Then the presence of a friendly business environment was ranked third at a mean score of 1.197 while the rampant cases of corruption of were rated least at a mean score of 1.74. This is in agreement with the Gilpin's (1975) opinion when he says that the government of Kenya has consistently increased the amount of tax on goods deemed to be harmful to society like Cigarettes and alcohol. These high taxes make these products less accessible and as in the case of PRK, consumers of premium liquor are subjected to this sin tax making them more and more inaccessible.

Availability of contraband alcohol in the Kenyan market also points to a problem that directly affects the liquor industry. Contraband are those goods that enter into the country illegally. This illegality may range from failing to declare the genuine nature of the goods or under declaring their corresponding value. Sometimes the importers fail to pay the tax on these products and leak them into the market at a lower cost competing unfairly with those who pay tax.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1: Introduction

This is the final chapter of the study on factors that influence international trade of multinational corporations in the premium liquor industry in Kenya: a case study of Pernod Ricard Kenya Ltd. The value of this study was to help the players to know the factors that affect them from social, economic, legal, political and technological angle. Thus this chapter contains the summary, conclusions and recommendations.

5.2 Summary

This study has shown that political, legal, social-cultural and economic factors indeed do affect IT of MNCs. In Kenya, the threat of terrorism was the main factor affecting IT as regards the political climate for PRK. Many legal barriers was the key influencer while looking at legal factors. The high rate of competition ranked as the major influencer of IT at PRK. Religious structures also seemed to be a big influencer in the alcohol industry and majority of respondents felt this would affect IT of liquor in Kenya. Last but not least was other environmental factor like customs clearance of products. This much affected IT as respondents felt it was a key influencer.

5.3: Conclusions

The study concludes that the political factors influencing international trade of Pernod Ricard Kenya Ltd are the threat of terrorism, the dynamic political environment, the interaction between the organization and other international bodies/nations and political instability. Among the legal factors were the legal barriers between various countries, restrictive laws, lack of supportive legal systems and the high taxation rates. The study further found that the economic factors were the high rate of competition, the cost of buying premium liquor and finally the amount of income extracted from the international markets. The socio-cultural factors were the religious disparities between the market structures, the different cultural practices across the global players, the religious beliefs between the players at the international market and the drinking occasions across the market. The environmental factors were the process of customs clearance, the ability of the organization to access business permit, the presence of a friendly business environment and the rampant cases of corruption.

5.4: Recommendations

The study recommends that the alcohol industry in Kenya be given special focus by the government and regulatory bodies for various reasons. Alcohol is an extraordinary product in that if over consumed, can cause health complications that can be fatal. Alcohol on the other hand provides a lot of the much needed tax to develop a nation seeing as it is heavily taxed. The government should watch that it does not over tax international alcoholic beverages imported into the country as this will only drive consumption of cheap liquor which has been fatal in the past given the financial ability of majority of Kenyans.

Contraband and counterfeit products need to be monitored as they affect sales of international liquor products. Counterfeits deny the government the much needed tax thus the government should invest more in activities that curb counterfeits. More restrictive measures and heavy fines should be imposed on counterfeiters and businessmen who aid them by consistently purchasing these products.

The government should also invest much in ensuring that customs clearance processes are up to world standards. Corruption at the ports could be a contributing factor to processes being unnecessarily lengthy and inefficient. All these amount to less revenue to the government as the more products are delayed, the more the government loses on tax revenue because of lost tax opportunities. This could also be a reflection on clearance of products other than alcoholic brands which inevitably amounts to a net loss to the government.

Another recommendation is to organizations in the premium liquor industry. Heavy competition calls for very clever marketing strategies and in-depth study of the behavioral patterns of Kenyans and what drives their purchase decisions. This study informs them to make the right choices. For instance coming in with too many brands at once may be detrimental in that they will spread their resources too trying to market all of them at once. It would be better to come in with fewer, let them gain popularity as they introduce others systematically due to the heavy competition.

