



*St. Mary's University*

*School of Graduate Studies*

**ASSESSMENT OF MARKETING MIX PRACTICE: IN  
THE CASE OF BEKER PHARMACUTICAL COMPANY**

**By**

**NITSUH ALEMAYEHU**

**June, 2019**

**ADDIS ABABA, ETHIOPIA**

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ADVISOR: - ADERAW GASHAYE

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY,  
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## ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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## **DECLARATION**

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Dr. Aderaw Gashye .All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Name

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Signature & Date

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## **List of acronyms**



**US:**-United Nation

**MOH:**-Ministry of Health

**MOI:**-Ministry of Industry

**EC:**-Ethiopian Calendar

**FDA:**-Food and Drug Administration

**WHO:**-World Health Organization

**TB:**-Tuberculosis

**HIV:**-Human Immunodeficiency Virus

**AIDS:**-Acquired Immune deficiency Syndrome

**NGO:**-Non-Governmental Organization

**PFSA:**-pharmaceutical Fund Supply Agency

**PLC:**-Privet Limited Company

**FMHACA:**-Food Medicine health care Administration and Control authority of Ethiopia

**MNC:** - Multi National Company

**VAT:** - Value Added Tax

**API:**-Active Pharmaceutical Ingredient

**GST:**-General Sales Tax

**SPSS:** - Statistical Package for Social Science

**OTC:**-Over the Counter

**GMP:** - Good Manufacturing Practice

## II

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## **Abstract**

*The purpose of this study was to assess the marketing mix practices in case of Beker pharmaceutical. It described how element of marketing mix were practiced in the Beker company to achieve its goal and satisfy customer requirements. The case study design was employed to conduct the study by using both qualitative and quantitative research approaches. Self-administered questionnaire and interview was used for the purpose of data collection. The selections of the respondents were carried out by using purposive sampling technique. The company mostly used country of origin product strategy and product size product strategy use to less frequently. The company uses market penetration pricing approach for newly imported product and for existed imported product use cost plus and competitor based pricing approach. For domestic product the company uses cash discount. The company has enough delivery resource to distribute the product in Addis Ababa but not for region customer. The company uses various forms of promotional tools including doctor detailing, sample distribution, promotional material such as pen, note book, brochure and gift for doctor and pharmacist. The company use different promotional method to promote for doctors, pharmacist, wholesaler, again. Promoters use different strategy for OTC product and prescribed product. The main reasons of the customer to prefer beker pharmaceutical was quality of product and effective promotion. It was found that Beker faced intensive competition in the market, poor communication between regional and central promoter and distribution problem and some product is not available in region. It is recommended that to implement a more structured approach to attain information about potential customers, competitor's action and market intelligence within the industry.*

*Key Words: - product, place, promotion, price*

## **CHAPTER ONE: INTRODUCTION**

This chapter consists of background of the study, statement of the problem, research questions, objectives of the study, definitions of terms, significance of the study, scope of the study, limitations of the study and organization of the paper.

### **1.1 Background of the Study**

The pharmaceutical market, as a variety of the consumption markets and an element compounding the health services and pharmaceutical products market, includes all its subjects (manufacturers, wholesalers and retailers, consumers), pharmaceutical professionals and other employees and also information flows and technologies used in the pharmaceutical activity. Unlike other fields, the specific feature of the pharmaceutical marketing consists in the fact that the pharmaceutical industry creates and manufactures the drug, which is not like any other product as it cannot be bought freely or at the consumer's discretion. For a patient, the drug is a special product used to cure diseases, to protect or to improve his/her health. (Cristina ciot, 2015)

In pharmaceutical industry, being one of the biggest markets in the world, drug companies are vigilant about marketing strategies to successfully market their products. The time and effort that it takes to research and identify a market, develop a formulation for the drug, integrate operational systems and cause to have a good pharmaceutical marketing strategy in place.(R. Stephen Parker & Charles E. Petti john, 2006)

The Government of Ethiopia is encouraging the pharmaceutical industry through a number of initiatives. Market is growing around 14% annually. Around 85% of the medicines are covered through import from different parts of the world and the rest are covered local manufactures through they depend on importing raw materials as well. Pharmaceutical industry is one of the most critical competitive sectors in the economy. In 2015, the annual pharmaceutical market in Ethiopia, was estimated at US\$400 to US\$ 500 Million and expected to reach at around US\$ 1 billion by 2018 (MoH and MoI, 2015). The number of pharmaceutical importers and wholesalers was 329 and 287, respectively in 2007 E.C. there were 5136 medicine retail outlets including 780 pharmacies, 1030 medicine shops and 3266 rural medicine vendors. (Pharmaceutical Sector Assessment in Ethiopia, 2017).

There is a set of controllable variable that an organization can be blend to produce the desire response in its target market. This set is known as the marketing mix. There were four accepted variable product, place, price and promotion were referred to as the four Ps of marketing. (Chai lee goi, 2009).

Beker pharmaceutical is one of the leading pharmaceutical importer companies in Ethiopia that existed in the market for about 20 years. Recently, the company is facing tough competition following high number of new entrant in the pharmaceutical import business due to the growing pharmaceutical market size and lifting of the law/guideline that restrict the number of local agents for a manufacturer/trade house, So Beker pharmaceutical competing with both new entrant companies and local production product. In addition to this the company sales profile decrease through a time and decrease number of potential customers for the company there might be shift to other competitor company. So the purpose of this study is to assess the marketing mix practice of the company and assess the staff are familiar with this company marketing mix practice to face merging problem.

## **1.2 Statement of the problem**

Marketing mix practice is a process where specific marketing elements are used to achieve an organization's or individual's objectives and satisfy the target market. This is achieved by using four tools such as Product, distribution, promotion and price. (Khalid Sudian Al Badi, 2015)

In marketing, the pharmaceutical industry is miles behind traditional consumer marketing industries, like consumer packaged goods and over-the-counter products. The industry must quickly learn to adapt marketing from a push-based distribution model to one that is now consumer-pulled. Pharmaceutical firms are adapting their focus and approach to accommodate this customer-led shift in their marketing mix. The customer is now at the center of the marketing universe for pharmaceuticals and no longer outside the marketing continuum. Pharmaceutical companies are changing their marketing strategies to cope up with new challenges in the business environment. The level of competition is increasing meaning that the market share of companies is reducing at a fast rate. (Emily Barmao Chemutai, 2016)

Beker pharmaceutical is one of the leading pharmaceutical importers company in Ethiopia an estimated market share of 25-30% of the pharmaceutical market. It is well known that a marketing strategy influences the company's ability to generate profits or to stay in business. Likewise Beker pharmaceutical has faced tough competition from emergent new entrant of pharmaceutical importer and distributor and local manufacturers. In addition to this, the company sales profile is decreasing through a time and some customers for the company are shifting to other competitor company. So, it is worthwhile to reassess marketing strategy from marketing mix perspective of the company to remain competitive and to overcome with the stiff competition.

So the purpose of this study is to assess which marketing mix practice does the company use and to assess how much the marketing department is familiar with this marketing mix approach because the company marketing department structured with pharmacy professionals.

### 1.3 Research Question

- What type of pricing approach does the company use?
- What type of promotional mix approach does the company use?
- To what extent does the company apply place or distribution marketing strategy?
- To what extent does the company apply product strategy?
- How familiar the marketing department staffs are regarding the marketing mix approach?

### 1.4 Objective of the study

#### General objective

The general objective of the study is to assess the marketing mix practice in the case of Beker pharmaceutical company.

#### Specific objectives

- To describe pricing approach used by the company
- To identify promotional approach used by the company
- To assess distribution strategy of the company
- To explore the extent of using product strategy in the company
- To identify whether employees are familiar with the marketing mix approach

### 1.5 Definition of term

#### Operational definition

- **Product:** - is the drug itself. All medications on the market are FDA indicated for a specific condition or disease, and pharmaceutical companies can only market a product for the approved indication(s).
- **Domestic product:** - are products that were manufactured and packaged/labeled in Ethiopia.

## **Conceptual Definition**

- **Price:** - The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service. (Imamuddin Khoso, Rizwan Raheem Ahmed, Jamshaid Ahmed,2014)
- **Place or distribution:-** procuring, purchasing, holding, storing, selling, supplying, importing, exporting or movement of pharmaceutical product, with the expectation of the dispensing or providing pharmaceutical product directly to a patient or his or her agent. (O. A. Ilesanmi, 2011)
- **Promotion:-**defined as "all informational and persuasive activities by manufacturers and distributors, the effect of which is to induce the prescription, supply, purchase and/or use of medicinal drugs. (Ikenna Onwuekwe, 2010).

## **1.6 Significance of the study**

One of the core activities in a business company is having a well-developed marketing strategy. So the significance of this study was to give insight for the company to understand its marketing strategy practice from marketing mix perspective, if it needs any improvement by considering the competitor marketing strategy and current marketing situation. In addition it helped the employees to be familiar with the specific marketing mix element practice to overcome emerging challenges in Beker pharmaceutical company. For the researcher it gives deep knowledge and experience in this field of study. It would be used as an input for further studies in this area.

## **1.7 Scope of the study**

The scope of the study covered how element of marketing mix were practiced in Beker pharmaceutical company to achieve its stated goals and to satisfy customer requirements and retain in the market. The study was delimited to the marketing mix practices by the company's side only with concerned employees (marketing department staffs which are sales and promoter both work in Addis Ababa and regions and middle and low level managers.). The focus of the study was also delimited to the data acquired from the self-administered questionnaires, interviews and personal observation.



## **1.8. Limitations of the Study**

The study was limited and focused on four Ps marketing mix practices of Beker pharmaceutical from the company perspective only. As a result the input from customers was not incorporated in this research. Lack of cooperation from self-administered questionnaires respondents was limited the outcome of the research, lack of understanding and dalliance of response with regional medical representative. In addition, in this study only 4p's of marketing mixes. Besides to this, STP (Segmentation, Targeting and Positioning) are not considered in this study.

