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**EFFECTIVENESS OF MARKETING MIX ELEMENTS ON SALES VOLUMES FOR
OVER THE COUNTER MEDICINES FOR MULTINATIONAL
PHARMACEUTICAL COMPANIES IN KENYA**

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MBA/099206/2017

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER'S IN
BUSINESS ADMINISTRATION OF STRATHMORE UNIVERSITY**

MAY, 2019

DECLARATION

This research project is my original work and has not been presented for a postgraduate degree or diploma in any other academic institution.

Signature..... Date.....

SELINA MUSALIA

MBA/099206/2017

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

Signature..... Date.....

DR. NJIRAINI

ABSTRACT

The study, sought to assess the effectiveness of marketing mix strategies on sales volumes for OTC drugs by research based MNCs in Kenya. Specific objectives were; to determine the influence of price on sales volume of OTC medicines for MNCs in Kenya, to determine the influence of place on sales volume of OTC medicines for MNCs in Kenya, to determine the influence of promotion on sales volume of OTC medicines for MNCs in Kenya and to determine the influence of product on sales volume of OTC medicines for MNCs in Kenya. Descriptive research design was used. The target population of this study was MNCs that have a representative office or operate through a distributor and additionally deal with OTC drugs in Kenya. The study used a census method, where all the 13 MNCs were selected for the study. Data was collected from primary sources by use of a structured questionnaire. Data was analyzed mainly by use of descriptive statistics. Inferential statistics were conducted to establish the relationship between the study variables. The study found that modifying pricing mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya. Modifying place mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya. Modifying promotion mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya. Modifying product mix element by a single unit would lead to an increase in sales volume of OTC medicines for multinational pharmaceutical companies.



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ACRONYMS AND ABBREVIATION

4P's	Product, Price, Place and Promotion
B2B	Business to Business
B2C	Business to Consumer
COMESA	Common Market for East and Southern Africa
FDI	Foreign Direct Investments
GDP	Gross Domestic Product
MNC	Multinational Corporation
OTC	Over the Counter
R & D	Research and Development
SME	Small and Micro Enterprises
SPSS	Statistical Package for Social Sciences
STP	Segmenting, Targeting and Positioning

OPERATIONAL DEFINITION OF TERMS

Earnings	Refer to after-tax net income, sometimes known as the bottom line, or a company's profits
Marketing Strategy	Method used by companies or organization to focus limited resources on the best opportunities to increase sales and thereby achieve a sustainable competitive advantage.
Multinational Companies	A corporation that operates in one or more country other than in its home country. For the purpose of this study, we shall focus on research-based companies.
Over the Counter Medicines	Drugs that can be bought in a chemist or a pharmacy without the doctor's prescription.
Place	It is the outline of where a company sells a product and how it delivers the product to the market
Prescribed medicines	Drugs that is dispensed under the instruction of doctors
Price	The value attached to OTC products
Products	The good or service that has been created to meet the consumer needs
Promotion	The process of availing information regarding the products to the target consumer
Sales volume	Quantity of units sold over one financial year

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Pharmaceutical drugs, also referred to as medicine or just drugs are substances that are used to prevent, diagnose, cure or treat an ailment (Taylor, 2015). There are many classifications of medicine, notably among them being by the level of control, this differentiates between prescribed medications which are those that a pharmacist dispenses only on the order of a doctor or a nurse, and, OTC medicines which can be ordered by consumers without a doctor's prescription: these are also known as Over The Counter Drug (OTC) (Basak & Chandana, 2005).

The categorization of medicines into prescribed and over the counter (OTC) is governed by various countries in accordance with the requirements of the respective laws and rules (Basak, 2017). In Kenya, the OTC is subject to legislation, and the Pharmacy and Poisons Board is the body mandated with governing the distribution and promotion of OTC medicines (Laws of Kenya, 2012). According to a 2016 Kenya health sector report, the Pharmacy and Poisons boards classifies pharmaceutical industries depending on the nature of their business for the sake of registration, that is, manufacturers, retailers and distributors. With regard to manufacturers, the body registers dates of manufacturing and expiring, batch numbers, and ensures that addresses are correctly labeled. On the other hand, the body issues licenses to retailers and distributors.

According to a 2016 report released by the Common Market for East and Southern Africa (COMESA), Kenya is the prime producer of pharmaceutical products in East Africa with the market share of 50 % in COMESA. Kenya has positioned itself as an economic hub of East Africa community and as a result, this has attracted numerous Foreign Direct Investments (FDIs), notably among them being multinational pharmaceutical firms. Additionally, the firms are subjected to the same market environment as local pharmaceutical firms which have been in existence for a long time. Given the rapid change in technology, consumers are now aware of the market information especially on prevailing prices, supplier cost, and the prevailing market conditions. According to Zekiri and Nedelea (2011), full information of the market necessitates multinational corporations to consider the marketing mix that would make their products more appealing and compete in the market.

1.1.1 Marketing strategies

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for consumers, clients, partners, and society at large (Kotler, 2011). Webster (2009) asserts that marketing is central to the management function and that the development of a marketing system is essential in converting latent demand into effective demand thus realizing economic development.

Marketing Strategy indicates the specific markets towards which activities are to be targeted and the types of competitive advantage to be exploited (Dibb & Simkin, 2009). Amid the emergence of a new generation of global brands, economic markets are becoming more fragile and unstable, hence the need for firms to develop effective marketing strategies (Zekiri & Nedelea, 2011). These include; collaborating with local partners who understand the local market (Margarita, 2013). As more companies continue to go global, it essential for their marketing teams to appreciate market differences between various countries. Adequate information about a local market is a pre-requisite for a firm's success in a certain country, and this could best be achieved through the formation of marketing partnerships (Hoskisson, 2008).

The common global marketing strategies for OTC medicines include the extensive use of social media (Roblek, 2015). Ideally, social media has been found as the most powerful platform to reach a wide audience. Roblek also notes that, in the case of campaigns with pictures, video and lesser text, Facebook would be the appropriate medium, as well as Twitter marketing. Paid campaigns are capable of creating good reach; indeed, even YouTube videos can be shared effectively to reach a large audience. All leading OTC medicines marketed internationally have a good social media presence, inclusive of GlaxoSmithKline, Merck and Co., Novartis, and Pfizer pharmaceuticals (Roblek, 2015).

International pharmaceuticals also utilize pricing and packaging as a powerful marketing strategy (Khosro, Ahmed, & Ahmed, 2014). Emerging markets display great sensitivity to prices implying that international companies dealing in OTC medicines ought to set competitive prices for their products (Danzon, Mulcahy, & Towsec, 2013). For example, some OTC skin care medicines are normally sold in packages of 250 or 500 ml in most European countries; however, in such emerging markets as China, India, Philippines, Korea

and Indonesia companies have smaller sachet packs with the objective of catering for lower-income consumers. Ideally, several MNC's are effectively using the various packaging and pricing strategies to fit in the international market (Ogutu & Samuel, 2012).

Narrowing down to such a region as Africa, business leaders ought to understand that international marketing is not for the big players only. According to a 2017 report by African development bank, several sectors have been dominated by the belief that when marketing exceeds a certain country's boundaries, it can only be carried out by outsized companies. Considering that most countries in Africa are in the category of low-income economies, smaller firms ought to take the initiative to reach OTC medicines' customers living in rural areas. Therefore, companies ought to deviate from the tradition of implementing expensive marketing campaigns that target large urban centers (Gilson, 2012). As far as this strategy could work for the companies operating in markets within developed countries, low-income people in African countries could still offer a considerable market for OTC products (Gilson, 2012).

In Kenya, the marketing of over-the-counter medicines would essentially make use of local strengths strategy. Notably, many parts of Kenya lack large commercial centers or malls where the pharmaceutical companies could have their outlets (United Nations Industrial Development Organization, 2010). Upon falling sick, many Kenyans have a challenge accessing medical care and thus resort to unconventional ways of sorting treatment visit neither public nor private hospitals; instead, they visit these small shops where they purchase medicines over-the-counter without a diagnosis in most cases. In Kenya, no pharmaceutical can ignore the strength possessed by these sales networks. Indeed, even in events when patients seek medication from public hospitals, they are mostly provided with prescriptions to buy medicines from small convenience stores (Gamau, 2016).

1.1.2 Marketing Mix Concept

Many companies use a mix of marketing strategies to cope with the ever-changing business environment that is caused by consumer preferences and specifications (Zekiri & Nedelea, 2011). The marketing mix is a combination of variables that a firm can use to achieve its marketing objectives (Kotler, 2005). They include, place, product, price and promotion and they are commonly referred to as the 4 Ps. The clustering of the 4P's was first done by

McCarthy (1975). The 4Ps Marketing Mix is trusted conceptual platform of practitioners dealing with tactical/operational marketing issues. The mix has also been proven to be multi-usable as it can be used in marketing Business to Consumer (B2C) products as well as Business to Business (B2B) Constantinides (2006). This study will use this framework as a lens through which we can measure the application of marketing strategies to the marketing of OTC medications.

MNCs form marketing strategies around three main perspectives: standardization-adaptation, configuration-coordination and strategic integration (Zou & Cavusgil, 2002). The standardization or adaptation of marketing mix such as product, place, price and promotion across a range of countries and continents, by a multinational company is the most important factor in its global marketing strategy (Zou & Cavusgil, 2002). The second element of the global marketing strategy gives attention to the configuration and coordination of an organization's value chain operations traversing diverse nations. The last element of a multinational company's competitive tactics, strategic integration, weighs on how the organization's strategies are deliberated upon and implemented across the markets it operates within (Porter, 1986). The extended 7 P'S include; people these are individuals who work for the organization. Having the right people is essential because they are as much a part of the business offering as the products/services. Processes, these include service delivery, a process needs to be clearly defined for the service provider. This basic process should ensure the same level of service delivery to every customer, at any time of day, on any day. Physical evidence, the location of the service delivery also takes on significance. The level of comfort and attractiveness of a service location may make a lot of difference to the user experience (Kotler, 2005).For the purpose of this study we shall focus on the 4P's as the 7P's model focuses on the service industry.

1.1.3 Multinational Companies

International business led to establishment of Multinational Corporations (MNCs). An MNC is a firm which has been registered in more than one country or that has operations in more than one country. Such companies have offices and/or factories in different countries and usually have centralized or regional head offices where global management is coordinated. Nairobi Kenya is the regional African headquarters for more than 20 MNCs. A MNC can

also be referred to as an international corporation, multinational enterprise (MNE) or a transnational corporation. There are vast numbers of MNCs around the world which vary widely in size and specialization. MNCs have far reaching effects which are as they affect the daily lifestyle of consumers. Many MNCs operating in Kenya have faced fierce competition both locally and internationally which has seen others relocate to other countries while others have closed shops altogether. In response to the increasingly volatile business environment, MNCs are employing different marketing strategies in order to remain competitive (Okoth, 2010).

