



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF MARKETING STRATEGY PRACTICE: IN THE CASE  
OF ETHIOPIAN PHARMACEUTICALS MANUFACTURING SHARE  
COMPANY**

**By**

**HAIMANOT HAILEMARIAM**

**JUNE, 2020**

**ADDIS ABABA, ETHIOPIA**

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COMPANY**

**BY: HAIMANOT HAILEMARIAM**

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**ADVISOR: YIBELTAL NIGUSSIE (ASS. PROFESSOR)**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY COLLEGE,  
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**ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF GENERAL MANAGEMENT**

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**BY**  
**HAIMANOT HAILEMARIAM**


**APPROVED BY BOARD EXAMINERS**

-----  
**Dean, Graduate Studies**

-----  
**Signature & Date**

**Yibeltal Nigussie (Asst. Prof.)**

**Advisor**

  
-----

**Signature & Date**

**Afewerk Getachew ( Dr.)**

**External Examiner**



**Signature & Date**

**Berhanu Endeshaw (Dr.)**

**Internal Examiner**

  
-----

**Signature & Date**

## **DECLARATION**

I, the undersigned, declare that, this study “Assessment of Marketing Strategy Practice: in the case of Ethiopian Pharmaceutical Manufacturing Share Company (EPHARM)” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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Researcher

Haimanot Hailemariam

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Signature

June, 2020

**ENDORSEMENT**

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

Yibeltal Nigussie(Assistant Professor)



August 09,2020

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Advisor

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Signature and Date

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## **ACRONYMS**

EPHARM: - Ethiopian Pharmaceuticals Manufacturing Share Company

4P's: - Product, Price, promotion. Place

R&D: - Research and Development

SPSS: - Statistical Package for Social Science

STP: - Segmentation, Targeting and Positioning

EPSA:- Ethiopian pharmaceutical supply agency

EFDA:- Ethiopian Food & Drug Administration

IFPMA:- International Federation of Pharmaceutical Manufacturers Associations

## **ABSTRACT**

In order to keep up with the competition and changing consumer needs and wants in the competitive business environment, pharmaceutical manufacturing company need to use effective marketing strategies in managing business. Changing consumer needs and business environment has necessitated pharmaceutical manufacturing company to adopt marketing strategies to gain competitive edge hence attracting and retaining customers. This study focused on assessing the marketing strategy practices of the Ethiopian pharmaceuticals manufacturing Share Company with respect to marketing mixes (Product, Pricing, Promotion, and Place (distribution)) strategy that constitute for marketing strategy practices. The study used descriptive method of research design and both primary and secondary data collection instruments were used. To collect the data, the target population of the study was the marketing department manager and marketing department senior staff of Ethiopian pharmaceuticals manufacturing Share Company and customers of the company. Thirty questionnaires were distributed to the EPHARM customers which are wholesales and pharmacies. In addition to this interview questions were made with the marketing manager and senior employee those who are in the marketing department. The study found that the company has exploited 4P's marketing mix elements such as product, price, place and promotion. EPHARM products are not available frequently and didn't address the demand in the market. The study also revealed that Company provides quality of products and the quality of products are the main reason for customer's preference to EPHARM products. The response from the Customers showed that EPHARM products are expensive and customers are not satisfying the overall company pricing strategies. The study was found out EPHARM products have ineffective on product packaging attributes. The Major challenges with respect to marketing mix are: intensive competition, Company week promotional activities, and less volume of production compared to the market demand., The Study recommends, constantly strength the sub elements of each marketing mix successfully to compete with its competitors and to offer the greatest value to its customers.

**Keywords: - Marketing mix, Products, Price, Promotion, Place**

# **CHAPTER ONE**

## **1. Introduction**

### **1.1 Back Ground of the Study**

Marketing strategy is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future (Anderson, 2004). According to McDonald (2007), the aim of an organization's marketing strategy development is to establish, build, defend, and maintain its competitive advantage.

Marketing strategy is a marketing logic by which the company hopes to create customer value and achieve profitable customer relationship (Kolter & Armstrong, 2012). In order to create customer value and long term relationship with the very competent business environment companies must review and watch carefully the environment and their marketing strategies.

The role of the pharmaceutical industry is to develop, produce and sell drugs. Practically, medicines treat, save lives, promote good health, and they are a core component of the right health McGuire et al, (2000).

EPHARM which was used to be known as the Ethiopian Drug Manufacturing was established as a joint venture in 1964 by then Ethiopian government and a British company, Smith and Nephew. In 1971, a change in its form of ownership occurred and consequently, one of the partners; Smith and Nephew was superseded by Teva Jerusalem of Israel. Few years later, in December 1975, the company was fully nationalized by the state. In February 1994, based on Council of Ministers Regulation No. 1167/1994, it was established as a Public Enterprise. Since January 2002, it has been reorganized as Ethiopian Pharmaceuticals Manufacturing Share Company with paid capital of birr 122,963,000. EPHARM has been a government owned organization for the past 50 years, establishing for an unrivalled reputation in the country and industry, making the acquisition a vital feather in the cap of Med-tech Ethiopia. The company produces around one hundred eighty products in ten production lines. The lines are; Capsules, Tablets, injection, liquid syrup, Dry powder for injection (Vials), Oral powder, ointments, Dry powder suspensions and creams.

To formulate a marketing strategy, it is also crucial to know the existing markets as well as emerging markets of pharmaceutical drugs (Gary, 2006). The aim of an organization's marketing strategy development is to establish, build, defend, and maintain its competitive advantage. Managerial judgment is importance in coping with environmental ambiguity and uncertainty in strategic marketing (Gary, 2006). The function of marketing strategy deals with determining the nature, strength, direction, and interaction between the marketing mix-elements and the environmental factors in a particular situation (Armstrong, 2006).