## **1.9 Organization of the Paper**

This paper consists of five chapters. Chapter one includes introduction which consists of background of the study, statement of the problem, objectives of the study, research questions, definition of terms, Delimitation/ scope of the study, significance of the study. The second chapter focuses on literature review. The third chapter methodology parts which consist of research design, Sampling and sampling technique, Source and tool/instrument of the data collection, Procedure of the data collection, Method of data analysis and Ethical consideration. Chapter four was introduces the results and discussion. The fifth chapter, which was the closing chapter, focuses on summary of finding, conclusions and recommendations.

## **CHAPTER TWO: - RELATED LITERATURE REVIEW**

This chapter gives an overview of literature that is related to the research problem presented in this study. Marketing mix overview, pharmaceutical marketing, elements of marketing mix from pharmaceutical perspective were introduced in order to give a clear idea about the research area.

### **2.1 Theoretical approach**

#### **2.1.1 Marketing mix overview**

Marketing Mix is combination of various elements, which in their totality, constitute marketing system of firm. These elements are often described as FOUR P's: Product, Price, Promotion and Place. The marketer needs to study these four P's in order to draft a marketing program to achieve its marketing goal.( Mohamed Issack Abdi, 2012)

According to Philip Kotler "Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response". The controllable variables in this context refer to the 4 'P's [product, price, place (distribution) and promotion]. Each firm strives to build up such a composition of 4'P's, which can create highest level of consumer satisfaction and at the same time meet its organizational objectives. Thus, this mix is assembled keeping in mind the needs of target customers and it varies from one organization to another depending upon its available resources and marketing objectives. (Kotler, 2012).

#### **2.1.2 Pharmaceutical marketing**

Today's major pharmaceutical markets, consisting of 17 countries, are slated to grow in the range of 15-17% in 2012, representing sales of \$170-\$180 billion. China, which is now the third largest market in the world, is expected to grow 25-27% to more than \$50 billion in 2013. As far as developed markets are concerned, Japan is slated to grow 5-7% in 2013. The global pharmaceutical market is worth us \$300 billion a year, a figure expected to rise to us \$ 400 billion quickly (WHO, 2015) controlling over one –third of this market with sales over us \$ 10 billion a year and profit margin of about 30%, are the 10 largest drug company with six are based on the united nation and the four Europe. With the prediction of north and south America ,Europe and japan accounting for a full 85% of the global market in 21st century. After a long period of strong US market dominance from company such as Novartis Roche, Pfizer, the UK and Europe

as a whole are facing increasing competition from emerging economies such as China, Brazil and India. From 2003-2007, the UK with companies such as GSK and AstraZeneca was ranked as the fifth or sixth nation in the worldwide pharmaceutical market but has since fallen to 10th position. China has remained one of the strongest growing countries in the world throughout the recession. (Ali AbouAbbas, 2018)

Ethiopia is one of the most populous countries in Africa with a high demand for pharmaceutical products. The manufacturing of pharmaceutical products in Ethiopia however is quite small. Currently the industry consists of 12 pharmaceutical and medical supply manufacturers and the country produces only between 10-20% of its consumption of pharmaceuticals. The import and distribution of pharmaceutical products is done through the public sector, private, NGOs and international organizations. (Goytom Gebrekidan, Haile Tkue, Moges Mesfin, 2013)

Most of the imports consist of medicines for TB, HIV/AIDS and malaria, the procurement process is administered by the Ministry of Health. The pharmaceutical administration and supply services of the Ministry of Health and the pharmaceutical medical supply import and wholesales share companies are responsible for importation and distribution of the public sector. The public procurement is done through international and local tenders as well as by direct purchasing or **negotiation**. Private companies import directly but have to abide by a list of authorized products. (Sara Demise, 2018).

In 2015, the annual pharmaceutical market in Ethiopia was estimated at US\$400 to US\$500 million and expected to reach around US\$1 billion by 2018 (MoH and MoI, 2015). The number of pharmaceutical importers and wholesalers was 329 and 287, respectively and in 2007 E.C. there were 5136 medicine retail outlets including 780 pharmacies, 1030 medicine shops and 3266 rural medicine vendors. (Pharmaceutical Sector Assessment in Ethiopia, 2017). Most of the local pharmaceutical manufacturing companies operate below at lower capacity and could only cover about 20% of the local demand (MoH and MoI, 2015). The biggest single procurer of pharmaceuticals is the Pharmaceuticals Fund and Supplies Agency (PFSA) which represents around 70% of domestic procurement demand. Aside from the PFSA, notable entities include the Oromia Regional Health Bureau, various wholesalers (e.g. Beker Plc and Fekere Trading Plc) and multilateral organizations. (Sara Demise, 2018).

## **2.2. Element of marketing mix**

### **2.2.1. Product strategy**

Base on FMHACA proclamation pharmaceutical product defined as medicine” means any substance or mixture of substances used in the diagnosis, treatment, mitigation or prevention of a disease in human and includes narcotic drugs, psychotropic substances and precursor chemicals, traditional medicines, complementary or alternative medicine; poisons, blood and blood products, vaccine, radioactive pharmaceuticals, cosmetics and sanitary items and medical instruments. (Proclamation no. 661/2009).

#### **Product attributes**

**Quality Level:** The level to which a product conforms to the request standard not only in terms of its profile, but also in terms of its ability to cure a disease and to remain effective for the stipulated period of time which is also called shelf-life of a product. ( Rizwan Raheem Ahmed, Irfan Sattar and Vishnu Parmar,2014)

**Dosage form:** - dosage form will replace design in case of pharmaceutical product. A product can be in the form of capsules, tablet, syrup, injection or ointment. This is the major determinant factor when a product is chosen for use for treating a patient. E.g. tablet might be preferred for adult patient syrup for children, an injection when quick action is required an ointment for skin diseases or localized pain. (Rizwan.et al, 2014).

**Brand base** strategy unlike consumer products, where every product invariably carries a brand name, pharmaceutical may or may not be branded. Some companies may decide to market their products as under generic name, instead of giving it a brand name. This often happens when the company adopts a marketing strategy under which the product will not be promoted actively and instead be sold want to institutions, which purchase products by generics and not brands. For example, a hospital may call offers for supply of paracetamol tablets, which are sell available both under generic name and brand names like Panadol and Calpol. Most of marketing oriented companies though prefer to market their products under brand names, which allows them only to position and promote their products effectively It is interesting to note that over the period of time, products do become synonymous with their generic name. Each of generic

has dozen of brands available but not all become readily recognizable with their respective generic. (Anusha KS, 2016).

**Package:** - perhaps in no other category does the packaging play as significant a role as it does in pharmaceutical product. It goes beyond just acting as outer container and it has to ensure the condition required for stability of the medicine inside. A company cannot just select the packaging material arbitrary but it has to consider if the packaging selected conforms to the standard requirement for a particular product profile or not. E.g. there is products which can keep inside simple aluminum foil but some need specialized double-sided aluminum foil or pvc or even airtight bottle. The efficacy of product is dependent on its stability inside the packaging. Any negligence can result in deterioration in the product quality and efficacy. Packaging should also contain all necessary information regarding the product profiles as prescribed by regulatory bodies. It should also include manufacturing date, Batch number and expire ideate of the product. (Rizwan.et al, 2014).

### **2.2.2. Pricing strategy**

It is important component of market mix which determines the organizations budget and profit margin. The price of the product is amount to be paid by the customer in order to get the product and to satisfy his/her needs it is also a very important for price adjustment which has a big impact on the entire marketing. (Anusha, 2016).

Price is one of the most interesting and controversial topics in pharmaceutical marketing. The process of pricing at the company level goes through the same steps as it goes in case of any other product, but the matter becomes totally different when an application is lodged with the regulatory bodies for allowing a price. (Imamuddin Khoso, Rizwan Raheem Ahmed, Jamshaid Ahmed, 2014)

### **2.2.3. General Pricing approach**

In view of the peculiar characteristics of pharmaceutical industry, the different approaches actually applicable and practiced in the industry as Cost-Plus Pricing, Break-Even Pricing, Value Based Pricing, Competition Based Pricing, & Economy Pricing. (Imamuddin Khoso, Rizwan Raheem Ahmed, Jamshaid Ahmed, 2014)

## **1. Cost plus pricing approach**

It is a method for setting retail prices of medicines by taking into account production cost of a medicine together with allowances for promotional expenses, manufacturer's profit margins, and charges and profit margins in the supply chain (WHO guideline, 2015) This type of pricing is usually done for old molecules where market is very crowded, and a higher price cannot fetch the required market share. The objective of company in such scenario is to either get some additional volume for their manufacturing facility or to complement their existing product range. (Imamuddin et al, 2014)

## **2. Break-Even Pricing**

Normally adopted for products being manufactured for government tenders and institutional business. The concern is not profit, but again either to get volumes, or to get into large hospital pharmacies so that the positive impact may come from out-of-hospital practice of the doctors who have to prescribe their brand in hospital because of inclusion in pharmacy. Normally, these types of pricing policies are never adopted for research based high profile molecules, so that there may not be a negative impact on their high in-market price. (Imamuddin et al,2014)

## **3. Value Based Pricing**

This approach for pricing is most commonly used by Multinational companies, en-cashing their good rapport with the doctors, especially in case of new molecules. There are countless examples where the cost of product has no relevance whatsoever and company has priced a product as per the perceived value for the doctors in their opinion. However, things are becoming difficult now, and companies must be very careful while adopting this approach. They have to not only be careful about the wrong judgment of perceived value that they may make, and also the possibility of launch of same molecule by a local company with good reputation and quality. During the last few years, MNCs have for the first time starting to experience this onslaught by good local companies and now they realize that they cannot have their own way about pricing the product. Since China & India have emerged as major producers of bulk drugs, the prices of raw material have calm down drastically, and so the pressure has increased on MNCs due to launch of low-priced brands of same molecules by local companies.( Bruno Delagneau,2018)

#### **4. Competitor based pricing**

This is what most marketing oriented companies attempt to do these days. They take into account not only the perceived value, but also the value being offered by competition, and then arrive at a reasonable price giving them good margin as well as keeping them competitive in the long run. It is extremely important not only to take into account current competitors, but also expected competitors, which come with a much lower price and snatch the market share.(Andrew,2010)

#### **5. External reference pricing approach**

It is also known as international reference pricing refers to the practice of using the price of a pharmaceutical product (generally ex-manufacturer price, or other common point within the distribution chain) in one or several countries to derive a benchmark or reference price for the purposes of setting or negotiating the price of the product in a given country. Reference may be made to single-source or multisource supply products.( WHO guideline,2015)

#### **6. Market penetration**

Penetration pricing is designed to maximize the capture of the market share in short time scale in this the price charged for product and service is set artificially low in order to gain market share. Once this is achieved the price is generally increased. (Andrew, 2010)

#### **7. Market skimming**

This pricing approach is set for new entrant product, then setting a high price for a new product to skin maximum revenues layer by layer from the segments willing to pay the high price; the company makes fewer but more profitable sales.(Imamuddin et al,2014)

#### **8. Product line pricing approach**

Where there is range of product or service the pricing reflect the benefits of parts of range.(Andrew, 2010) Setting the price steps between various products in a product line based on cost differences between the products, customer evaluations of different features, and competitors' prices. .(Imamuddin et al,2014).