1.1.4 Sales Volume

Sales volume is the core interest of every organization and is based on sales and profit. When volume goes up profits rise and management in organizations is made easier (Kotler & Armstrong, 2010). Sales volume refers to the general lump sum of goods and services supplied during a given trade period at a given price (Marsher, 2013). Additionally, sales volume is the total revenue produced or the total number of units of a product sold in a given period of time. Glantier (2010) adds that a business's success is interpreted in terms of its profitability which is the ability of the firm to earn. This return is normally a margin of sales, appropriations of capital invested or appropriations of assets used. Sales volume is greatly affected by customer care policies in addition with product quality, prices, brand image, awareness about product, after sales services (Dan Bradinore, 2014). Any business with a great product but no customer care and way to sell it, will soon see it going to waste resulting to great loss in terms of sales volume.

1.2 Statement of the Problem

Penetrating a foreign market exposes a firm to risks owing to differences in buyer's needs, taste and preferences (Tseng, 2006). The contemporary business environment and regional shift in economic activities are imposing pressure on multinational businesses, necessitating them to think strategically and act competitively (Tharnurjan & Seneviratne, 2009). Additionally, with the advancement in technology, information access has been simplified, with the internet integrating communication between producers, suppliers and consumers (Borges-Tiago, 2008). According to Zekiri and Nedelea (2011), this access to information has given consumers bargaining power as they are armed with perfect knowledge of the

market, in terms of prices, supply cost and can, therefore, make rational decisions when choosing commodities from different suppliers. It is for this reason, therefore, that companies must make strategic decisions in determining the most efficient and effective marketing technique that would enhance their competitiveness in the market (Christina, Enrique & Ricardo, 2012).

In Kenya, the past decade has been marked by an influx of multinational pharmaceutical firms, which have set camp in Nairobi and branches and outlets in various parts of the country (Omwansa, 2012). According to Kiragu, (2014), the enlightenment of customers in the digital age and their preference to local OTC pharmaceutical products, has seen multinational pharmaceuticals companies investing so much in marketing and compete heavily for market share via intense promotions. The intense competition has resulted in allocation of more finances for promotion purposes in the pharmaceutical companies approximately \$50-100 million (Kiragu, 2014).

The multinational pharmaceutical firms have pursued different marketing approaches with the intent of boosting sales. It is, however, worth noting that there is no single marketing method that succeeds for all multinational firms, nevertheless, a combination of marketing approaches can provide a right mix that can strategically position an organization in the market share (Borza & Borza, 2014). There are few studies that have been done on the marketing mix strategy and how they affect sales volume of multinational pharmaceutical firms in Kenya. Among them is a study on competitiveness of pharmaceutical firms by Ownasa (2012), while studies on marketing approaches and strategies conducted in Kenya are on other industries notably by Oori (2010) on marketing strategies employed by banks, and Obonyo (2013) on supermarkets in Kenya. It is against this backdrop, therefore, that this study sought to assess the effectiveness of marketing mix on sales volume for OTC medicines for multinational companies in Kenya to fill the knowledge gap.

1.3 Objectives of the Study

The main objective of the study was to establish the effectiveness of marketing mix on sales volume of OTC medicines for MNCs in Kenya

1.3.1 Specific objectives

- i. To assess the influence of product on sales volume of OTC medicines for MNCs in Kenya.
- ii. To examine the influence of price on sales volume of OTC medicines for MNCs in Kenya.
- iii. To assess the influence of place on sales volume of OTC medicines for MNCs in Kenya.
- iv. To determine the influence of promotion on sales volume of OTC medicines for MNCs in Kenya.

1.4 Research Questions

- i. What is the influence of product on sales volume of OTC medicines for MNCs in Kenya?
- ii. What is the influence of price on sales volume of OTC medicines for MNCs in Kenya?
- iii. What is the influence of place on sales volume of OTC medicines for MNCs in Kenya?
- iv. What is the influence of promotion on sales volume of OTC medicines for MNCs in Kenya?

1.5 Scope of the Study

The study took place in Nairobi County, focusing on research-based MNCs companies that deal with OTC medicines in Kenya. In Kenya, MNCs operate either as subsidiaries,

representative offices or through distributors. The study targeted all the MNCs based on the business model adopted in Kenya. Nairobi was considered for the study because being the capital city, it is home to most of the importers and distributors of pharmaceutical products in Kenya. The respondents were limited to marketing and sales managers involved in the promotion of OTC medicines within each pharmaceutical company.

1.6 Significance of the Study

The study findings would be important the MNCs companies. It provided an understanding on effectiveness of marketing mix on sales volume of OTC medicines. The companies may decide to adopt the marketing mix elements so as to improve their sales volume. The study might also be important to hospitals as they may know as to segment their markets so as to target the right customers. This would help in improving their sales volume

The study may also be important to the policy makers. It provided knowledge on effectiveness of marketing mix on sales volume. The policy makers might be able to come up with strategies that will encourage companies to adopt the marketing mix elements. This will help the companies to improve their sales volume.

The study added to the body of knowledge on effectiveness of marketing mix on sales volume. It provided a more understanding on how organizations can segment their market so as to target the right customers and be positioned well than their competitors. It provided more understanding on marketing mix and sales volume to researchers and academicians. The study may be used as a reference material for future related studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter highlights various theories and studies that exist that form the foundation of this study. Further, empirical literature is reviewed, and the conceptual framework analyzed.

2.2 Theoretical Foundation

The section gives a review of theories that relate to marketing strategies that apply to multinational firms generally.

2.2.1 Marketing Mix Theory

This concept was created by an expert in the field of marketing known as Jerome McCarthy in the 1960s. A marketing mix is a combination of all functions that pertain to marketing. 4P's of marketing constitute of the Product, Price, Place and Promotion put into consideration dictate what type of marketing strategy a company employs (McCarthy, 1975).

Placed first in concern is the product. A product is a good or service that is created to meet and satisfy the needs of consumers (McCarthy, 1975). It involves the planning, designing and creating products that will satisfy customer needs. Taking the product as a marketing strategy requires the consideration of the product, its packaging and pack size, image, brand name and label, its quality, shape, size, color, warranties and after sale services and lastly, the product policy. According to (Kotler, 2003), it is of no importance in developing a good or service that the market would not be responsive to. He points out that numerous business entities make decisions on what to sell and later hope to find a market for their products. It is therefore important that MNC's conduct extensive research to ensure that they create the right type of product that meets the market's requirements. The product element of the marketing mix should seek to answer questions such as what does the end-user desire from the good/service? What features should the product have to be desirable? How is the product distinguishable from other competing products?

The price element of the marketing mix is the value which is attached to a product by its supplier and is charged from the end-user. The pricing of a product is important in a marketing strategy because of reasons such as it relates to the generation of product revenue to a company, the price gives an indication of the product's quality, price has a psychological

influence on the consumers' perception of the product and lastly, it determines a company's profit as it affects, in huge measures, the sales and demand for its goods or services (McCarthy, 1975). Keller, Heckler, and Houston, (1998), posit that a product's worth is demonstrated in the willingness and ability of customers to pay for it. Therefore, a firm may employ the following main pricing strategies: market penetration pricing, neutral pricing, time-based pricing and market skimming pricing.

The third component of the marketing mix is the place which is concerned with connecting seller and buyers of a product. Place involves the physical distribution and positioning of goods and is mainly concerned with the means of transport, the channel of distribution and storage. Distribution strategies include intensive distribution, exclusive distribution, franchising and selective distribution (Kotler, 2011). Place as an element of marketing strategy should answer the following questions: where are products most accessible to consumers? How does your distribution strategy differ from those of your competitors?

The last component of the 4P's is promotion. Product promotion is the art of availing information concerning a product to a target market purposed to persuade them to buy, enjoy or choose the product (Blattberg & Briesch, 2012). A good promotion includes product, price and distribution component of marketing (Berman & Evans, 1995). Product promotion consists of a variety of means, for example, advertising, personal selling, publicity, public relations and sales promotion (Blattberg & Briesch, 2012). Through promotion, a company can communicate to its existing and prospective customers that its product exists, the qualities and quantities the product can be enjoyed, and its price. According to (Berman & Evans, 1995), promotional undertakings comprise of radio and television advertisement, billboards, posters, newspapers, personal selling, show, bonus schemes, trade fairs & exhibitions and web releases.

The 4Ps marketing mix, according to (Goi, 2009), is not a scientific theory, rather a conceptual framework. He argues that 4ps has been disapproved as it is more from a marketing management perspective than customer-oriented point of view. The following are criticisms as laid out by (Möller, 2006) against the 4ps framework: the mix does not put into consideration customer behaviour but places more focus on internal operations, the mix does not value customer experience, the mix is not a scientific theory but a framework that focuses

on management, the mix does not take into account the features of services marketing but leans towards products and lastly, the product element of the marketing mix leaves out the fact that firms also sell brands/product lines to consumers.

2.2.2 Segmenting, Targeting and Positioning (STP) Model

This study was informed by the Segmenting, Targeting and Positioning (STP) model. The model stipulates the need for an organization to identify the market segment that is significant for its revenue. In essence, the model pushes for market segmentation as a key tool in deriving a solid marketing plan (Dibb & Simkin, 1991). The vital concept for this theory is that an organization should identify the bases for segmentation. Identifying the bases for segmentation is key to understanding the market or the consumers and what they want and at what price (Smith & Hirst, 2001).

With regard to pharmaceuticals, segmentation is crucial in avoiding wrong markets for certain commodities. For instance, the purchase of vaccines drugs in most African countries is done by the government and therefore, having such vaccines in a pharmacy for retail consumption will not drive the sales among retail market (Smith & Hirst, 2001). Therefore, determining the importance of each market segment is critical in understanding the needs of different markets. Dibb and Simkin (1991) assert that the development of a marketing mix for each segment is key in highlighting the different market gaps that exist.

This model underscores the need for a company to look at each segment with the potential to generate high sales volume or its commercial earnings (Smith & Hirst, 2001). Entering into a market segment without a clear understanding of the potential earnings can lead to poor marketing strategy, which may result in huge losses for the company (Dibb & Simkin, 1991). Market targeting is relevant for pharmaceuticals since it will illustrate how each segment of the market can be adequately utilized by the company. Without a clear segment target, the company will only be selling to a general market, which can waste marketing resources or result to poor sales volume (Dibb & Simkin, 1991). After carefully considering each segment of the market, the company should choose one or more segments that have the potential for high sales volume and is commercially viable (Dibb & Simkin, 1991).