5.5 Limitations of the Study

The study was limited by various factors. First of all, in as much as Pernod Ricard Kenya is part of a very large MNC, it is still relatively new in the market having set base in Kenya in 2012. Other players like Diageo have been in the market longer therefore would be much better placed to give extensive feedback. This does not take away from the challenges that PRK faces.

The study was also limited by the number of years the study population had worked in the organization. Majority are less than five years old and this would have been better if there were more people who had worked for longer.

The study was very restrictive in that it looked at one company only to represent an industry that has been growing over the past few years. Also to note is that not all respondents gave their feedback. Questionnaires are not very popular with employees who feel that they have to meet work related deadlines as well as fill in a questionnaire that they feel is lengthy and requires a rigorous though process. The researcher tried to make the questionnaire as simple and as short as possible without compromising the study.

5.6 Suggestions for Further Studies

Further studies would be to the government to engage on a check of the customer's clearance processes in the country. A study into why organizations feel that the clearance process is not efficient and affects trade.

Another suggestion would be to study factors that influence IT of the entire population of MNCs in Kenya. This will more wholesomely inform involved bodies like the government and other law makers on how to leverage on this lucrative and tax rich industry.

A study on the competitors in the liquor industry in Kenya would be an interesting move to determine the best strategies to win in a competition heavy and more strictly regulated industry. This will help advice organizational strategy as well as new entrants into the industry.

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APPENDIX 1: QUESTIONNAIRE

Section A: Demographic Information

Kindly respond to each question by ticking [✓] on the appropriate response.

1. What is your age bracket below?

25 – 30 years	[ ]	31 – 35 years	[ ]
36 – 40 years	[ ]	41 – 45 years	[ ]
46 – 50 years	[ ]	51 years and above	[ ]

2. What is your sex? Female [ ] Male [ ]

3. What is your highest academic qualification

   University graduate with post graduate qualifications [ ]

   Undergraduate [ ]

   Tertiary college graduate [ ]

4. Indicate the number of years you have been working as a Pernod Ricard Kenya Ltd employee in the whole of your career

Below 1 year	[ ]	1-5 years	[ ]
6-10 years	[ ]	11-15 year	[ ]
16-20 years	[ ]	Over 20 years	[ ]

5. How long have you been in your department?

Below 1 year	[ ]	1-5 years	[ ]
6-10 years	[ ]	11-15 year	[ ]
16-20 years	[ ]	Over 20 years	[ ]

Section B: Factors That Influence International Trade at Pernod Ricard Kenya Ltd

Indicate using a tick (√) the extent to which you agree or disagree with the following statements. **SA- Strongly agree, A-agree, U-undecided, D-disagree, SD-Strongly Disagree**

Political	**SA**	**A**	**U**	**D**	**SD**
Do you consider Kenya a politically stable country?					
Do changes in the political environment in Kenya affect the alcohol industry?					
Does Kenya enjoy good relationships with other nations?					
Do the recent past terrorist activities affect Multinational Corporations in Kenya?					
Legal					
Do heavy taxes placed on premium liquor brands affect sales?					
Are there many legal barriers in the trade of premium international liquor brands?					
Is the Kenyan legal system supportive of legitimate players in the liquor industry					
Are Kenyan laws restrictive to importation of premium liquor into the country?					
Economic					
Does the income level of the Kenyan population determine their consumption of premium liquor?					
Are Kenyans willing to purchase premium international liquor?					

Is competition heavy in the premium liquor industry in Kenya?					
Does competition in the premium liquor industry in Kenya affect sales?					
Social - Cultural					
Do you consider Kenyans to be religious?					
Does religion affect consumption of liquor products in Kenya?					
Do cultural practices in Kenya involve consumption of liquor?					
Social - Cultural	**SA**	**A**	**U**	**D**	**SD**
Do you consider Kenyans to be social drinkers?					
Ease of doing international business in Kenya					
Do you consider the Kenyan customs clearance processes to be smooth?					
Do you consider the Kenyan environment as friendly to international businesses?					
Do you consider it easy to get business permits in Kenya?					
Does Corruption affect ease of doing international business in Kenya?					

Thank you for Cooperation.