## **9. Price adjustment pricing approach**

Cash Discount: A price reduction to buyers who pay their bills promptly.

Quantity Discount: A price reduction to buyers who buy large volumes.

### **2.2.4. Government Regulation**

According to WHO guideline said that Regulation of mark-ups in the pharmaceutical supply and distribution chain is very important. A mark-up represents the additional charges and costs that are applied to the price of a commodity in order to cover overhead costs, distribution charges, and profit. In the context of the pharmaceutical supply chain, policies might involve regulation of wholesale and retail mark-ups as well as pharmaceutical remuneration. (WHO guideline, 2015) Mark-up controls are applied in many countries and appear to be one option to stop excessive charges being added to medicines as they move through the supply chain. There is variability in the methods for calculating and controlling the size of mark-ups – ranging from 0% mark-up allowed on hospital medicines in South Africa to more than 100% mark-ups in some private sector retail pharmacies. A single model does not fit all settings.(WHO guideline, 2015)

Medicine prices are not controlled in Ethiopia, nor are prices monitored. When procuring medicines, the government has a local preference of up to 25% i.e. the government will pay up to 25% more for locally produced medicines than for imports. Patients pay for medicines out-of-pocket in public sector outlets. Prices were not regulated in Tanzania and Ethiopian country, nor were mark-ups regulated in the pharmaceutical supply chain.(M. Ewen ,W. Kaplan, T. Gedif, M. Justin-Temu, C. Vialle-Valentin, Z. Mirza, B. Regeer, M. Zweekhorst and R. Laing,2017)

Ethiopia does not apply value added tax (VAT) or goods and services tax/general sales tax (GST) on medicines. However, import duties of 5% are applied to all imported medicines. Import duties are also applied to API's. Mark-ups in the supply chain are not regulated. (Margaret Ewen, Warren Kaplan, Teferi Gedif, 2016)

### **2.2.5. Place or Distribution strategy**

Distribution is one of the most important business activities as it ensures the visibility and availability of the particular product in the market. (Mohammad Osman Gani, 2016). A product



is not important to the consumer, if it is not available when and where it is wanted. (O. A. Ilesanmi, 2011). The good distribution system is cost-effective system that provides an acceptable level of service. It's important not to fall into the trap of improving one part of the system to the detriment of the overall system. Logistics is defined here as the science and art of getting the right amount of the right thing to the right place at the right time.

In pharmaceutical sector only authorized persons or entities person who hold the appropriate license entitled to import or export pharmaceutical products. The distributor or the organization to which the distributor belongs shall be an entity that is appropriately authorized by applicable legislation to perform the function(s) that it intends to perform and the distributor or the organization to which it belongs shall be held accountable for the activities that it performs related to the distribution of products. Storage conditions for pharmaceutical products shall be in compliance with the recommendations of the manufacturer. This is key to ensure quality of all pharmaceutical products and Storage areas shall be designed or adapted to ensure appropriate and good storage conditions and shall be clean and dry and maintained within acceptable temperature limits. (Dr.sesware reddy, 2018).

### **Distribution channel**

Appropriate transport methods shall be employed which may include transport by air, road, sea, rail or a combination of the above. Regardless of the chosen mode, it shall be demonstrated that the products have not been subjected to conditions during transportation that may compromise their quality. A risk based approach is utilized when planning transportation routes. (Dr. sesware reddy,2018).

It is the responsibility of the distributor to ensure that vehicles and equipment used to distribute, store or handle pharmaceutical products are suitable for their use and appropriately equipped to prevent exposure of the products to conditions that shall affect their quality and packaging integrity, and to prevent contamination of any kind.(Dr. sesware reddy,2018).

Pharmaceutical products shall be transported in shipment containers that have no adverse effect on the quality of the products, and that offer adequate protection from external influences, including contamination. Selection of a container and packaging shall be based on the storage

and transportation requirements of the pharmaceutical products; namely the space required for the amount of products; the anticipated external temperature extreme. (Dr. sesware reddy, 2018).

### **Drug distribution model**

Kotler and Keller (2011) described that most producers do not directly sell their goods to the final users or the end users; between this two, it stands a set of intermediaries performing a variety of functions, these intermediaries constitute a marketing channel. Basically, marketing channels defines as the sets of interdependent organizations involved in the process of making a product or service available for using or consumption to the customer.

- From manufacture to directly to retailer
- From manufacture to distributor follow wholesaler then to retailer
- From manufactures to distributor to wholesaler and other whole seller to retailer

### **2.2.6. Promotional strategy**

The World Health Organization defines drug promotion strategies as "all informational and persuasive activities by manufacturers and distributors, the effect of which is to induce the prescription, supply, purchase and/or use of medicinal drugs. (Ikenna Onwuekwe, 2010). Drug promotion has an important bearing on the rational use of drugs; on drug price-control mechanisms, the manufacture, availability and use of essential drugs, on equity of drug distribution and the cost of health care. (Ikenna Onwuekwe, 2010).

Pharmaceutical companies invest large sums of money promoting their products. They use a multifaceted approach to drug promotion, incorporating techniques such as hospital and office detailing by pharmaceutical representatives. (Ikenna Onwuekwe, 2010)

Promotional strategies are communication strategies through which a company passes across the benefits of its product and services to its target customers.( Ikenna Onwuekwe,2010) The competitive nature of the business environment makes it mandatory for them to develop and implement strong promotional strategies in order to gain and maintain a reasonable share of the market.( Ikenna Onwuekwe,2010)

It is increasingly important to understand the effects that drug promotion has on prescribing and the use of medication given the growing amounts of money companies are devoting to this activi

ty. In 2002, almost US\$21 billion was spent on promotion in the USA, including over US\$2.6 billion on direct to consumer advertising (DCTA).

These amounts are at least 30 times what national governments spend on drug information (for example, in Italy: US\$4475/doctor by the pharmaceutical industry versus US\$180/doctor by the government)ii. In Canada in 2000 there were over 3.4 million visits by sales representatives to doctors, leaving behind 21.5 million drug samplesiii and in the USA companies organized over 300 000 events for doctorsiv. Sales representatives are frequently the only source of information about medicines in developing countries where there may be as many as one representative for every five doctors. (Pauline Norris, Andrew Herxheimer ,Joel Lexchin, Peter Mansfield,2005)

In Pharmaceutical Industry doctor is a major role player, who speaks on behalf of the company and makes decisions by prescribing the medicines, and also influences to other doctor's prescription behavior, which is a critical factor for the Pharmaceutical Companies.( Rizwan Raheem Ahmed,2014).

### **Promotional tools**

Advertising frequently generates controversy. Few industries, however, have so much strong feeling aroused by their promotional activities as pharmaceuticals. (Veselin Dickov, 2015). The pharmaceutical industry is a prime example of an industry that combines both “push” and “pull” strategies in their promotional efforts. The “push” strategy, which relies primarily on personal selling and sales promotion as a means to “push” a product through the marketing channel, is exemplified by the \$13.2 billion dollars invested in the efforts of sales people who market drugs directly to physician. A considerable portion of this money is spent on promotional items such as pens, pencils, mugs, and calendars, all including the company name or logo. (R. Stephen Parker & Charles E. Pettijohn, 2006)

Personal selling (Detailing), The pharmaceutical market is dominated by personal selling (detailing) as the most effective element of promotional mix. Detailing on the pharmaceutical market implies sales calls by pharmaceutical sales representatives (PSR) to physicians in their surgeries. During the call, the PSR may leave drug samples and some gifts of small value, primarily memorabilia bearing the name of the company or the drug promoted (Veselin Tima Dickov, Boris Milan Kuzman,2015). Drug samples are commonly used strategies to get doctors

to prescribe those drugs. Studies have shown extensively that the use of drug samples by pharmaceutical companies resulted in higher prescription for those drugs. (Ikenna Onwuekwe, 2010).

OTC drugs can be promoted to final consumers, which is a result of the fact that these are used for conditions where self-treatment is possible, have comparatively clear and brief package inserts, and a significant amount of information and long experience in the use of these drugs guarantee safety and effectiveness. (Joan Buckley, 2014)

### **2.3. Empirical approach**

There is no study done in this title which is assessing marketing mix practice in pharmaceutical importer company.

Nigerian the most commonly used promotional tool sticker or promotional material it takes 74%, next drug presentation or launch, souvenir, 35%, drug sample and drug sample 23%,

The study done in Nepal shows that the most commonly used promotional tools list as doctor detailing 32%, Product sample distribution 16%, Stockiest Incentive 2%, Cash Discount 5% , Gift to Doctors, chemist, stockiest 14%, Sponsoring schemes to doctors 12%, CME programs, Health Camps 18%. Study done in Pakistan show that, sales Promotional officers are the most important tools for the promotion of the product directly to the prescriber. (Post Raj Pokharel,2017)

Study done in south East Nigeria shows 60% of doctors who attended drug presentations/ product launches were influenced to prescribe the drugs. (Ikenna Onwuekwe,2010).

The main conduits of promotion in India are: advertising, detailing (visits from sales representatives), direct mail, sales promotion, publicity and public relations. Among them, detailing dominates most along with the given promotional methods. (Emily Ngamau, 2016)

Currently, there is no specific law which prohibits the advertising of prescription drugs although industry practice is not to advertise prescription-only drugs. The DCGI's office is considering coming out with a notification prohibiting the advertising of any drug which legally requires a doctor's prescription for its supply. (Dr. Pramod Kumar2013).