Another critical component of the STP model is the positioning of a product. Putting a product in the selected segment is crucial to its success (Dibb & Simkin, 1991). The product

needs to relate with the target segment or segments in order to create sales. Additionally, the success of such a product depends on the consumers' reception (Dibb & Simkin, 1991). Without developing a detailed product positioning for each segment, the consumers may not identify with a product. Pharmaceuticals ought to understand each market segment and identify its needs and financial standings. This is critical in highlighting the needs of the market segment in the products being sold to the consumers. A product that easily resonates with the consumers stands a better chance of being bought in high volumes. It is important for the organization to understand the market segment where it sells its products. Hence, the theory explains the effectiveness of marketing mix on volume of sales.

2.3 Empirical literature

This section reviews studies done by other researchers on marketing mix on sales volume.

2.3.1 Effectiveness of Pricing Mix Element on Sales Volume

According to Jang and Jung (2013), price is not only the quantity of money paid by consumers of certain products but a representation of the services, experiences and the whole culture of a product. Kotler (2004) asserts that companies employ a myriad of pricing mix in their marketing strategy, among them being, competitive pricing, cost plus pricing, price discrimination, price penetration, price skimming, and psychological pricing. Louter, Ouwerkerk, and Backer (1991) established a positive correlation between prices and sales volume in a study on the influence of pricing strategy on performance of firms. In Kenya, Odhiambo (2013) conducted a study on the influence of pricing strategy as a competitive aspect on sales performance of local pharmaceutical companies. The study found out that the effect of pricing on sales volume was positive and significant.

2.3.1.1 Value Based Pricing

Nagle and Singleton (2011) refer to value based pricing as a process of price determination in relation to customers' perceived value of a product or service. In their study on the effect of price mix on sales volume and profitability Hünenberg and Hüttmann (2003) and Piercy, Cravens and Lane (2010), found value-based pricing to be having the greatest effect on the two variables. In a study on pricing strategy and corporate profitability by (Deonir, Gabriel,

Evandro & Fabia, (2017), a positive association between value-based pricing and corporate profitability was established.

Liozu (2013) carried out a study on pricing orientation and sales performance, by surveying 1812 marketing managers, the study results indicated a positive correlation between value-based pricing and performance of sales. Using a two staged-least square approach, Andreas (2008) sought to find out why most companies are reluctant in adopting value-based pricing. The study revealed that sales force deficits and lack of management support to be a hindrance to value-based pricing strategy implementation.

In a study on successful product pricing practices in business to business industry in Belgium Ingenbleek, Debruyne, Frambach and Verhallen (2003), surveyed 77 marketing professionals in electronic and engineering sector. The study found out that value-based pricing was positively related to the sales volume. Nagle and Singleton (2011) in a survey of 200 firms, they studied the impact of pricing strategies on companies' profitability. They established that firms that use value-based pricing generate a 31% more earning than those that base their pricing strategies on profit margins.

2.3.1.2 Price Penetration

Nagle (2006) defines price penetration as a process by which firms charge low prices to their products or services in order to penetrate the market. Jim (2012) asserts that, price penetration is an important technique particularly after a launch of new product or when entering into a new market marked with minimal product differentiation and an elastic demand. Lamb, Hair and McDaniel (2004), emphasize that price penetration strategy is a procedure of setting low prices with the intentions of enticing customers to product and services and consequently increasing the market share.

Among the studies done in Kenya, Sije and Oloko (2013) carried out a study on price penetration strategy in SMEs. The study found a positive and strong correlation between price penetration and SME performance. Perminus and Wilson (2017) in their study on the impact of penetration pricing strategy on insurance firms profitability of in Kenya sampled 900 employees from 45 insurance companies. They used descriptive and inferential statistics and their study established that price penetration contributed positively to the performance of insurance firms in Kenya.

Other studies between price penetration and performance of firms have produced conflicting results. A study by Njomo and Margaret (2016) on pricing strategies employed by soft drink companies in Kenya, by use of correlation analysis found out that there was a negative correlation between price penetration and profits as well as sales volume. However, their findings further suggested that for the firms that were selling complementary products the effect was positive.

2.3.1.3 Price Discounting

Inman, Winer and Ferraro (2009) describe price discounting as a technique used by organizations as an incentive to customers so that they can acquire goods and services at a lower price than the prevailing market price. Among the approaches used in price discounting include extra fill packs, money-off-coupons, buy one get one free, as well as money off coupons (Mullin & Cummins, 2008). Yeshin (2006) asserts that in the present digital age, consumers have information about promotional activities in the market and as such, they have become sensitive to prices and are actively searching for price discounts.

Hamed and Farideddin (2016) evaluated the effect of promotion on perceived quality and repurchase intention. By use of descriptive research design, the study targeted 230 coffee customers. A positive association was established between price discounts and perceived product quality. Bingqun, Kejia and Tingju (2016) evaluated the effect of price promotion strategies on performance of manufacturer's. The study revealed that price discounting had a positive impact of sales performance.

Other studies have, however, produced varied results. According to Blattberg and Neslin (1990), price discount has an inverse relationship with sales performance. The study concluded that when organizations offers price discounts, this reduces their mark-up and therefore leads to reduced sales. Kopalle, Mela, and Marsh, (1999) in their study on the dynamic effect of discounting on sales, they used time series analysis. Their study established that discounts have a negative effect on sales. Their study concluded that price discounts leads to a reduced perceived quality of the product and thereby it reduces customers' repeat purchase rate.

2.3.2 Effectiveness of Place Mix Element on Sales Volume

According to Borza and Borza (2014), place comprise the destination where the company products are sold to the consumers. Kotler (2003) stresses on the importance of place as it make it convenient for customers to get the products at the right time and place. He further emphasizes that it is imperative that a customer gets the products and services whenever they walk into a place of business otherwise they will take their business elsewhere and this will impact sales negatively. This section will review place element aspects; distribution channels, geographical location and physical address and how they impact sales volume.

2.3.2.1 Distribution Channels

Gorchels, West, and Marien (2004), describe distribution as the process of availing products to the right consumers. Distribution channel can include an array of activities and facilities for example physical movement, warehousing, ownership of the product, presale transaction, post-sale activities; order processing, credit and collections as well as other support activities (Gorchels *et al.*, 2004). Wren (2007) views distribution channel as a process that can be directly done by the organization or indirectly by use of intermediaries.

Ferri, Mohd, Radia and Hamidreza (2012) studied the impact of distribution channel innovation on the SME performance. From their finding, they established that innovation in transport coordination, assortment and information sharing had a positive impact on SME performance. On a study on the effectiveness of distribution channels on sales performance of organizations, Laswai (2013) used a case study of Coca-Cola in Tanzania, and the findings revealed that distribution channel influenced positively sales performance. Oladun (2012) conducted a study on the impact of distributive strategy on MNCs performance operating in Nigeria. Using cross-sectional survey, the study found a positive relationship between the two variables.

In Kenya, a number of studies have been conducted on distribution channels and sales performance. Schoviah (2012) carried out a study on marketing distribution channels and how they affect commercial banks sales performance in Kenya. By use of descriptive research design, on a sample of 43 commercial banks in Kenya, the study established that marketing distribution channels have a positive and significant effect on sales, market share and profits. Chege, Muathe and Thuo (2014) in a study on the effect of marketing capabilities

and distribution strategy on performance of organizations in Nairobi County, established that distribution strategy has a positive and significant influence on the performance of firms in Nairobi County.

However, there are some studies that produce different results, a study done by Sin, (2000) while using correlation analysis found out that correlation between distribution channel and sales volume was not significant.

2.3.2.2 Geographical Location

Geographical location is key in determining the success of any venture as it acts as a connection point between the source of the factors of production (Raw materials and labour) and customers (Schiele, 2008). On studying the influence of geographical location on log truck firms in Washington, Nguyen, McCracken, Casavant, and Jessup (2011) found out that geographical location has a significant influence on the sales volume and profitability of the firms. In their conclusion, they pointed out that geographical location provides proximity to customers, competitors, and raw material, labor and physical infrastructure. Additionally, firms that have distributional clustering were found to be more profitable and had higher sales (Nguyen et al, 2011).

Kotler and Amstron (2004) assert that geographical location is key in enhancing accessibility to a company's products. They noted that, firms that had their retail stores far from customers performed dismally than those that had them near customers. In the same regard, Hansen and Solgaard (2004) agree that when a business is located far from the customers, it reduces the latter's frequency of visiting the business. Heck, Rowe and Owen (1995), found firms that had their outlet's urban areas to be performing better than those whose outlets' were located in rural areas. Barnard, Kritzinger and Krüger (2011) in a study on location decision strategies and its influence on SMEs performance in South Africa, the study found that there was a positive correlation between location and SME performance.

2.3.2.2 Physical Appearance

The geographical location alone is not enough to guarantee sales, physical appearance of the retail stores also plays a critical role in boosting sales (Bitner, 1992). Other studies too have pointed out the major roles played by physical appearance or what Bitner (1992) referred to

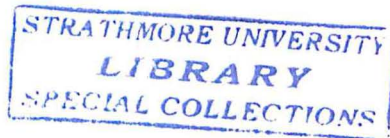
as services cape. Mown and Minor (2004) study on impact of retail store design on consumer purchase decisions found out that, the two variables had a positive and strong relationship. By applying the organization stimuli response model to the retail environment, Chang, Eckman, and Yan (2011) established that ambience and physical design in retail stores increased sales volume. They observed that good ambience and design triggered impulse buying behavior among customers.

In Kenya, Kariuki (2012) conducted a study on effects of interior design on performance of businesses e. Findings revealed that music, appealing colors, and lighting had a positive influence on business performance. Mathiu (2016) carried out a study on the impact of services cape on sales in hotels. Case study of Serena hotel, the study established that the aesthetics feature such as space, comfortable seats and dining sets and general decor of the hotel prompted more customers to frequent the hotel and thus sales improved.

2.3.3 Effectiveness of Promotional Mix Element on Sales Volume

Czinkota and Ronkainen (2004) describe promotion strategy as the use of assorted methods like public relations, advertising, personal selling, direct marketing and sales promotion to appeal to potential customers. In the marketing mix, promotion has been singled out as the basic communication component. Brassington and Pettit (2000) assert that promotion is a direct form in which a company can communicate the products or services it is offering to its target audience. They emphasized that promotion provides different and meaningful channels that facilitate marketers with ease to pass on the message about their organization and the product to potential consumers.