## 2.4. Conceptual framework

The conceptual framework indicates the crucial process, which is useful to show the direction of the study. There are four major elements that are used in the detail of marketing mix strategy in order to achieve the goal.

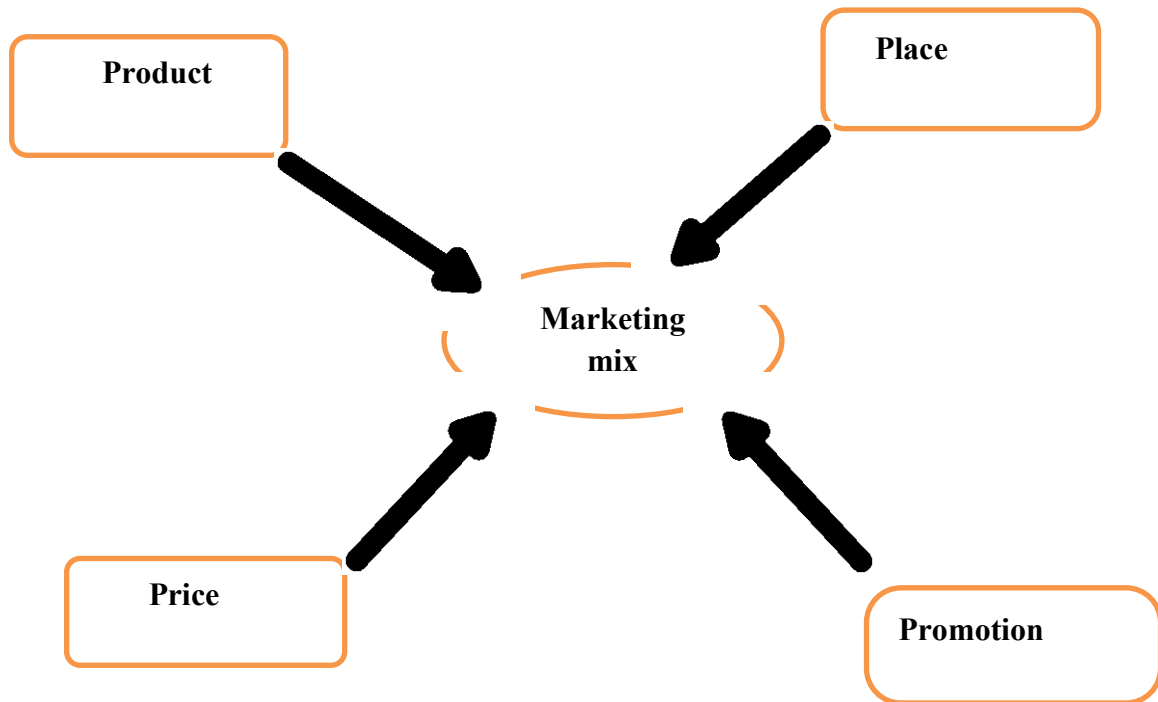


Figure 1.frame work of marketing mix

Source:-own design

## **CHAPTER THREE:-RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Research design**

Since the research topic is assessment of marketing mix **practice** in Beker pharmaceutical company so the research design was descriptive and exploratory cross sectional study by taking Beker pharmaceutical as a case. To do this the researcher developed self-administered questionnaires and distributed to all marketing department employees. Interviews were also held with concerned managers such as marketing manager, technical manager, sales and marketing department coordinator and team leader.

### **3.2 Research approach**

The researcher was used concurrent triangulation of mixed research approach taking in to consideration both qualitative and quantitative research approach concurrently. Quantitative data were gathered through conducting survey questionnaires from employees and qualitative data were gathered using observation and semi structured interview for concerned managers. As stated by Creswell (2011), mixed research approach is useful to offset the weakness of using separately qualitative and quantitative method and to balance the advantage of applying both.

### **3.3. Sampling and sampling technique**

The target populations of the study were managers and all employees working under the marketing department of Beker pharmaceutical. The company has 47 employees working in marketing department. Participants that were conducted in the interview were marketing manager, technical manager, sales and marketing department coordinator and team leader. So the researcher distributed a self-administered questionnaire to all marketing staff in company and Interview questions were forwarded to nearby concerned management of the company. And the data were collected using qualitative approach by employing in depth interview with management. The sampling procedure were non-probability sampling and the selections of the respondents were determined by using purposive sampling research method because no other departments were concerns about marketing strategies so medical representative and sales representative are marketing department staff therefor considering the size of the population is small therefor the target population in general were address fully through census.

### **3.4. Source and tool/instrument of the data collection**

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. In order to generate the primary data, personal interviews were conducted with middle and low level management of company that concerns the issue. Self-administered questionnaires were distributed to marketing department staffs. The questionnaire had three sections. The first sections which explain topic of the research, its purpose, acknowledge respondent and some general instruction how to fill the questioner. The second were the general information section contains the overall information of the respondents; such as, the respondents' gender, age, educational background, work experience, field of study and position of the respondents in the organization. The third part, the essential information section that were covered the research questions on marketing mix practices of the company. The designed questionnaire and interview questions were adopted from different sources getting from published article and journals on the related topic entitled in different service organization and from various literature review. The variables were for these studies are element of marketing mix that consists of 4Ps:- product, price, place and promotion. In the second section of the questionnaire were use nominal measurement scales which use to measure the general information of the respondents. In the third section of the questionnaire were uses rating scales which are a five point likert scale. Nominal and ordinal measurement scale was used to measure the intensity of the respondents' attitude on marketing mix practices of Beker pharmaceutical company

### **3.5. Procedure of the data collection**

The researcher were follows the following steps to collect the research data. First the researcher was confirming the willingness of the company by preparing a letter of support from St. Marry University. After getting consent from the participant, the prepared questionnaires and interview were forward to the selected participants.

The researchers were assign two willingness persons (respondents) from the company in order to organize for the distribution and collection of questionnaire survey. So that the questionnaires were return timely to the researcher. for regional promoter communicating in phone and explain the detail of the research and send the questioner through e-mail and resend it On the interview

part the researcher were do some prerequisite in the data collection process. Before the interview sessions were conduct, the researcher were ask the permission of participants by showing a letter of support in order to take an appointment for the interview session. Then the researchers were get permission and give interview questions to the participants before conducting the session. At the appointment day the researcher were get the management in different days in their work place and forward the prepared questions to them. The prepared questions were in English. But we were communicating both in Amharic and English language. The researcher was carefully translating some of the Amharic conversation in to English. The researcher were also try to organize and compile all receive responses and prepare in analysis format. After the interviewee session, the researcher were acknowledges and thanks all participants for their willingness participation and corporation.

### **3.6. Validity and Reliability**

Validity is the accuracy of a measurement or the extent to which a score truthfully represents a concept (G.Zikmund, J.Babin,C.carr and Griffin, 2010) to assure the validity of the instrument, the questioners were adapted from previous researcher, further the validity of the instrument was cheeked by first doing face validity with few co-worker. Then 10 questioners were distributed for pilot testing which helps to refine the questionnaire, enhance its readability and minimize the chances of questions being misinterpreted.

#### **Reliability**

Reliability refers to measure of the degree to which research instrument yield consistent result in this study, in order to check reliability of the result study used cronbach alpha methodology this is based on internal consistency. Cronbach alpha measure the average of measurable item and SPSS software was used to verify the reliability of collected data. Overall scales reliability of the present situation and desirable situation was tested by cronbach alpha which should above the acceptable level of 0.7.



Variable	Cronbach alpha	N of items
Product	0.711	8
Place or distribution	0.745	6
Promotional tools	0.757	6
Method of promotion	0.703	5
Total	0.876	25

Table 3.1 reliability test

### 3.7. Method of data analysis

The data were collect, analyze and interpret by using mixed approach which is both qualitative and quantitative techniques. Based on this open ended interview questionnaires were analyzed qualitatively. Closed ended questionnaires were analyzed quantitatively, concurrently. **Quantitative data analysis consisted of measuring values which were analyzed using descriptive analysis methods.** Results were presented using frequency distribution, percentage ratios and mean. Data interpretation was supported by tables. Qualitative data obtained from the study was presented through narrative. In analyzing the data the researcher were coded and checked for consistency then entered into SPSS spreadsheet use SPSS version 20 software packages.

### 3.8. Ethical consideration

In this study all participants personal identifiers were keep confidential and anonymous. Moreover the privacy of all respondents was maintained respected in the reporting of the research. In the beginning explain the purpose of the study and the researcher were getting the consent from the participant before the distribution of questioner and interview. In addition to this the research were not disclose the competitive advantage of marketing strategy which is unique for the company.

## CHAPTER FOUR:-RESULT AND DISCUSSION

This chapter discusses the interpretation and presentation of the findings obtained from the research and also presents the analysis of the data obtained. Descriptive statistics were used to discuss the findings of the study. The questionnaire were distributed to all (n=47) staff members of the marketing department and filled by 43 respondents making a response rate of 91.5 %. According to, (Mugenda and Mugenda, 2003), a response rate of 70% and over is excellent for analysis and reporting. Based on this assertion, the response rate the study obtained was considered excellent.

### 4.1 Result of Demographic Data of Employee

s.n	Demographic Data		N( frequency)	%(percentage)
1	Gender	Male	36	83.7
		Female	7	16.3
		Total	43	100
2	Field of study	Pharmacy	42	95.3
		Marketing	1	2.3
		Total	43	100
3	Educational status	Diploma	1	2.3
		Degree	37	86
		Masters	5	11.6
		Total	43	100
4	Age	26-30	28	65.1
		31-35	14	32.6
		Above 36	1	2.3
		Total	43	100
5	Position	Sales	13	30.2
		Medical representative	30	69.8
		Total	43	100
6	Work experience	2-4 years	37	86
		5-7 years	3	7
		Above 8 years	3	7
		Total	43	100

Source: - questioner data survey, 2019

As Table 4.1 shows that from the total of 43 respondent 36 (83.7%) of respondents is male and the remaining 7 (16.3 %) is female. 42 (97.7%) of respondents is pharmacists and 1 (2.3%) is marketer. It implies that mostly marketing department staff is professional workers. It increase the effectiveness of the work because this is pharmaceutical importer company and most sale and medical representative are pharmacist.