There many promotional tools that organizations can choose from in marketing of products and services, however, most mainly fall into five categories. The main product mix elements include: advertising, public relations, publicity, customer relations, digital marketing and direct marketing (Czinkota & Ronkainen, 2004). Businesses choose one or a combination of the promotion mix dependent on the type and size of audience to be reached. It is therefore imperative that companies assess the effectiveness of various promotional tools at their disposal for purposes of proper allocation of funds based on their relative usefulness (Munyoki, 2011).



Apart from being an effective means of communication, promotion in the recent past has acquired recognition for its role in managing long-term associations with an organizations customer and fostering customers' loyalty (Kotler, 1999). Dawes and Brown (2000) emphasized that promotion is particularly important in the building a learning relationship between a customer and marketer, through consistent dialogue.

2.3.3.1 Advertising

It is a non-personal method of communication that organizations use to when trying to talk to the public and targeted audience; it is mainly done through the use of mass media communication (Abiodun, 2011). Engle (2000) define advertising as a means by which organization inform, persuade and remind customers to purchase their products. Berkowitz, Kerin, Hartley and Rudelius (2000) describe advertising as a paid form of non-personal communication that is intended to convey information about the organization, its idea and its products.

Musa (2003) evaluated the association between advertising and firms' performance in Tanzania. There exists a significant association between advertisement and the overall business performance. Adeyeye (2011) did a study on the association between advertisement and sales volume of bottling companies in Nigeria. By doing a case study on Nigerian bottling Limited Company, they established that a positive and significant association between advertising and sales of the company. Ashkan (2016) carried a study on effects of advertisement on the sales performance of Insurance companies. Advertisement was found to contribute to the increase in sales volume. In Kenya, Jebungei (2014) studied the influence of advertising on performance of business in the cosmetic industry in Kenya. The two variables were found to have a positive relationship; the study concluded that advertisement facilitates awareness creation and appeal.

2.3.3.2 Sales Promotion

Blattberg and Briesch (2012) refer to sales promotion as an action focused event on marketing whose goal is ascertain customer's behavior. It is an approach used by organizations alongside advertising and public relations to promote sales (Schiffman & Kanuk, 2004). Sales promotion is useful in achieving a competitive edge as well as persuading target customers to purchase a company's products (Aderemi, 2003). The

approach can be used both as a media and non-media strategy on marketing, it is usually adopted for a certain duration (Kotler and Amstrong, 2010).

In their study on impact of sales promotion strategy on organization performance Ogunsiji (2011), established a positive correlation among sales promotion and sales volume in Nigeria. Syeda, Zehra and Sadia (2011) did an evaluation on the effect of sales promotion on profitability of organizations' and perception of consumer's in Pakistan, established that promotion of sales influences brand loyalty and hence sales volume. Festus (2016) evaluated the impact of sales promotion on organization performance in Ghana, it was established that the two variables are positively correlated. Adeniran, Egwuonwu and Egwuonwu (2016) in an attempt to evaluate the effect of sales promotion on sales turnover in the airline industry in Nigeria, they used descriptive design, and the study found out that the two variables had a positive relationship.

2.3.3.3 Direct Marketing

Direct Marketing is a promotional strategy that uses direct communication with the intention of obtaining real-time feedback (Kotler, 2000). The approaches used in direct marketing are diverse, they include face to face communication, direct messaging, phone calls, emailing, newsletters and use of brochures (Berry and Wilson, 2004). Direct marketing enables organizations to collect relevant information about customers' specifications and preferences (Lawson, 2008).

Alita, Odondo, Aila, Ojera, Obongo and Odera (2012) studied the influence of promotional strategies on banks profitability. By use of descriptive research design, and random sampling techniques to select the bank branches, the study established a positive association between promotional elements that is, sales promotion, direct marketing, and personal selling and bank performance. A study by Arnold and Tapp (2001) however, established a varied result; direct marketing techniques were found to be having no effect on firm's performance.

Studies in Kenya have also produced conflicting results; Afande (2015) studied the influence of promotional mix element on performance of financial institutions in Kenya. By use of ranking the study found out that direct marketing had the least impact on sales volume compared to other types of promotional mix that is sales promotion, personal selling and public relation. A study by Cheruiyot and Peter (2016) on Integrated Marketing

Communication and Kenya Post and Saving Bank Performance, found out that direct marketing has a great impact on sales volume. The study concluded that, direct marketing enhances customer loyalty and attraction and such this drives up sales volume.

2.3.4 Effectiveness of Product Mix Element on Sales Volume

Kotler and Amstrong (2013) refer to product as something that is offered in the market with the intention of satisfying the customer's wants. As a marketing mix strategy, Ferrell (2005) points out that a product enables an organization to offer its customers a symbol or a characteristic that differentiates them from their rivals.

Product mix element has been shown to contribute positively to the sales volume and profitability of organizations. In an evaluation on impact of marketing strategy on performance of firms, Gbolagade, Adesol and Oyewale (2013) used random sampling to select SME firms in Ibadan city of Nigeria. Their study established that product mix elements had a positive influence on organizations performance. Another study on effects of product mix elements on customer loyalty by Owomoyela, Oyeniya and Ola (2013) found that loyalty is positively influenced by the product mix elements and this was also reflected on the performance of the organizations.

2.3.4.1 Perceived Product Quality

Perceived product quality is described as customers' views about the products of an organization (Poh, Ghazali, & Mohayidin, 2011). Zeithaml (1988) noted that perceived quality is the judgement made by consumers in relation to products' superiority or excellence. Hitt and Hoskinnon (1997) assert that the quality of a product is key in ensuring the success of any organization as it endears the customers to the organizations.

There are only a few studies that have been done on effects of perceived product quality on sales volume and performance of the organization. Mahmood and Fatimah Hjjat (2014) conducted a study on the impact of product quality on performance of companies in Arab. By the use of structural equation technique to estimate a model on product development stages, the study established that product extrinsic values have an effect of the products performance while its intrinsic value has an effect on external performance. Nirusa (2017) did a study on the role played by perceived product quality. By surveying 105 organizations, their study

found out that perceived product quality had a positive influence on organizational capability.

2.3.4.2 Product Packaging

Product packaging is a vital element as it displays the visual and sensual attributes which attract customers (Ampuero & Vila, 2006). A product package has direct contact with the product and therefore apart from making it visible to the customers, it is useful for its identification and differentiating it from the competitors' products (Sehrawet & Kundu, 2007). Horsky and Honea (2012) assert that product packaging creates consumers trust and faith in the products and thus enhancing sales.

Holmes and Paswan (2012) carried out a study on consumers' reaction to new packaging design. They used qualitative analysis and their study established that a blend of product quality and price have an effect on consumers' purchasing intention. Their study further revealed that packaged goods that are lowly prices attract less attention than the highly priced ones. In Pakistan, Rizwan, Vishnu, Raheem and Muhammad (2014), conducted a study on the influence of product packaging on consumers' buying behavior. The study found out that product packaging had a positive effect on consumer purchase decision. Their study established that consumers consider packaging elements such as colour, packaging material, and design prior to purchasing a product.

In Kenya, Kamothe (2011) studied the impact of packaging on perception of consumer in the hair care industry. By using a random sample on hair dressers and salon customers, the study established that, product packaging elements such as symbols, pattern, colour, usage instruction, and country of origin had an immense influence on customer purchase decisions.

2.3.4.3 Branding

According to American Marketing Association's (2010), brand is a name, term, sign, symbol or design, or a combination of the mentioned factors that help to distinguish an originator's product from its competitors. According to Yi Zhang (2015), brand identity affects brand equity thus creating customer appeal and visual image about a particular brand.

Results on the effect of branding on an organization's performance have also produced mixed results. Tsai, Cheung and Lo (2010), conducted a study on the relationship between

customer-based casino brand equity and firm performance. Using exploratory approach, the study established that customer –based casino brand has a positive impact on firm performance. A study by Mei (2013) on brand equity, identity and performance, however, found the three elements of branding to have an insignificant relationship with performance.

2.7 Conceptual Framework

Figure 2.1: Conceptual Framework

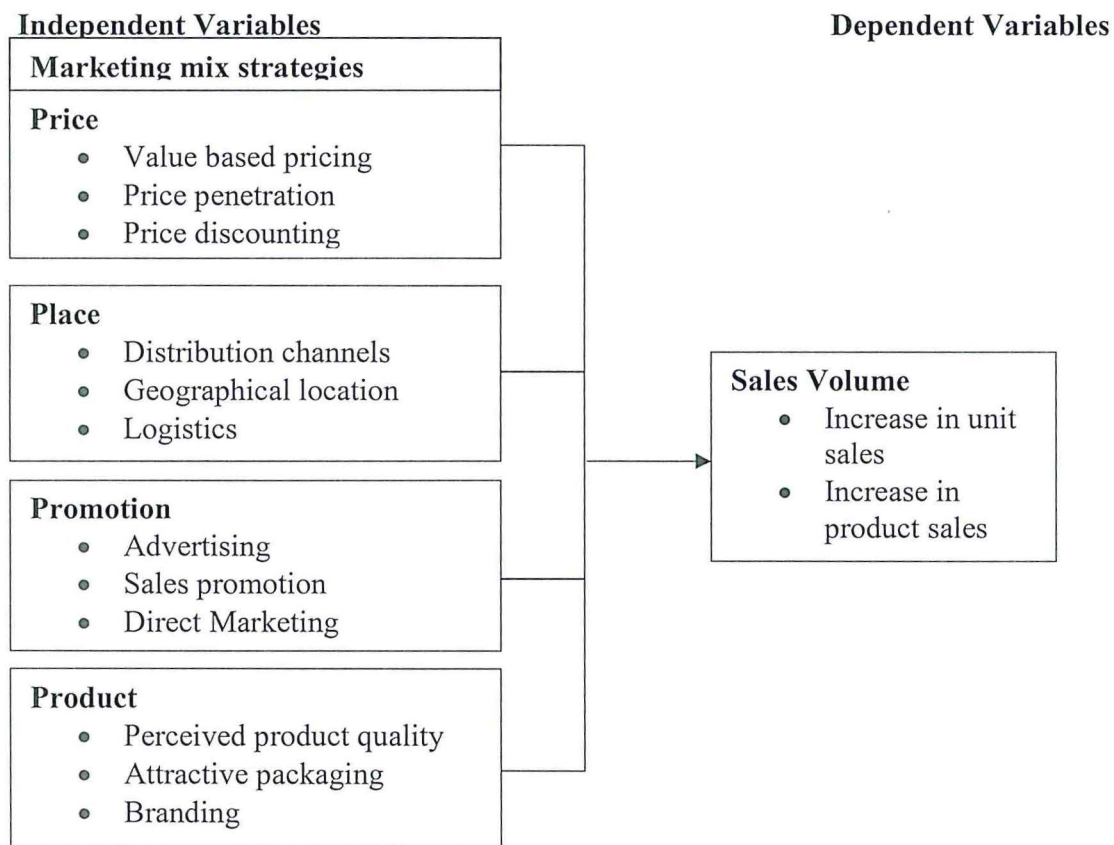


Figure 2.1 shows the relationship between the variables to be used in the study; independent variables is the marketing mix strategies which comprise product (value based pricing, price penetration, price discounting), place (distribution channels, geographical location, logistics), promotion (advertising, sales promotion, direct marketing) and product (perceived product quality, attractive packaging, branding). Each of the four constructs has different parameters which are linked with the dependent variables (sales volume) on the right-hand side.