As Table 4.1 shows that the respondents Educational status was divided into two groups 37(86%) were degree holders and 5(11.6%) masters' holders and the reaming 1(2.3%) of respondents is the diploma. Here, we can say that all the respondents are educated. This implies that the company has taken the advantage of utilizing its human resource for marketing strategy application.

According to Table 4.1 the Age of majority employees were between 26 and 30 years old that accounts 28(65.1%). Employees who were between 31 - 36 years are 14(32.6 %) and above 36 years old were 2.3%.In general 97.7% of the respondents were in the age groups of 26 up to 35 years old. This indicates that there is a potential advantage for working by young employees they are energetic to do their job to achieve future objectives of the company's marketing strategy.

According to table 4.1 30(69.8%) of respondents were the medical representative or promoter and 13(30.2%) of respondents were sales representative. It implies that majority of the respondent ware medical representative it represent both regional and Addis Ababa promoter and Sale representative work in Addis Ababa.

According to table 4.1 shows that The study sought to determine the length of time the respondents had worked as sales and medical representative, from the findings the study established that, 37(86%) had worked for a period of 2 to 4 years, 3(7%) of the respondents had worked for a period of 5 to7 years again the last 3(7%) of the respondents had worked for a period of above 8 years. This implies that majority of the respondents engaged in this study had worked in Beker pharmaceutical for a considerable time and thus they had vast knowledge which could be relied upon in the study.

#### 4.2. Result of research question

**Table 4.2 Opinion of Employees towards the Company's product strategy**

s.n	Items	Distribution	Response categories					Total	Mean
			SD	D	N	A	SA		
1	The company apply Product taste strategy	Frequency	1	3	7	29	3	43	3.7
		Valid%	2.3	7	16.3	67.4	7	100	
		Cumul%	2.3	4	16.3	67.4	7		
2	The company apply Product packaging strategy	Frequency	-	2	2	19	20	43	4.33
		Valid%	-	4.7	4.7	44.2	46.5	100	
		Cumul. %	-	4.7	4.7	53.5	100	-	
3	The company apply Product size strategy	Frequency	-	3	13	20	7	43	3.72
		Valid %	-	7	30.2	46.5	16.3	100	
		Cumul %	-	7	37.2	83.7	100		
4	The company apply Product dosage form strategy	Frequency	-	4	6	22	11	43	3.93
		Valid %	-	9.3	14	51.2	25.6	100	
		Cumul%	-	9.3	23.3	74.4	100		
5	The company apply Product quality strategy	Frequency	-	2	2	13	26	43	4.47
		Valid %	-	4.7	4.7	30.2	60.5	100	
		Cumul%	-	4.7	9.3	39.5	100		
6	The company apply Brand based product strategy	Frequency	-	-	7	23	13	43	4.14
		Valid%	-	-	16.3	53.5	30.2	100	
		Cumul %	-	-	16.6	69.8	100		
7	The company apply Product country of origin strategy	Frequency	-	-	3	26	14	43	4.26
		Valid%			7	60.5	32.6	100	
		Cumul%			7	67.4	100		
Index mean=4.11									

Source:-questioner data survey, 2019

Item 1 of table 4.2 shows that majority of respondents agree the company use product test strategy which is 29(67.4%). Follow 7(16.3%) of respondents are neutral and 3(7%) of respondents said strongly agree and disagree from each and only 1(2.3%) respondent strongly disagrees. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value, so the mean value 3.7 shows that the company applies product test strategy moderately.

Item 2 of table 4.2 shows that 19 (44.2%) and 20 (46.5%) of respondents agree and strongly agree respectively the company use product packaging strategy. 2(4.7%) of respondents replied disagree and neutral from each.it implies that product packaging strategy apply in the company with the mean value of 4.33 which is high.

Item 3 table 4.2 shows that 20(46.5%) of respondents agree with product size strategy, follows 13(30.2%) of respondents neutral response and seven (16.3%) of respondents strongly agree to product size strategy and the reaming 3(7 %) of respondent answered disagree.it implies that the company apply product size strategy highly with the mean value of 3.72.

Item 4 table 4.2 shows that the study finding majorly 22 (51.1%) of respondents agree with the company use dosage form of product strategy, 11(25.6%) of respondent strongly agree and 6(14%) of respondent neutral stand and the reaming 4(9.3%) of respondents disagree to dosage form of product strategy. it implies that the company apply dosage form og product strategy with the mean value of 3.93 this is the high value.

Item 5 table 4.2 shows that 26(60.5%) of respondents strongly agree, followed 13(30.2%) of respondents agree with the company use product quality strategy and reaming 2(4.7%) of respondents said that neutral and disagree from each.it indicate that majority of respondent agree with the company apply product quality strategy with the mean value of 4.47.

Item 7 table 4.2 shows that, more than half of the respondents replied that the company apply brand based strategy is rated as above the middle line. Which is 23(53.5%) of the respondents strongly agree brand based strategy, 13(30.2%) said agree and remaining 7(16.3%) stand with neutral. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value.so based on this the company apply brand based product strategy with the mean value of 4.14 which is high.

Item 8 Table 4.2 show that, 26(60.5%) of the respondents replied agree with the company applies country of origin product strategy. 14(32.6%) of the respondents answered that strongly agreed and the last 3(7%) of respondents is neutral.it implies that the company apply country of origin product strategy with the mean value of 4.26 which is high.

## Pricing strategy

The company use different pricing approaches by considering various conditions. For this study pricing approach categories in to three based on the product that the company have which means the company have both local and imported product then this imported product may be new or existed in the market.

- Newly imported product
- Existed imported product and
- For domestic product

**Table 4.3 Employees Opinion towards pricing approach for new entrant imported product**

Pricing approach for new entrant imported product	Response		Percent of case
	N	percent	
Market penetration	33	52.4%	76.7%
Market skimming	24	38.1%	55.8%
I don't know any pricing approach	6	9.5	14.0%
Total	63	100%	146.5%

Source: - questioner data survey, 2019

According to table 4.3 shows that 33(52.4%) of respondent answered that the company use market penetration pricing approach for new entrant imported product On the other side 24(38.1%) of respondent replies that the company use market skimming pricing approach. The remaining 6(9.5%) of respondent said that not knowing any type of pricing approach.it implies that the company majorly apply market penetration pricing approach for newly imported product.

**Table 4.4 Employees Opinion towards pricing approach for existed imported product**

Pricing approach for existed imported product		Responses		Percent of case
		N	Percent	
	cost plus pricing	27	39.1%	62.8%
	Competitor based pricing	29	42.0%	67.4%
	Product line pricing	11	15.9%	25.6%
	I don't know any pricing approach	2	2.9%	4.7%
Total		69	100.0%	160.5%

Source: - questioner data survey, 2019

According to table 4.4 shows that for existed imported product the company use both cost plus and competitor based pricing approach. Which means 27(39.1%) of respondent replied the company use cost plus pricing approach and 29(42%) of respondent answered that the company use competitor pricing strategy and 11(15.9%) of respondent replied product line pricing strategy and the reaming 2(2.9%) respondent not knowing any type of pricing strategy. it implies that the company apply cost plus pricing approach for existed imported product.

**Table 4.5 Employees' response towards pricing approach for domestic product**

Type of pricing approach for domestic product		Response		Percent of case
		N	Percent	
	Price set by government	4	6.0%	9.3%
	Cash discount	29	43.3%	67.4%
	Item discount	20	29.9%	46.5%
	I don't know any pricing approach	14	20.9%	32.6%
Total		67	100.0%	155.8%

Source: - questioner data survey, 2019

Pricing approach for domestic product, as table 4.5 show that 29(43.3%) of respondent replied the company use cash discount pricing approach and 20(29.9%) of respondent answer the company use item discount pricing approach. 14 (20.9%) of respondent not knowing any type of pricing approach and the reaming 4(6%) of respondent said price set by government.it implies that the company apply cash discount pricing approach for domestic product.

## Place or Distribution strategy

**Table 4.6 Employees' Response about company distribution strategy**

s. n	Items	Distributio n	Response categories					total	mean
			SD	D	N	A	SA		
1	The company use regional promoter to make sure fair distribution of product out of Addis Ababa	Frequency		29	-	11	3	43	2.72
		Valid%		67.4	-	25.6	7	100	
		Cumul %		67.4	-	93	100		
2	The company has enough delivery resource which facilitates the distribution of product safely and timely	Frequency	-	7	2	24	10	43	3.86
		Valid%	-	16.3	4.7	55.8	23.3	100	
		Cumul. %	-	16.3	20.9	76.7	100		
3	Dispatch store is comfortable for keeping product safely and as labeled by the manufactured company	Frequency	1	8	1	27	6	43	3.67
		Valid %	2.3	18.6	2.3	62.8	14	100	
		Cumul %	2.3	20.9	23.3	86	100		
4	The company use sales force promotional method to distribute pharmaceutical product	Frequency	-	7	4	24	8	43	3.77
		Valid %	-	16.3	9.3	55.8	18.6	100	
		Cumul%	-	16.3	25.6	81.4	100		
5	The company use the same strategy to distribute domestic and imported product	Frequency	-	1	9	18	15	43	4.09
		Valid %	-	2.3	20.9	41.9	34.9	100	
		Cumul%	-	2.3	23.3	65.1	100		
6	The company product is available throughout Ethiopia	Frequency	3	30	2	6	2	43	2.4
		Valid%	7	69.8	4.7	14	4.7	100	
		Cumul %	7	69.8	81.4	95.3	100		
Index mean=3.41									

Source: - **questioner** data survey, 2019

Item 1 table 4.6 shows that 29(67.4%) of respondent disagree with the company use regional promoter to make sure fair distribution of product out of Addis Ababa and 11(25.6%) of respondent agree and the reaming 3(7%) of respondents were replied strongly agree. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value.so from the result 2.7 mean value indicate low.



Item 2 table 4.6 shows that 24(55.8%) of respondent agree that the company has enough delivery resource which facilitate distribution of product safely and timely. Followed by 10(23.3%) of respondent strongly agree with this statement, 7(16.3%) of respondent disagree and the remaining 2(4.7%) of respondent replied neutral.it implies that the company delivery resource is enough to facilitate the distribution with the mean value score high which is 3.86.