2.8 Chapter Summary

The chapter reviewed the elements of marketing mix (price, place, promotion and product) and how they influence sales volume of organizations. This was conducted with the aim of informing the objective of the study which was to assess the effectiveness of the marketing mix on the sales volume of MNCs that specialize with OTC drugs in Kenya. Literature review established that most studies on marketing mix and its effectiveness on sales volume have concentrated on other industries and only two studies have been done on pharmaceutical firms in Kenya; Odhiambo (2012) which focused on local pharmaceutical firms, and Ownasa (2013) which studied the competitiveness of multinational firms but did not address marketing mix strategy. Additionally, studies done in other parts of the world have produced conflicting results, some have concluded that some marketing mix elements influence sales volume positively, while some have pointed out that they influence it negatively or have no influence at all. Most studies have also used sampling methods to select the target firms, this may lead to biased results especially when random sampling was used. This study aimed to fill the gap by using a census approach on the Multinational pharmaceutical specializing on OTC drugs in Kenya.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter describes the research design, target population, sampling techniques, data collection instruments, reliability and validity of the research instruments as well as methods of data collection that were used to establish the effectiveness of marketing mix strategies on sales volume for OTC medicines for MNCs in Kenya.

3.2 Research Design

A descriptive research design with quantitative data was used to analyze outcomes. Robinson (2002) postulates that descriptive design is important in portraying the accuracy of the profile of the units of study. Saunders, Lewis and Thornhill (2007) suggest that the design allows the researcher to collect quantitative data that can be analyzed by the use of both descriptive and inferential statistical methods. Chandran (2004) observes that descriptive design provides a description of the existing conditions and attitudes by employing observation and interpretation techniques.

3.3 Population of the Study

Cooper and Schindler (2014) define population as the elements in which the study intends to make inferences. The study targeted MNCs that have a representative office or operate through a distributor and additionally deal with OTC drugs in Kenya. According to the Kenya Association of Pharmaceutical Industry there are 35 MNCs in Kenya and of the 35, 13 are involved in the marketing of OTC products.

3.4 Sample and Sampling Technique

The study used a census method, where all the 13 MNCs were selected. The study sought to obtain required information from senior marketing managers of the organizations who have been determined using purposive sampling as they are the key people with information regarding marketing strategies and their effectiveness (Sarantakos, 2005). They are 65 in total, and their distribution is as shown in Appendix III the population is according to the Human Resources in the organizations.

3.4 Data Collection Procedure and Instruments

This study obtained data from primary sources, where data was collected by the use of structured questionnaires. A questionnaire is a tool used in obtaining information about the social features, past and present behavior, attitudes and beliefs of participants in relation to the topic under study (Bulmer, 2004). Data was collected through a drop and pick up later approach, questionnaires were dropped to the Multinational Pharmaceutical Company under study in the morning and collected after two days. This gave the target respondents ample time to fill in the questionnaires and consult for information from technical officers where necessary.

3.5 Data Analysis Techniques

Analysis was mainly by use of descriptive statistics which includes use of frequency distribution, diagrams, percentages, mean, mode and median. Inferential statistics was applied to determine the association between the dependent and independent variables. Linear regression and correlation analysis was used. Computer application packages such as Microsoft excel and SPSS, SPSS were used to summarize and visualize the data.

The following regression model was specified:

$$\hat{y} = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \quad 3.3$$

Where:

Y = Sales volume

X₁= Price

X₂=Place

X₃=Promotion

X₄=Product

β₀= Y-intercept

$\beta_1, \beta_2, \beta_3, \beta_4$ = partial slope coefficients

3.6 Research Quality

The validity and reliability of the data collection tools was determined prior to carrying out the actual data collection.

3.6.1 Validity

Allen and Yen (2009) define validity as the extent to which the study instrument measures what is supposed to measure. Content validity was used, this measures the extent to which the instrument examines or measures the construct of interest. The researcher consulted experts in the field of study. This helped in identifying questions that may need modification before data collection.

3.6.2 Reliability

Reliability is a measure of the extent to which the sample under study gives the true representation of the population, such that the study conforms to the reality on the ground. According to Kothari (2011), a tool is considered reliable when it can be used more than once and yield a similar result. The questionnaire was carefully designed and administered to 13 local pharmaceutical firms different from the ones in the census. It was then tested using the Cronbach procedure; this was done in order to enhance its validity and accuracy of data collected for the study.

According to Gliem and Gliem (2003) Acceptable threshold value for alpha is 0.7, which formed the benchmark for this study. The Cronbach's alpha was used to determine the reliability of each objective. The findings as shown in Table 3.1 indicate that price, as an alpha of 0.793, place as an alpha of 0.764, promotion as an alpha of 0.759, employee Engagement an alpha of 0.783 and sales volume as an alpha of 0.758. Since all the variables were greater than 0.7 it implies that all the variables were reliable.

Table 3.1: Reliability Analysis

Scale	Cronbach's Alpha	Number of Items
Price	0.793	3
Place	0.764	3
Promotion	0.759	3
Product	0.783	3
Sales Volume	0.758	4

3.7 Ethical Consideration

The study adhered to ethical issues through acknowledging the works and contribution of other authors and scholars by citing them accordingly. The study obtained a NACOSTI letter to facilitate data collection. The study ensured that it preserved the privacy and anonymity of the respondents. Finally, respondents participated in the study voluntarily and were at liberty to withdraw from the study whenever they felt so.

Table 3.1: Operationalization of Variables

Objective	Independent Variables	Measurement	Data collection instrument	Methodology
	Marketing mix strategies			
To determine the influence of price on sales volume of OTC medicines for MNCs in Kenya.	Price Value based pricing Price penetration Price discounting	Quantitative data (Ordinal)	Structured questionnaire	Descriptive Correlation tests Regression tests
To determine the influence of place on sales volume of OTC medicines for MNCs in Kenya.	Place Distribution channel Geographical location Physical appearance	Quantitative data (Ordinal)	Structured questionnaire	Descriptive Correlation tests Regression tests
To determine the influence of promotion on sales volume of OTC medicines for MNCs in Kenya.	Promotion Advertising Sales promotion Direct Marketing	Quantitative data (Ordinal)	Structured questionnaire	Descriptive Correlation tests Regression tests
To determine the influence of product on sales volume of OTC medicines for MNCs in Kenya.	Product Perceived Product Quality Attractive packaging Branding	Quantitative data (Ordinal)	Structured questionnaire	Descriptive Correlation tests Regression tests

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

Data analysis, findings, and discussion of findings obtained from data collection are presented in this chapter. This chapter also presents background information of the respondents and findings of the analysis based on study's objectives. To discuss findings inferential statistics and descriptive statistics were applied. A correlation analysis was conducted to determine the relationship between the dependent and independent variables. The regression analysis was used to determine the significance relationship between the dependent and independent variables. The target population was the marketing managers. The unit of analysis was firms while the unit of observation was marketing managers.

4.2 Response Rate

A sample of 65 respondents was targeted whereby 58 filled in the questionnaires forming an 89.12% response rate. This implies that the response rate was satisfactory for making study conclusions. The response rate was representative. According to Mugenda and Mugenda (2013), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered excellent.

Table 4.1: Response rate

Category	Frequency	Percent
Response	58	89.2
Non-Response	7	10.8
Total	65	100.0

4.3 Demographic Information

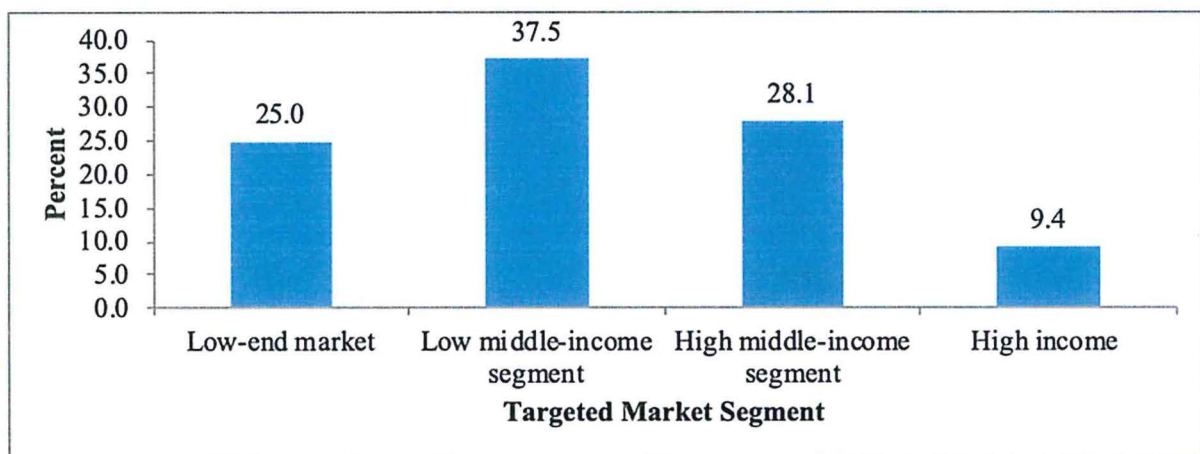
In this section the study presents the general information of the respondents and their organization. The study specifically covered segment targeted by the organizations being studied, respondents length of service in those organizations, and length of time the

organizations have been operational in Kenya. The results are presented in the subsections below.

4.3.1 Market Segment Targeted by the Organizations

The study sought to establish the market segments that the organizations used the study targeted. The results are as presented in Table 4.1.

Figure 4.1: Market Segment Targeted by the Organizations

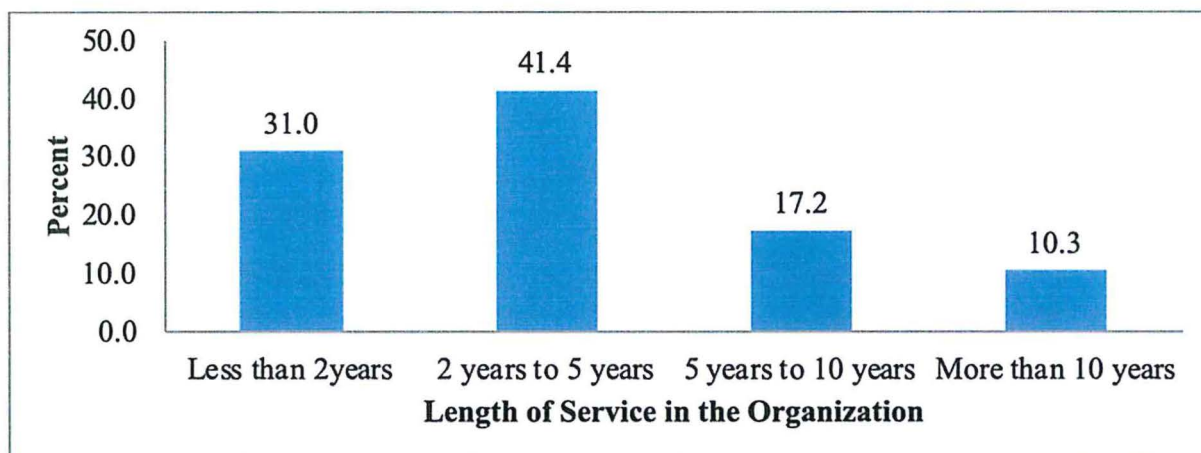


From the findings presented in figure 4.1, 37.5% of the respondents indicated that their organization targeted low-middle income segments, 28.1% indicated high-middle income segments, 25% indicated low end market and 9.4% indicated high income. This is an indication that the organization used in the study targeted various segments in the market. Most (37.5%) targeted low middle-income segments of the market.

4.3.2 Respondents Length of Service in the Organization

The study sought to establish the length of time in which the respondents had served in their organizations. The results were as presented in Figure 4.2.

Figure 4.2: Respondents Length of Service in the Organization



From the findings in Figure 4.2, 41.4% of the respondents indicated that they had served in the organization for 2 to 5 years, 31% indicated less than 2 years, 17.2% indicated 5 to 10 years and 10.3% indicated more than 10 years. This is an indication that the respondents had served in the organization long enough to provide the information needed for this study. Most (41.4%) of the respondents had served in the organization for 2 to 5 years.

4.3.3 Organization Length of Time Operating in Kenya

The study sought to establish the length of time in which the organizations used in the study had been operating in Kenya.

The respondents indicated that their organizations have been in operation in the county for long period of time. Some of the organizations like Bayer was founded in Kenya in the year 1968 which means it has been operational for fifty one years while Sanofi has been in operations in Africa since 1953 which translated to 66 years in the market but in 2018 is when it launched its regional office in Kenya which means they have been in the county for less than a year. This is an indication that the organizations have been in the market for long periods of time and therefore have the information that the study sought to obtain.

4.4 Descriptive Statistics

In this section, the study sought to determine the influence of price, place, promotion and product on sales volume of OTC medicines for MNCs in Kenya. The respondents were asked to indicate the extent to which they think that marketing mix strategies influence the sales

volumes for their products using a –point Likert scale where 5= to a very great extent, 4= to a great extent, 3=to a moderate extent, 2=to a little extent, 1= to no extent. The results were presented I the subsections below.

4.4.1 Pricing Mix Element on Sales Volume

Respondents were asked to indicate the extent to which pricing mix strategies influence the sales volume of their products. The results were as shown in Table 4.3.

Table 4.2: Extent to Which Pricing Mix Strategies Influence Sales Volume

No	Pricing mix Strategy		Mean	Std. Dev.
B1	Value based pricing	price determination in relation to customers' perceived value of a product or service	3.810	1.353
B2	Price penetration	charge low prices to products or services in order to penetrate the market	3.810	1.246
B3	Price Discounting	Price discounting as a technique used by organizations as an incentive to customers so that they can acquire goods and services at a lower price than the prevailing market price.	3.879	1.495

From the findings, the respondents indicated that price discounting, as an incentive used by the organizations to its customers so that they can acquire goods and services at a lower price than the prevailing market price affects the volume of their sales to a great extent as shown by a mean of 3.879. They also indicated that value based pricing whereby price is determined in relation to customers' perceived value of a product or service affects the volume of their sales to a great extent as indicated by a mean of 3.810. The respondents also indicated that Price penetration whereby they charge low prices on products or services in order to penetrate the market affects the volume of their sales to a great extent as show but a mean of 3.810.

This implies that Price Discounting, Value based pricing, and Price penetration affects sales volume of organizations' products to a great extent. These findings concur with the findings of Odhiambo (2013) who conducted a study on the effect of pricing strategy as a competitive aspect on sales performance of local pharmaceutical companies and found out that the effect of pricing on sales volume was positive and significant.

4.4.2 Place Mix Element on Sales Volume

Respondents were asked to indicate the extent to which place mix strategies influence the sales volume of their products. The results were as shown in Table 4.4.

Table 4.3: Influence of Place Mix Strategies on Sales Volume

	Place mix Strategy		Mean	Std. Dev.
B4	Distribution channel	The choice of which distributor to use to avail your products to the market	3.828	1.143
B5	Geographical location	The choice of location of the various distributors	3.983	1.319
B6	Physical appearance	physical appearance of the retail stores	3.914	1.259

From the findings, the respondents indicated that Geographical location which is the choice of location of the various distributors affect the volume of their sales to a great extent as shown by a mean of 3.983, Physical appearance which is how the retail store appears physically also affects the volume of their sales to a great extent as shown by a mean of 3.914 and that the distribution channel which is the choice of distributor to use to avail their products to the market affects their sales volume to a great extent as shown by a mean of 3.828. This implies that Distribution channel, Geographical location, and Physical appearance affect the volume of sales in the organizations to a great extent.

These findings are in agreement with the study by Schoviah (2012) who carried out a study on marketing distribution channels and how they affect the sales performance of commercial banks in Kenya and established that marketing distribution channels have a positive and significant effect on sales, market share and profits. Nguyen, McCracken, Casavant, and Jessup (2011) studied the influence of geographical location on log truck firms in Washington and found out that geographical location has a significant influence on the sales volume and profitability of the firms. Chang, Eckman, and Yan (2011) established that ambience and physical design in retail stores increased sales volume. Good ambience and design triggered impulse buying behavior among customers.

4.4.3 Promotional Mix Element on Sales Volume

Respondents were asked to indicate the extent to which Promotional mix strategies influence the sales volume of their products. The results were as shown in Table 4.5.

Table 4.4: Influence of Promotional Mix Strategies on Sales Volume

	Promotional mix Strategy		Mean	Std. Dev.
B7	Advertising	use of mass media communication	3.862	1.279
B8	Sales promotion	Time bound action-focused marketing event which include discounts, price reduction and use of media	3.828	1.176
B9	Direct marketing	Use of sales representatives	3.897	1.385

From the findings presented in Table 4.5, the respondents indicated that direct marketing which is the use of sales representatives affects the volume of sales of their organization to a great extent as shown by a mean of 3.897, advertising which is the use of mass media communication affects the sales volume of their organization to a great extent as shown by a mean of 3.862 and that sales promotion which is time bound action-focused marketing event which include discounts, price reduction and use of media affects the sales volume of their organization to a great extent as shown by a mean of 3.828. This is an indication that; advertising, sales promotion, and direct marketing which are promotional strategies affects sales volumes of organization to a great extent.

These findings are supported by findings of Adeyeye (2011) who conducted a study on the relationship between advertisement and sales volume of bottling companies in Nigeria and found that there was a positive and significant relationship between advertising and sales of the company. Syeda, Zehra and Sadia (2011) researched on effects of sales promotion on organizations' profitability and consumer's perception in Pakistan and found out that sales promotion influences brand loyalty and hence sales volume. The findings however disagrees with the findings of a study by Arnold and Tapp (2001) that direct marketing techniques have no effect on the performance of firms measures in terms of sales volume.

4.4.4 Product Mix Element on Sales Volume

Respondents were asked to indicate the extent to which Product mix strategies influence the sales volume of their products. The results were as shown in Table 4.6.

Table 4.5: Influence of Product Mix Strategies on Sales Volume

	Product mix Strategy		Mean	Std. Dev.
B10	Perceived product quality	Customers view about a product quality.	3.897	1.385
B11	Attractive packaging	visual and sensual attributes which communicate to the customers	4.017	1.455
B12	Branding	name, term, sign, symbol or design, or a combination of the mentioned factors that help to distinguish an originator's product from its competitors	3.845	1.501

From the findings, the respondents indicated that attractive packaging which is visual and sensual attributes which communicate to the customers affects the volume of sales in their organizations to a very great extent as shown by a mean of 4.017, perceived product quality which is the customers view about a product quality affects sales volumes in their organizations to a great extent as shown by a mean of 3.897 and that branding which refers to the name, term, sign, symbol or design, or a combination of the mentioned factors that help to distinguish an originator's product from its competitors affects the volume of sales in their organizations to a great extent as shown by a mean of 3.845. This is an indication that Perceived product quality, Attractive packaging and branding affect the sales volume to a great extent.

The findings agree with Mahmood and Fatimah Hajjat (2014) who conducted a study on the effect of product quality on business performance in Arab Companies and established that product extrinsic values have an effect of the products performance while its intrinsic value has an effect on external performance. Holmes and Paswan (2012) carried out a study on consumers' reaction to new packaging design and established that a blend of product quality and price have an effect on consumers' purchasing intention; also, packaged goods that are

lowly prices attract less attention than the highly priced ones. The findings also concurs with Yi Zhang (2015) opinion that brand identity influences brand equity thus creating customer appeal and visual image about a particular brand.

4.4.5 Sales Volume

The respondents were requested to indicate the extent to which their sales volume has grown as a result of marketing mix. The results were as shown in Table 4.7.

Table 4.6: Extent of Growth of Sales Volume As A Result Of Marketing Mix

No	Marketing Mix strategies	Mean	Std. Dev.
D1	Pricing has influenced sales volume	3.862	1.317
D2	Our product has influenced customer loyalty	3.966	1.529
D3	Our Place strategy has influenced quick distribution of our products	3.845	1.387
D4	Use of promotion strategy has increased our overall performance	3.948	1.314

From the findings, the respondents indicated that their product has influenced customer loyalty to a great extent as shown by a mean of 3.966, use of promotion strategy has increased their overall performance to a great extent as shown by a mean of 3.948, pricing has influenced sales volume to a great extent as shown by a mean of 3.862, and their place strategy has influenced quick distribution of their products as shown by a mean of 3.845. This is an indication that the marketing mix strategies used by the organization (Pricing, product, Place, and promotion) affected the growth of their sales volume to a great extent.