Item 3 table 4.6 shows that 27(62.8%) of respondents were agree with the dispatch store is comfortable for keeping product safely and as labeled by manufacture company and 6(14%) of respondent strongly agree and 8(18.6%) of respondent said disagree and 1(2.3) % of respondent answered strongly disagree and neutral from each. It implies that the mean value 3.67 moderate shows that the company dispatch store is comfortable to keep the product safely and labeled by manufacturer.

Item 4 table 4.6 shows that 24(55.8%) of respondents agree with the company use sales force promotional method to distribute pharmaceutical product and 8(18.6%) of respondent strongly agree. 7(16.3%) of respondent replied disagree and the reaming 4(9.3%) of respondent neutral answer. It means the company use sales force promotional method to distribute the pharmaceutical product moderately with the mean value of 3.77.

Item 5 table 4.6 shows that 18(41.9%) of respondent agree with the company use the same strategies to distribute both for local and imported product. 15(34.9%) of respondent strongly agree and 9(20.9%) of respondent answered neutral and the remaining 1(2.3%) of respondent disagree.it implies that the company the company use the same strategy to distribute both local and imported product with the mean value of 4.09 it is high value.

Item 6 table 4.6 shows that 30(69.8%) of respondent disagree with the company product is available throughout Ethiopia, 6(14%) of respondent agree and remaining 2(4.7%) of respondent strongly agree and neutral from each. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value. So as table 4.6 item 6 shows that the mean value 2.4 it illustrate the company product not properly distributed throughout Ethiopia.

## Promotional strategy

**Table 4.7 Opinions of Employees Regarding company promotional tools**

S. N	Items	Distribution	SD	D	N	A	SA	total	Mean
1	Doctors detailing	Frequency	-	5	4	29	5	43	3.79
		Valid%	-	11.6	9.3	67.4	11.6	100	
		Cumul %	-	11.6	20.9	88.4	100		
2	Product sample distribution	Frequency	5	2	7	25	4	43	3.49
		Valid%	11.6	4.7	16.3	58.1	9.3	100	
		Cumul. %	11.6	16.3	32.6	90.1	100		
3	Phone call reminding and introducing	Frequency	-	3	9	22	9	43	3.86
		Valid %	-	7	20.9	51.2	20.9	100	
		Cumul %	-	7	27.9	79.1	100		
4	Promotional material (brusher, cutter, counter, stand,)	Frequency	-	2	5	21	15	43	4.14
		Valid %	-	4.7	11.6	48.8	34.9	100	
		Cumul%	-	4.7	16.3	65.1	100		
5	Gift to doctors and pharmacists allow by EFDA	Frequency	-	14	1	23	5	43	3.44
		Valid %	-	32.6	2.3	53.5	11.6	100	
		Cumul%	-	32.6	34.9	88.4	100		
6	Sponsoring schemes to doctor	Frequency	5	7	-	24	7	43	3.49
		Valid%	11.6	16.3	-	55.8	16.3	100	
		Cumul %	11.6	27.9	-	83.7	100		
Index mean =3.7									

Source: - questioner data survey, 2019

Item 1 table 4.7 shows that 29(67.4%) of respondent agree with the company use doctor detailing promotional tool to promote the company product, 4(9.3%) of respondent replied neutral and the remaining 5(11.6%) of respondent strongly agree and disagree from each. it implies that the company apply doctor detailing promotional tools with the mean value of 3.79 which is moderate.

Item 2 the other method of promotional tools is sample distribution as table 4.7 shows that 25(58.1%) of respondent replied agree with the company use sample distribution promotional tool, 7(16.3%) of respondent answer neutral, 5(11.6%) of respondent strongly disagree, 4(9.3%) of respondent strongly agree and the remaining 2(4.7%) of respondent answered disagree. It

implies that the company applies sample distribution promotional tools with the mean value of 3.49 which is moderate.

Item 3 table 4.7 show that 22(51.2%) of respondents agree with the company use phone calling reminding and introducing promotional tool, and 9(20.9%) of respondent strongly agree with this idea. 9(20.9%) of respondent replied neutral and the last 3(7%) of respondent disagree with this promotional tools. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value.so based on this the result shows that 3.86 which is moderate range.

Item 4 the next promotional tools are promotional material it include brusher, pen, note book, demonstration sample and stand. As table 4.7 shows that 21(48.8%) of respondent agree with the company use promotional material tools and 15(34.9%) of respondent strongly agree 5(11.6%) of respondent answered neutral and the reaming 2(4.7%) of respondent replied disagree. It indicate that the company apply promotional material as promotional tool with the mean value of 4.14 which is high based on (Zaidatol and Bageheri, 2009)

Item 5 as table 4.7 shows that 23(53.5%) of respondent agree, and 5(11.6%) of respondent strongly agree with the company use gift to doctors and pharmacist promotional tools. 14(32.6%) of respondent answered disagree and the last 1(2.3%) of respondent replied neutral.it implies that the company use gift to doctors and pharmacist promotional tools with the mean value of 3.44 according to Zaidatil and Bageheri this value is low.

Item 6 the other type of promotional tools is sponsorship to doctors as table 4.7 shows that 24(55.8%) of respondent agree with sponsoring schemes to doctors and 7(16.3 %) of respondent disagree and strongly agree from each. And the remaining 5(11.6%) of respondent replied strongly disagree.it show that sponsorship schemes to doctor with the mean value of 3.49 which is low value.

**Table 4.8 Respondent awareness for various method of promotion**

s.n	Items	Response categories							
		Distribution	SD	D	N	A	SA	Total	mean
1	Promotion has a big influence in physician prescription habit	Frequency	-	-	-	11	32	43	4.74
		Valid%	-	-	-	25.6	74.4	100	
		Cumul %	-	-	-	25.6	100		
2	The company use the different strategy to promote new product and existed product in the market	Frequency		1	5	30	7	43	4.00
		Valid%		2.3	11.6	69.8	16.3	100	
		Cumul. %		2.3	14	83.7	100		
3	The company use different strategy to promote for doctors, wholesaler and pharmacy	Frequency	2	2.	2	28	9	43	3.93
		Valid %	4.7	4.7	4.7	65.1	20.9	100	
		Cumul %	4.7	9.3	14	79.1	100		
4	The company use different strategy to promote OTC drug and prescribed drug	Frequency			6	33	4	43	3.95
		Valid %			14	76.7	9.3	100	
		Cumul%			14	90.7	100		
5	The company use study and reference to increase trust of information	Frequency	65.1	7	1	24	11	43	3.91
		Valid %	-	16.3	2.3	55.8	25.6	100	
		Cumul%	-	16.3	18.6	74.4	100		
Index mean=4.1									

Source: - questioner data survey, 2019

Item 1 Promotion has a big influence in physician prescription habit to show this table 4.8 32(74.4%) of respondent strongly agree with this statement and 11(25.6%) of respondent agree.it implies that promotion has a big influence in physician prescription pattern with mean value of 4.74 which is high.

Item 2 as table 4.8 show that 30(69.8%) of respondent agree with the company use the different strategy to promote new product and existed product in the market, follows 7(16.3%) of respondent strongly agree. 5(11.6%) of respondent replied neutral, and the reaming 1(2.3%) of respondent answered disagree. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value, so based on this the mean value show that 4.00 majority of respondent agree with the company apply different strategy for new product and existed product.

Item 3 table 4.8 shows that 28(65.1%) of respondent agree for the company use different promotional strategy to promote for doctors, wholesaler and pharmacy. 9(20.9%) of respondent strongly agree and the remaining 2(4.7%) of respondent answered neutral, disagree and strongly disagree from each.it implies that the company use different strategy to promote for different professional with the mean value of 3.93 which is high.

Item 4 as table 4.8 shows that 33(76.7%) or respondent agree for the company use the different strategy for OTC (over the counter) product and prescribed drug and 4(9.3%) of respondent strongly disagree and the reaming 6(14%) of respondent replied neutral. It indicates that the company applies different strategy to promote OTC (over the counter) and prescribed product with the mean value of 3.95 which is high.

Item 5 as table 4.8 shows that 24(55.8%) of respondent agree that the company use study and reference to increase trust of information, 11(25.6%) of respondent strongly agree, 1(2.3%) of respondent neutral stand and the last 7(16.3%) of respondent disagree. According to Zaidatol and Bageheri (2009), for 5- point Likert scales the mean score values are interpreted as, below 3.39 low, 3.4-3.79 moderate and 3.8-5 high value.as table 4.8 item 5 shows that the mean is 3.91 it is high value, it imply that the company use study and reference to increase trust of information. S

**Table 4.9 Employee opinion Customers Primary Reason for Buying Company’s Product**

Primary reason for customer to prefer beker pharmaceuticals	Responses		Percent of cases
	N	Percent	
quality of product	40	38.5%	93.0%
effective promotion	40	38.5%	93.0%
less price than other	12	11.5%	27.9%
customer no option	12	11.5%	27.9%
Total	104	100.0%	241.9%

Source: - questioner data survey, 2019

As indicated on Table 4.9, majority of respondents which accounts 40(93. %) respondent that the primary reasons to prefer Beker pharmaceuticals are because of both quality of product and effective promotion. The least number of respondents which accounts 12(27.9%) answered that less price of the product and customers do not have other option.

**Table 4.10 Employees Opinion towards Overall Marketing mix practice.**

		Response		Percent of case
		N	Percent	
The company apply four P marketing mix strategy,	promotion	39	26.9%	90.7%
	Place	26	17.9%	60.5%
	price	42	29.0%	97.7%
	Product	38	26.2%	88.4%
Total		145	100.0%	337.2%

Source: - questioner data survey, 2019

As indicated from the above table 4.10 majority of respondents which accounts on average 84.32% commented that the company uses all the 4 Ps of marketing mix elements. But for each element of marketing mix, 90.7% of respondent replied the company uses product strategy, 60.5% of respondent answered the company use place or distribution strategy, 97.7% of respondent replied the use company use pricing strategy and the remaining 88.4% replied the company uses product strategy.