4.5 Inferential Statistics

Inferential statistics were used to assess the association between independent variables, and the dependent variable. They included correlation analysis and multiple regression analysis. Statistical package for social sciences was used to help summarize and visualize the data.

4.5.1 Correlation Analysis

The study computed correlation analysis to establish the way the dependent and the independent variables are related. Pearson Product Moment Correlation analysis was used to

determine the relationship between Price, Place, Promotion, and Product mix elements with sales volume. The values were interpreted between 0 (no relationship) and 1.0 (perfect relationship). The relationship was considered small when $r = \pm 0.1$ to ± 0.29 , while the relationship will be considered medium when $r = \pm 0.3$ to ± 0.49 , and when $r = \pm 0.5$ and above, the relationship will be considered strong. The significance level selected was 0.05. The results were as presented in Table 4.8.

Table 4.7: Correlations Coefficient

		Sales volume	Price	Place	Promotion	Product
Sales volume	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	58				
Price	Pearson Correlation	.779**	1			
	Sig. (2-tailed)	.010				
	N	58	58			
Place	Pearson Correlation	.784**	.371	1		
	Sig. (2-tailed)	.005	.039			
	N	58	58	58		
Promotion	Pearson Correlation	.718**	.312	.209	1	
	Sig. (2-tailed)	.020	.100	.050		
	N	58	58	58	58	
Product	Pearson Correlation	.721**	.219	.223	.215	1
	Sig. (2-tailed)	.020	.319	.045	.050	
	N	58	58	58	58	58

From the results presented in table 4.8, price mix element and sales volume of OTC medicines for MNCs in Kenya were found to have a strong and positive correlation as shown by $r = 0.779$, statistically significant $p = 0.010 < 0.05$; place mix element and sales volume of OTC medicines for MNCs in Kenya also showed correlation that was strong and positive as shown by $r = 0.784$, statistically significant $p = 0.005 < 0.05$; promotion mix element and sales volume of OTC medicines for MNCs in Kenya were found to have that was strong and

positive correlation as shown by $r = 0.718$, statistically significant $p = 0.020 < 0.05$; product mix element and sales volume of OTC medicines for MNCs in Kenya were found to have strong positive correlation as shown by $r = 0.721$, statistically significant $p = 0.020 < 0.05$. This was an indication that Price, Place, Promotion, and Product mix elements affects sales volume of OTC medicines for MNCs in Kenya.

4.5.2 Regression Analysis

The output for regression analysis was presented in 3 tables as shown below. The independent variable was marketing mix strategies which were operationalised along Price, Place, Promotion, and Product mix elements; the dependent variable was sales volume of OTC medicines for MNCs in Kenya. The significance level was 0.05.

The study used model summary in analyzing the variation of dependent variables as a result of change in the independent variables. The study analyzed the variations of sales volume due to changes in Price, Place, Promotion, and Product mix elements.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889 ^a	.790	.784	.94766

a. Predictors: (Constant), Price, Place, Promotion, Product

b. Dependent Variable: sales volume

From the results presented in table 4.9, the value of adjusted R^2 was 0.790 implying that 79% variation of sales volume due to changes in Price, Place, Promotion, and Product mix elements. The remaining 21% suggest that there exist other factors that affected sales volume of OTC medicines for MNCs in Kenya that were not part of the model. The R is correlation coefficient, it show the strength of relationship between the study variables. R value ranges between -1 to +1. Correlation value of 0 shows that there is no relationship between the dependent and the independent variables. On the other hand, a correlation of ± 1.0 means there is a perfect positive or negative relationship. The relationship was considered small when $r = \pm 0.1$ to ± 0.29 , while the relationship was considered medium when $r = \pm 0.3$ to

± 0.49 , and when $r = \pm 0.5$ and above, the relationship was considered strong. The relationship between the variables is shown by correlation coefficient denoted by R. Table 4.9 show that the value of R is 0.889 which is an indication that the variables under consideration were strongly and positively related.

With the aim of establishing whether the data used in the study was significant, the study performed analysis of variance. The significance level of the population parameters was found to be 0.01. Since the p-value (0.01) was less than the selected significance level (0.05) the data was considered suitable for making inference of the population parameters.

Table 4.9: Analysis of variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	37.237	4	9.309	56.182	.010 ^b
Residual	8.782	53	0.166		
Total	46.019	57			

In the analysis of variance table we want to see whether there is any significant relationship between the study variables, we compare the calculated F (56.182) against the Critical Value for $F = 2.546$, the critical value is obtained from the f distribution table, if the calculated value is greater than critical it means that Price, Place, Promotion, and Product mix elements affect sales volume of OTC medicines for MNCs in Kenya.

The F critical was found to be less than F calculated ($2.546 < 56.182$). Therefore, Price, Place, Promotion, and Product mix elements significantly influence sales volume of OTC medicines for MNCs in Kenya.

Table 4.10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.132	0.106		10.679	.000
	Price	0.636	0.087	0.271	4.057	.000
	Place	0.353	0.073	0.541	8.712	.020
	Promotion	0.512	0.084	0.492	6.095	.005
	Product	0.398	0.096	0.321	4.146	.010

a. Dependent Variable: sales volume

From the findings in table 4.11, the equation model formed was;

$$Y = 1.132 + 0.636 X_1 + 0.353 X_2 + 0.512 X_3 + 0.398 X_4 + \varepsilon$$

From the above equation, holding Price, Place, Promotion, and Product mix elements constant, they will significantly influence sales volume of OTC medicines for MNCs in Kenya as shown by constant = 1.132 as shown in Table 4.11.

Pricing mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya as shown by ($\beta = 0.636$, $P = 0.000$). This shows that pricing mix element significantly and positively relate with sales volume of OTC medicines for MNCs in Kenya. Therefore, modifying pricing mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.636 units.

Place mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya as shown by ($\beta = 0.353$, $P = 0.020$). This shows that place mix element significantly and positively related with sales volume of OTC medicines for MNCs in Kenya. Therefore, modifying place mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.353 units.

Promotion mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya as shown by ($\beta = 0.512$, $P = 0.005$). This shows that promotion mix element significantly and positively relate with sales volume of over the counter medicine for MNCs

in Kenya. Therefore, modifying promotion mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.512 units.

Product mix element is statistically significant to sales volume of OTC medicines for multinational pharmaceutical companies in Kenya as shown by ($\beta = 0.398$, $P = 0.010$). This shows that product mix element significantly and positively relate with sales volume of OTC medicines for MNCs in Kenya. Therefore, modifying product mix element by a single unit would lead to an increase in sales volume of OTC medicines for multinational pharmaceutical companies in Kenya by 0.398 units.

CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key findings, conclusions drawn from the findings highlighted and recommendations made there-to. The conclusions and recommendations drawn were focused on addressing the objective of the study.

5.2 Discussion of Findings

5.2.1 Pricing Mix Element on Sales Volume

The study found that price discounting, as an incentive used by the organizations to its customers so that they can acquire goods and services at a lower price than the prevailing market price affects the volume of their sales to a great extent. The study also found that value-based pricing whereby price is determined in relation to customers' perceived value of a product or service affects the volume of their sales to a great extent. In addition, it was established that price penetration whereby they charge low prices on products or services in order to penetrate the market affects the volume of their sales to a great extent. This implies that Price Discounting, Value based pricing, and Price penetration affects sales volume of organizations' products to a great extent. These findings concur with the findings of Odhiambo (2013) who conducted a study on the effect of pricing strategy as a competitive aspect on sales performance of local pharmaceutical companies and found out that the effect of pricing on sales volume was positive and significant. The findings are also related to the marketing mix theory.

5.2.2 Place Mix Element on Sales Volume

The study established that geographical location which is the choice of location of the various distributors affect the volume of their sales to a great extent, physical appearance which is how the retail store appears physically also affects the volume of their sales to a great extent and that the distribution channel which is the choice distributor use to avail their products to the market affects their sales volume to a great extent. This implies that distribution channel, geographical location, and physical appearance affect the volume of sales in the organizations to a great extent.

These findings are in agreement with the findings of Schoviah (2012) who carried out a study on marketing distribution channels and how they affect the sales performance of commercial banks in Kenya and established that marketing distribution channels have a positive and significant effect on sales, market share and profits. Nguyen, McCracken, Casavant, and Jessup (2011) studied the influence of geographical location on log truck firms in Washington and found out that geographical location has a significant influence on the sales volume and profitability of the firms. Chang, Eckman, and Yan (2011) established that ambience and physical design in retail stores increased sales volume. Good ambience and design triggered impulse buying behavior among customers. The findings are also related to the marketing mix theory.

5.2.3 Promotional Mix Element on Sales Volume

The study established that direct marketing which is the use of sales representatives affects the volume of sales of their organization to a great extent, advertising referring to the use of mass media communication affects the sales volume of their organization to a great extent and that sales promotion which is time bound action-focused marketing event which include discounts, price reduction and use of media affects the sales volume of their organization to a great extent. This implied that; advertising, sales promotion, and direct marketing which are promotional strategies affects sales volumes of organization to a great extent. These findings are supported by findings of Adeyeye (2011) who conducted a study on the relationship between advertisement and sales volume of bottling companies in Nigeria and found that there was a positive and significant relationship between advertising and sales of the company. Syeda, Zehra and Sadia (2011) researched on effects of sales promotion on organizations' profitability and consumer's perception in Pakistan and found out that sales promotion influences brand loyalty and hence sales volume. The findings however disagrees with the findings of a study by Arnold and Tapp (2001) that direct marketing techniques have no effect on the performance of firms measures in terms of sales volume. The findings are also related to the marketing mix theory.

5.2.4 Product Mix Element on Sales Volume

The study established that attractive packaging which is visual and sensual attributes which communicate to the customers affects the volume of sales in their organizations to a very

great extent, perceived product quality which is the customers view about a product quality affects sales volumes in their organizations to a great extent and that branding which refers to the name, term, sign, symbol or design, or a combination of the mentioned factors that help to distinguish an originator's product from its competitors affects the volume of sales in their organizations to a great extent.

The findings agree with Mahmood and Fatimah Hajjat (2014) who conducted a study on the effect of product quality on business performance in Arab Companies and established that product extrinsic values have an effect of the products performance while its intrinsic value has an effect on external performance. Holmes and Paswan (2012) carried out a study on consumers' reaction to new packaging design and established that a blend of product quality and price have an effect on consumers' purchasing intention; also, packaged goods that are lowly prices attract less attention than the highly priced ones. The findings also concurs with Yi Zhang (2015) opinion that brand identity influences brand equity thus creating customer appeal and visual image about a particular brand. The findings are also related to the marketing mix theory.