### 4.3 Discussion

As stated in literature review marketing mix is combination of various elements, which in their totality, constitute marketing system of firm. These elements are often described as FOUR P's: Product, Price, Promotion and Place. The marketer needs to study these four P's in order to draft a marketing program to achieve its marketing goal. (Mohamed Issack Abdi, 2012)

#### Product strategy

In this study 67.4% of respondent agree with the company use product test strategy it implies that most of the time product test strategy use to convince for pediatric dosage form because children are always sensitive for test. To support employee response the manager said "that unfortunately most of the company product is adult dosage form but for pediatric and some OTC (over the counter) product like pain killer, mineral and vitamins use product test strategy."

From the 43 respondent 20 respondents strongly agree with the company use product packaging strategy. it focus on safe and comfortable to handle, mostly individual packaging preferable than bulk in one package, art full packaging click in mind easily to remind. Sometimes packaging use as identification of the product and the manufacturing company it imply that color and size of packaging identify and remind the type of product. On the revers study done in Pakistan show that company pay less attention to beautifying there packaging and find it just enough to fulfill the regulatory and product stability requirement as there is nothing like off the shelve impulse buying in medicines. The managers agree with the company use product packaging strategy to remind and explain **for the customer**.

In this study 46.6% of respondent agree with the company use product size strategy, it imply that the size of the product related with patient compliance. But 30.2% of respondent reply neutral this is may be respondent do not have known how the company apply product size strategy and the manager also replied that the company use product size strategy rarely.

In this study 51.2% of respondent agree the company use product dosage form strategy it use to cater for different customer needs in the market in relation. A product can be in to the form of capsules, tablets, syrup, injection or ointment. This is a major determinant factor when a product

is chosen for treating a patient. Different dosage form increases the customer option to buy the product and also increases product portfolio

In this study 60.5% of respondent strongly agree with the company use quality of product strategy it use to attract and retain customer. Study had done in Kenya show that the company adopts quality of product strategy with the mean result of 3.35. (Abdi, 2013)

From 43 respondent 23 agree with the company use brand based product strategy it use to enhance recall of the product among customer easily hence brand equity and customer loyalty. The manager said that” the company use brand base product strategy as business companies prefer to market their products under brand names, which allows them only to position and promote their products effectively, in addition to this the company generating brand by effective promotion.”

In this study 60.5% of respondent agree with the company use county of origin product strategy. It implies that made in effect related with the customer perception, product produce in Indian and Germen do have the perception and market.

### **Pricing approach**

In this study 52.4% of respondent answered the company use market penetration pricing approach for newly imported product which means that reducing the profit margin of the product and introduce in low price and increase the market share to persuade customer to buy newly introduced product (drug) in the market. The managers also replied that the company applies market penetration pricing method for newly imported product but not apply skimming pricing approach. Similarly study done in Nairobi show that the mean value (4.2), the company adopt market penetration pricing approach for newly imported product. (Abdi, 2013)

From the study 39.1% of respondent repaid the company use cost plus and 42% respond competitor based pricing approach for existed imported product. So the company use both competitor based price and cost plus with flexible markup pricing approach, this means the company assess the price of other competitor company and adjust the price based on them or consider the total cost of the product and add reasonable profit margin.



In this study 43.3% of respondent answered the company use cash discount pricing approach it show that for domestic product the company use discount (item and cash) pricing approach to encourage bulky buying among customers hence increased volume of sales.

### **Distribution strategy**

In this study 67.4 % of the respondents disagree with the company's using regional promoter to make sure fair distribution of company product. This implies there is a gap between Addis Ababa and regional promoter, most of the time they do not have updated product list therefore they can not sure whether the product is available or not. On the other hand regional promoters cannot visit all wholesales due to distance because of these promoters work on main regional city such as Mekelle, Bahirdar, Adama.

In this study 55.8% of respondent agree with the company use own delivery resource to deliver the product timely and safely. These show that the company distributes products throughout Addis Ababa by using their own delivery resource. For regional customers, it ships products to convenient place usually Merkato from where it is transported to the respective places which is comfortable for regional customer. This means not deliver the product for regional customer so what they do just inform them and pick the product by their own logistic system.

In this study 62.8% of respondents agree with dispatch store is comfortable for keeping product safely and as labeled by the manufactured company. As stated in literature review pharmaceutical product is not like other product so it needs to maintain its safety and temperature throughout the process and pharmaceutical product should store at recommended by manufacturing company. (Dr. sesware reddy, 2018).

In this study 55.8 % of respondent agree with the company use sales force communication method to distribute the company product, this implies that the company sales force transfer the information to the customer and receive order and invoice it to distribute the products.

The study shows that 33 respondent agree and strongly agree with the company use the same strategy to transfer local and imported product this implies that in pharmaceutical sector there is limited mode of distribution which means form distributor directly to retailer or distributor to wholesaler the retailer. So the company uses mostly apply the second approach.

The study shows that 69.8% of respondent disagree with the company product is available throughout Ethiopia. The manager said that the company not directly delivers the product for regional customers so due to transportation problem or information gap with regional promoter not address the product throughout Ethiopia especially for **remote regional wholesales**.

### **Promotion strategy**

As the study shows that the company use various form of promotional tools, such as doctor detailing 67.4% of respondents agree, for product sample distribution 58.1% respondent agree, phone calling, 51.2% of respondent agree, for promotional material such as brusher, pen, note book, 35 respondent agree and strongly agree, gift for doctors and pharmacist 53.5% of respondent agree and sponsorships for doctors, 55.8% of respondent agree with this promotional tools Similarly study done in Nepal shows that the most commonly used promotional tools list as doctor detailing 32%, Product sample distribution 16%, Stockiest Incentive 2%, Cash Discount 5% , Gift to Doctors, chemist, stockiest 14%, Sponsoring schemes to doctors 12%, CME programs, Health Camps 18%. And other Study done in Pakistan show that, sales Promotional officers are the most common tools for the promotion of the product directly to the prescribers. The manager also supports the employee response “this company use different promotional tools including medical representative, since advertising pharmaceuticals publicly is not allowed. Instead, promoter is the agent to transfer information to the doctors, pharmacists and wholesalers. In addition, it uses promotional material (e.g. brochure pen, note book,), product launch, demonstration sponsorship and community service and website to promote and introduce the company’s products”

In this study 74.4% of respondent strongly agree with promotion has a big influence in physician prescription habit. As the manager said that “the relationship between promotion and prescriptions pattern is correlated. Promotion is the circulatory system means create the awareness or describe the product for the doctors then make sure the product is available in the nearby pharmacy then if the product is out of stock from the pharmacy link with the wholesales to refill then the wholesales purchase from importer and distributor. So in this cycle there is strong relationship between promotion and number of prescription.”

In the study shows that 69.8% of respondent agree with the Company use the different strategy to promote new product and existed product in the market. To support this statement the manager replied for new entrant product promoter use ABC approach which means introduce the product for class A customer they are willing to use new product then work on then and move to class B and C consumers through a time. For existed product the company uses the best positioning of the product.

In this study 65.1% of respondent agree with the company use different strategy to promote for doctors, wholesaler and pharmacy. For wholesaler where do get the product, purchase system either its cash or credit where to sell, price of product, profit margin, explain this detailing. For doctors the feature of the product its mechanism of action, dosage form, and common side effect of the product. For pharmacy some technical application (how to use the product), remind the company product and the difference from other product. To finalize the promoter transfer different information as needed.

In this study 76.7% of respondent agree with the company use different strategy to promote OTC drug and prescribed drug. For prescriptions only product directly contacts the doctor and explains about detailing of the product mechanism of action, how to administer and dosage form. For OTC products, the company directly contacts pharmacists to explain major features of a product, to demonstrate how to use a product, to explain commonly expected side effects of a product and basic counseling to be given for patients if any during dispensing. On the other country OTC drugs can be promoted to final consumers, which is a result of the fact that these are used for conditions where self-treatment is possible. (Joan Buckley, 2014) It is not allowed in our country, all medicine dispense under professional supervision.

### **This is specific question forward to managers**

Interview were done with nearby managers (middle and low level managers) which concerns the issue, those entire manager are masters holder and they had worked in Beker pharmaceutical for a considerable time more than six years and thus they had vast knowledge and give genuine information about the company.

As the managers said “the companies do not have functional written form of marketing strategy but use fluctuation marketing strategy depend on the situation because it is a dynamic company. Beker pharmaceutical is one of the leading pharmaceutical importer companies in Ethiopia that existed in the market for about 20 years. Beker imports over 200 products from different county include Germany, UK, Switzerland, Turkey, Korea and Egypt. From top ten multinational companies such as Denk, Novartis, Sandoz, Sanofie, AstraZeneca, Roche, Bayer and Pfizer. Beker import the product from 8 of this multinational company. In addition to this the company has wild product portfolios from both length and depth range.so to estimate the market share of the company it takes 25-30% of Ethiopian pharmaceutical import market share. Now a day the pharmaceutical sector growth in fast rate due to this a lot of pharmaceuticals join the market and create the computations so currently, ZAF, EBG, RG, Dugda are our direct competitors.

The manager replied that the company put different advantage for the customer to prefer the company like 3month discount, item and cash discount for bulk purchaser and potential customer, Credit finance system. Other qualities of product, wide product portfolios which mean import from different company and different dosage form so customer prefers to purchase more products in one company. Finally managers respond “I think the marketing department is familiar with the company marketing mix strategy because meeting twice a week and exchange of information for Addis Ababa medical representative but there is communication gap with regional promoters. In addition not disclose all marketing mix strategy”.

## **CHAPTER FIVE: - SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

This chapter begins with a summary of findings for each questionnaire survey and in depth interview questions. Then conclusions and recommendations were presented respectively.

### **5.1. Summary of Findings**

The main objective of the study was to assess the marketing mix element practices of Beker pharmaceutical importer company. The study was designed mainly to deal with which specific approach is apply from each component of marketing mix in order to enhance, maintain and attract customers and to identify are the marketing department familiar with this marketing mix strategy.