5.3 Conclusion

The study sought to determine the influence of price on sales volume of OTC medicines for MNCs in Kenya. The study found that price Discounting, Value based pricing, and Price penetration which are elements of pricing mix affect to a great extent sales volume of OTC medicines for multinational pharmaceutical companies in Kenya. The study also found that pricing mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya. It was further established that pricing significantly and positively relate with sales volume of OTC medicines for multinational pharmaceutical companies in Kenya. Therefore, the study concludes that increasing pricing mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.353 units.

The second objective of the study was to determine the influence of place on sales volume of OTC medicines for MNCs in Kenya. The study established that distribution channel, geographical location, and physical appearance affect the volume of sales in the organizations to a great extent. The study also established that Place mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya. The study

further found that place mix element significantly and positively related with sales volume of OTC medicines for MNCs in Kenya. Therefore, the study concludes that increasing place mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.636 units.

The third objective of the study was to determine the influence of promotion on sales volume of OTC medicines for MNCs in Kenya. The study established that advertising, sales promotion, and direct marketing which are promotional strategies affects sales volumes of organization to a great extent. The study also established that Promotion mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya. The study further established that promotion mix element significantly and positively relate with sales volume of OTC medicines for MNCs in Kenya. Therefore, the study concludes that increasing promotion mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.512 units.

The final objective of the study was to determine the influence of product on sales volume of OTC medicines for MNCs in Kenya. The study revealed that Perceived product quality, Attractive packaging and branding affects the sales volume to a great extent. The study also established that product mix element is statistically significant to sales volume of OTC medicines for MNCs in Kenya. The study also established that product mix element significantly and positively relate with sales volume of OTC medicines for MNCs in Kenya. Therefore, the study concludes that increasing product mix element by a single unit would lead to an increase in sales volume of OTC medicines for MNCs in Kenya by 0.512 units.

5.4 Recommendations

The study concluded that increasing pricing mix elements results to increase in the sales volume of the organization. The study therefore recommends that the organizations should develop effective pricing mix by determining their prices based on the customers perception regarding the quality of the product; this will increase the volume of sales thus increasing organizational performance.

Organizations should also use price penetration strategy by charging low prices on their products; this will entice the customers to the products of the company and therefore increase

their share in the market. The study also recommends organizations to adopt price discounting as a strategy of increasing the volume of their sales.

The study concluded that increase in place mix elements results to increase in sales volume of the organization. The study recommends that the management of the organization should consider distribution channel, geographical location, and physical appearance when deciding on place/location of their distribution points. This will ensure convenience to the customers since they can get the product at the right place and time which will have positive effect on sales.

Promotional mix was found to have positive effect on sales volume. The study therefore recommends that the management pharmaceutical companies in Kenya should adopt promotional mix elements such as advertising, direct marketing and sales promotions as ways of attracting more customers to purchase their products and therefore increasing sales volume which in return increases organizational performance.

Product mix has positive association with sales volume. Therefore, the study recommends that pharmaceutical companies in Kenya should ensure that their brands, packaging of their products and perceived quality of their products offer their customers a symbol and characteristic that differentiate them from their rivals and therefore increase customer loyalty which in return increases customer base translating to increased sales.

5.5 Suggestions for Further Studies

This study sought to assess the effectiveness of marketing mix strategies on sales volume of OTC medicines for MNCs in Kenya. The study focused on 13 out of 35 pharmaceutical companies in Kenya. The study therefore recommends replication of the research study on the remaining 22 companies to facilitate generalization of the research findings. The study further recommends a study to be conducted on effectiveness of marketing mix strategy on profitability of OTC medicines for pharmaceutical companies in Kenya.

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APPENDICES

Appendix I: Questionnaire

SECTION A: Demographic Information

You can fill out more than one category.

A1. Which market segment are you targeting

- Low-end market
- Low middle-income segment
- High middle-income segment
- High income

A2. How many years have you worked in this organization?

- Less than 2 years
- years to 5 years
- 5 years to 10 years
- More than ten years

A3. For how many years has the organization been in operation in Kenya?

.....

SECTION B: To determine the influence of price, place, promotion and product on sales volume of over the counter medicines for multinational pharmaceutical companies in Kenya

In general, to what extent do the following marketing mix strategies influence the sales volumes for your product.

On a scale of 1-5 where (5= to a very great extent, 4= To a great extent, 3=To a moderate extent, 2=To a little extent, 1= To no extent)

No	Marketing mix Strategy		1	2	3	4	5
B1	Value based pricing	price determination in relation to customers' perceived value of a product or service					
B2	Price penetration	charge low prices to products or services in order to penetrate the market					
B3	Price Discounting	Price discounting as a technique used by organizations as an incentive to customers so that they can acquire goods and services at a lower price than the prevailing market price.					
B4	Distribution channel	The choice of which distributor to use to avail your products to the market					

B5	Geographical location	The choice of location of the various distributors					
B6	Physical appearance	physical appearance of the retail stores					
B7	Advertising	use of mass media communication					
B8	Sales promotion	Time bound action-focused marketing event which include discounts, price reduction and use of media					
B9	Direct marketing	Use of sales representatives					
B10	Perceived product quality	Customers view about a product quality.					
B11	Attractive packaging	visual and sensual attributes which communicate to the customers					
B12	Branding	name, term, sign, symbol or design, or a combination of the mentioned factors that help to distinguish an originator's product from its competitors					

Section D: sales Volume

D1. Please indicate the extent to which your sales volume has grown as a result of marketing mix where 1=Not at all, 2=Minimal extent, 3=Moderate extent 4=Large extent 5= Very large extent

No	Marketing Mix strategies	1	2	3	4	5
D1	Pricing has influenced sales volume					
D2	Our product has influenced customer loyalty					
D3	Our Place strategy has influenced quick distribution of our products					
D4	Use of promotion strategy has increased our overall performance					

Appendix II: Letter of Introduction

Date

Dear Participant:

My name is Selina Musalia, I am a graduate student at Strathmore University. For my final project, I am working on a study titled '**Effectiveness of Marketing Mix Strategies on sales volumes for Over the Counter Medicines for Multinational Pharmaceutical Companies in Kenya.**' I am therefore inviting you to participate in this research study by completing the attached questionnaire.

The following questionnaire will require approximately 20 minutes to complete. There is no compensation for responding nor is there any known risk. In order to ensure that all information will remain confidential, please *do not* include your name. Participation is strictly voluntary and you may refuse to participate at any time.

Thank you for taking the time to assist me in my educational endeavors. The data collected will provide useful information regarding the effective marketing strategies for pharmaceutical companies in Kenya. If you require any additional information or have questions please contact me on the number listed below.

Sincerely,

Selina Musalia

0723003838

Appendix III: List of Pharmaceutical Multinational Manufacturing firms

<u>Number</u>	<u>Name of Pharmaceutical Firm</u>
1	Adcock Ingram
2	Astra Zeneca
3	Bayer
4	Roche
5	Boehringer Ingelheim
6	Novartis
7	Johnson and Johnson
8	Glaxo SmithKline
9	Novo Nordisk
10	Beta Healthcare
11	MSD
12	Reckitt Benckiser
13	Harleys Limited
14	Sandoz
15	Surghipharm Limited
16	Highchem group
17	Abacus

18	B Braun
19	Bimeda
20	Statim Pharmaceuticals
21	ION Kenya
22	Phillips healthcare services limited.
23	Pfizer
24	Medtronic
25	BD
26	Highchem group
27	Lilly
28	Imperial Logistics
29	B/Braun
30	Sisi Pharmaceuticals
31	Takeda
32	Laborex Kenya Limited
33	MacNaughton Ltd
34	Sanofi
35	Merck

Source: Kenya Association of Pharmaceutical Industry

Appendix IV: Population Distribution of Key Decision Makers in Multinational Pharmaceutical Firms Specializing on OTC

Number	Firm	Population distribution (Number)	Percentage
1	Bayer	3	4.6
2	Novartis	5	7.7
3	Johnson and Johnson	6	9.2
4	Glaxo SmithKline	11	16.9
5	Beta Healthcare	6	9.2
6	MSD	2	3.1
7	Reckitt Benckiser	8	12.3
8	Harleys Limited	7	10.8
9	Sandoz	5	7.7
10	Pfizer	3	4.6
11	Sanofi	4	6.2
12	Merck	3	4.6
13	Takeda	2	3.1

Appendix V: Ethics Review Board clearance



27th March 2019

DR. SELINA LUMADI MUSALIA
P.O BOX 784-00100
Nairobi.
selinamusalia@yahoo.com

Dear DR. Selina,

REF Protocol ID: SU-IERC0317/19 Student Number: 99206

AN ASSESSMENT OF THE EFFECTIVENESS OF MARKETING STRATEGIES USING THE 4PS MARKETING MIX CONCEPT FOR OVER THE COUNTER MEDICINES FOR MULTINATIONAL PHARMACEUTICAL COMPANIES IN KENYA

We acknowledge receipt of your application documents to the Strathmore University Institutional Ethics Review Committee (SU-IERC) which includes:

1. Participant information sheet and consent form 15 February 2019
2. Cover letter listing all submitted documents 12 March 2019
3. Proposal declaration page signed by supervisors 12 March 2019

The committee has reviewed your application, and your study "AN ASSESSMENT OF THE EFFECTIVENESS OF MARKETING STRATEGIES USING THE 4PS MARKETING MIX CONCEPT FOR OVER THE COUNTER MEDICINES FOR MULTINATIONAL PHARMACEUTICAL COMPANIES IN KENYA" has been granted approval.

This approval is valid for one year beginning **27 March 2019** until **27 March 2020**

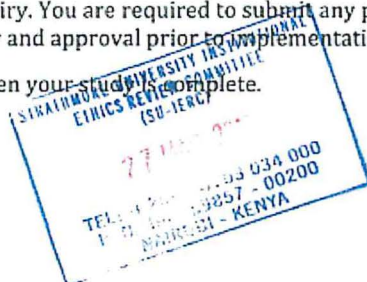
In case the study extends beyond one year, you are required to seek an extension of the Ethics approval prior to its expiry. You are required to submit any proposed changes to this proposal to SU-IERC for review and approval prior to implementation of any change.

SU-IERC should be notified when your study is complete.

Thank you

Sincerely,


Prof Florence Oloo
Secretary
Strathmore University Institutional Ethics Review Committee



Appendix VI: NACOSTI Certificate

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is guided by the Science,
Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS

1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
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Date: **9th April, 2019**

Dr. Selina Lumadi Musalia
Strathmore Business School
P.O. Box 59857 – 00200
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Effectiveness of marketing mix strategies on sales volumes for OTC medicines for multinational pharmaceutical companies in Kenya*" I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **8th April, 2020**.

You are advised to report to the **County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

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