The study uses descriptive research and findings from the quantitative data collected from self-administered questionnaires. Findings from the qualitative data gathered from in depth interview questions. The sampling procedure is purposive sampling research method. From 47 questionnaires 43 usable questionnaires were collected and interview questions were forwarded to middle and low level managers of the company and used for analysis of the paper. After a rigorous analysis of the data collected through a survey questionnaire the following findings were obtained by sum-up agree and strongly agree respondent response

- 93.1% of respondent agree with the companies apply country of origin product strategy followed by 90.7% of respondent agree with the company apply Quality of product strategy and the least value shows 62.8% which is product size strategy.
- 76.7% of respondent agree with the pricing approach of the company for newly imported product were market penetration
- 67.4% of respondent agree with the company pricing approach for existed imported product were both cost plus and competitor pricing
- 67.4% of respondent agree with the company apply cash discount pricing approach for domestic product
- Majority of respondent which is 67.4% of respondent of respondent agree with the company regional promoter not working on fair distribution of the product

- 79.8% of respondent agree with the company deliver resource is enough to facilitate the distribution of product
- 76.8% of respondent agree with the company has good dispatch store
- 74.4% of respondent agree with the company use sales force to distribute the company product
- 76.8% of respondent agree with the distribution channels were the same for both imported and domestic product.
- 76.8% of respondent disagree with the company product is available throughout Ethiopia
- The company use different promotional tools to promote pharmaceutical product from this 83.7% of respondent agree with the company commonly use promotional material( pen, note book, brusher) promotional tools followed by doctor detailing its value were 79% and the least value recorded by gift for doctors and pharmacist which is 65.1%
- 100% of respondent agree with Promotion and physician prescription habit has direct relation.
- 86% of respondent agree with the company use various promotional method as per needed and depend on type of product.
- 93% of respondent agree with the customer's primary reason for buying the company's product are because of the quality of product and effective promotion
- On average 84.32% of respondent agree with the company applies product, place, promotion and price marketing mix strategy.

Based on the findings of interview analysis, the following findings were obtained:

- The companies do not have written form of marketing strategy.
- To estimate the market share of the company it covers 25-35% of Ethiopian pharmaceutical importer market.
- The primary reason for company prefer our company because of credit finance system, different offer like 3month discount, item and cash discount, wide product portfolio, quality of product and effective promotion.
- Both managers and employees respond the same for product, price place and promotion strategy question.

- The company marketing departments (sales and medical representative) have known how on practice of marketing mix strategy but still there is a communication gap with regional promoter and not disclose all strategy.

## 5.2 Conclusion

The purpose of this research is to assess the marketing mix practice in Beker pharmaceutical importer company. Based on the findings the following conclusions are drawn.

Beker pharmaceutical company use mixed element of marketing (i.e. product, place, price and promotion) as needed to achieve its customer requirements and meet the objective of the company.

The company product strategy mainly focuses on the quality of product, brand base, country of origin and dosage form of the product. On the other hand the company work to less frequent in product test, product size product strategy.

The pricing approach of the company varies based on the type of product that they have. For newly imported products, it uses market penetration widely but for existing products, it uses both cost plus and competitor pricing approach. For domestic product which is produce in Ethiopia the company uses both cash and item discount pricing approach.

The selling process of the product is the same for both domestic and imported product and the company uses sales force for the distribution of the product. Storage condition of the company is comfortable that keep the safety of the pharmaceutical product. Due to information gap between regional and Addis Ababa promoter and poor delivery system for regional customer the company product not available throughout Ethiopia.

The promotional strategy of the company for various product use different promotional approach. For OCT product and prescribe product the company communicate different professional. To promote doctors, pharmacy and wholesaler promoters give different information as needed. Promotion and generation prescription inseparable thing then promotion has a big influence in physician prescription habit.

The promotional tools that the company uses doctor detailing, product sample distribution, product launch, sponsorship scheme, involve in different corporate social responsible activity to promote the company and even generate website to promote the company product.



The marketing department includes sales and medical representative (both regional and Addis Ababa) communicate smoothly but for regional promoter communicate through phone or e-mails so this is one of the big communication problem in the marketing department.

### 5.3 Recommendation

Even though the marketing mix practice of Beker pharmaceutical is practiced effectively by employees and managers, it has some problems. Therefore, the study recommends the following points based on the analysis;

- It will be better to develop functional written form of marketing strategy.
- It would be better to generate good communication system with regional and Addis Ababa marketing department to update regional promoter and exchange of information.
- It might be better to develop dynamic marketing strategy by considering the current marketing situation and marker competitor
- It might be better to focus on the distribution system of the company especial to address regional customer.
- In the research study, the researcher has assessed the marketing mix practices of beker pharmaceutical company from company perspective only. Therefore, it is better for any forthcoming researcher who wants to investigate similar issue by involving the customers, intermediaries and other stakeholders. The study was also covered only 4Ps of marketing mix thus increase the scope of the study and include other 3ps additionally for further studies. Also it is better if comparative study will be conducted with other competitors.

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## Appendix A

Questionnaires to be filled by Employees of the Marketing Department of Beker pharmaceutical

Dear respondent,

Thank you in advance for your cooperation and consideration. This questionnaire is prepared by student of St. Mary University to produce a paper entitled “ASSESSMENT OF MARKETING MIX PRACTICE IN CASE OF BEKER PHARMACUETICAL” for partial fulfillment of Master’s degree in Business Administration (MBA) program.

The purpose of this questionnaire is to gather the necessary data from marketing department to assess, which type of marketing mix approach does the company use. Thus, your genuine, complete and timely responses have great value. Be assured that the data collected using this questionnaire will be used only for academic purpose and your responses will be kept confidential. Therefore, you are kindly requested to spend few minutes of your precious time to fill the attached questionnaire as sincerely and truthfully as possible.

If you face any question or require further explanation please contact the researcher through

E-mail [nitsuhalex17@gmail.com](mailto:nitsuhalex17@gmail.com)

Thank you for your participation!

### I. General Guideline

- No need of writing your name.
- For closed-ended questions answer by putting a thick mark “√” in the box provided and for open-ended questions use the space provided to write your answer; if the space provided is not enough you can use additional paper.

**Part one**

Background characteristics of respondent

- 1. Gender  Male  Female
- 2. Field of study -----
- 3. Educational status  Diploma  . Degree  . Masters  .PhD and above
- 4. Age of respondent  20-25  26-30  31-35  above 36
- 5. What is your position in this organization?  Sales  Medical representative
- 6. For how long have you been working for Beker pharmaceutical company?
  - Less than 1 year  2-4 years  5-7 years  above 8 years

**Part two**

**Product related question**

Instruction: Rate the questions below by putting a thick mark “√” as:

1 = Strongly Disagree    2 = Disagree    3 = Neutral    4 = Agree    5 = Strongly Agree

1. The company apply the following product strategy		Extent of Agreement				
		1	2	3	4	5
1. 1	The company apply Product taste strategy					
1. 2	The company apply Product packaging strategy					
1. 3	The company apply Product size strategy					
1. 4	The company apply Product dosage form strategy					
1. 5	The company apply Product quality strategy					
1. 6	The company apply Product manufacturing and expired date strategy					
1.7	The company apply Brand based product strategy					
1. 8	The company apply Product country of origin strategy					

## 2. Price related question

Instruction: Answer the questions below by putting a thick mark “√” as:

2.1 Which type of pricing approach does the company use for new entrant imported product the company use? (More than one answer)

- Market penetration: Setting a low price for a new product in order to attract a large number of buyers
- Market-skimming Pricing: Setting a high price for a new product that who willing to pay the high price
- I don't know any type of pricing approach

2.2 Which type of pricing approach does the company use for existed imported product? (More than one answer)

- Cost plus (adding a standard markup to the cost of the product.)
- setting prices based on the price that competitors charge for similar products
- setting the price steps between various products based on cost differences between the products and competitors' price
- I don't know any type of pricing approach

2.3 Which pricing approach does the company use for domestic product? (More than one option)

- set by government (national regulatory authority)
- Cash discount
- Item discount
- I don't know any type of pricing approach



**Place or distribution related question**

Instruction: Rate the questions below by putting a thick mark “√” as:

1 = Strongly Disagree    2 = Disagree    3 = Neutral    4 = Agree    5 = Strongly Agree

Distribution or place related question		Extent of agreement				
		1	2	3	4	5
3.1	The company use regional promoter to make sure fair distribution of product out of Addis Ababa					
3.2	The company has enough delivery resource which facilitates the distribution of product safely and timely					
3.3	Dispatch store is comfortable for keeping product safely and as labeled by the manufactured company					
3.4	The company use sales force promotional method to distribute local pharmaceutical product					
3.5	The company use the same strategy to distribute domestic and imported product					
3.6	The company product is available throughout Ethiopia					

**Promotion related question**

Instruction: Rate the questions below by putting a thick mark “√” as:

1= Strongly Disagree    2 = Disagree    3 = Neutral    4 = Agree    5 = Strongly Agree

1. the company use the following promotional tools to promote the product		Extent of agreement				
		1	2	3	4	5
4. 1	The company use Doctors detailing promotional tool					
4. 2	The company use Product sample distribution promotional tool					
4. 3	The company use sales force promotional tools					
4. 4	The company use Promotional material promotional tools					
4. 5	The company use Gift to doctors and pharmacists promotional tools					
4. 6	The company use sponsoring schemes to doctor promotional tool					

1. Promotion related question		Extent of agreement				
		1	2	3	4	5
5.1	Promotion has a big influence in physician prescription habit					
5.2	The company use the different strategy to promote new product and existed product in the market					
5.3	The company use different strategy to promote for doctors, wholesaler and pharmacy					
5.4	The company use different strategy to promote OTC drug and prescribed drug					
5.5	The company use study and reference to increase trust of information					

6. What is the primary reason for customer (wholesaler and retailer) preferring your company?  
(More than one option)

- Quality of product
  Less price than other  
 Effective promotion
  Customer no option

7. From the above which approach is applicable (possible More than one option)?

1. Product
2. Price
3. Place or distribution
4. Promotion



7. How do explain the pricing approach of the company form

- ✓ New entrant Imported product
- ✓ Existed imported product
- ✓ Domestic product

8. Does the company has distribution strategy

9. Where have you been selling your product or service?

So to what extent does the company apply distribution strategy to avail the product?

10. What promotional tools do the mostly company used?

11. How do explain the relation between prescription pattern and promotion

12. How do you explain the promotion strategy form?

- ✓ OTC and prescribed product perspective
- ✓ Doctor, pharmacy and wholesales perspective
- ✓ For introducing new product and market existed product perspective

13. Do you think the staff is familiar with the above marketing mix approach which is product, price, place and promotion strategy?