In order to be competitive in the dynamic sector, pharmaceuticals industries should develop better marketing strategies. Thus, any competitive pharmaceutical company that wants to dominate a larger market share should adopt effective marketing strategies in order to survive.

Marketing strategy therefore, is a long-term response to the changing environment and involves fundamental decisions about how to match resources to that changing environment (Kotler and Keller,2005). Strategic marketing practices help organization to manage with increasing environmental turbulence and complexity, more intense competitive pressures, and the pace of technological change.

This paper assesses the marketing strategies practices of Ethiopian Pharmaceuticals Manufacturing Share Company align with marketing mix and corporate mission to satisfy customer requirements.

## **1.2 Statement of the Problem**

Due to dynamic business environment, both small and large organizations need to adopt marketing strategies to survive by attracting and retaining customers hence increased productivity (Woodward, 2004). 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.

(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. (Chemutai, 2016)

According to National strategy and plan of action of pharmaceutical manufacturing, the Ethiopian pharmaceutical manufacturing industry faces significant challenges, including human resource capacity constraints, limited access to foreign currency, and raw material procurement difficulties. Until now, there has been no coherent national vision, strategy or plan to develop the pharmaceutical industry in the long term.

An appropriate marketing strategy for any pharmaceutical company would be to build on proven strategic marketing principles, along with a focus on changing customer behavior. It is well known that a marketing strategy influences the company's ability to generate profits or to stay in business. Ethiopian Pharmaceuticals Manufacturing Share Company has faced tough competition from emergent new entrant local manufacturers. In addition to this, the company production capacity and profits decreasing through time and some customers for the company are shifting to other competitor company.

Therefore, the purpose of this study is to assess marketing strategy practices of Ethiopian pharmaceuticals manufacturing Share Company with respect to marketing mixes (Product, Pricing, Promotion, and Place (distribution)).

### **1.3 Research Questions**

Based on the above mentioned general introduction on the subject matter and description of statement of the problem, the research questions of the study were identified,

- What is the company quality of the products?
- 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?
- What are the problems encountered in implementing the marketing mix strategies?

## **1.4 Objectives of the Study**

### **1.4.1 General Objectives**

The General objective of the study is to assess the marketing strategy practice of Ethiopian Pharmaceuticals Manufacturing Share Company the product, price, promotion and distribution strategies.

### **1.4.2 Specific Objectives**

- To describe pricing approach used by the company
- To identify the company product quality.
- To identify promotional approach used by the company
- To assess distribution strategy of the company
- To explore the challenges encountered in the implementation of the marketing mix.

## **1.5 Scope of the Study**

The scope of this study is limited to assess the marketing strategies practice of Ethiopian pharmaceuticals manufacturing Share Company with respect to marketing mixes. The study involved the marketing department manager and senior employee those who are in the marketing department and customers of Ethiopian pharmaceuticals manufacturing Share Company to see the successfulness of the marketing strategies of the company. The scope of the study was covered the marketing strategy practices of the organization that aligned to the marketing mix. The study includes the basic marketing mix elements such as product, price, promotion and distribution strategies of the company. Any other marketing strategy practices of the organization other than the above mentioned were not included in the study.

## **1.6 Significance of the Study**

The findings of this study will help EPHARM Share Company to better diagnose its marketing strategy. It would also play a role in identifying the present situations and future strategies for giving better services to customers and will help to identify the problems, gaps and then ultimately find out solutions to fill the gaps between customer expectation and perception. The study may serve as a reference material for other pharmaceuticals manufacturing companies to



learn from the sample organization. Finally, this study would serve as a stepping stone for those who wanted to conduct further studies in the same sector.

### **1.7 Limitation of the Study**

The Study was limited and focused on 4P's marketing mix practices of Ethiopian Pharmaceuticals Manufacturing Share Company from the company and customer's perspectives.

The customers of the Ethiopian Pharmaceutical Manufacturing share company are too many and scattered in the different part of the country. Due to the current global Corona virus restriction it was difficult to collect the data easily and limited to involve many customers. The lack of cooperation of the respondents to complete the questionnaires and to provide the researcher with the relevant information were seriously limited the outcome of the research. Thus, this study covers only 4p's of marketing mixes (product, Price, promotion. Place or Distribution). STP (Segmentation, Targeting and Positioning) are not considered in this study. Thus, other researcher may consider this issue for further studies.

### **1.8 Organization of the Study**

The paper arranged under five chapters, first chapter deals with introductory aspects which are, background of the study, research problem, research questions, and objective of the study, Significant of the study, scope of the study and limitation of the study. The second chapter focuses on literature review that could give theoretical and empirical basis to the study. The third chapter focuses on the design and methodology of the study. The fourth chapter introduces the result and discussion. Finally, the fifth chapter is closing chapter focuses on summary of the finding, conclusions and recommendations aimed to resolving the identified problems.

### **1.9 Definition of Terminology**

**Pharmaceutical industry**, Develops, produces, and markets drugs or pharmaceuticals licensed for use as medications. Pharmaceutical companies are allowed to deal in generic and/or brand medications and medical device.

**Pharmaceuticals products** means all Products being researched, tested, developed, manufactured or distributed by the Company or any of its Subsidiaries.

## **CHAPTER TWO**

### **2 Review of Related Literature**

#### **2.1 Introduction**

The focus of this section is mainly addressed the review of related literature that include theoretical literature, & empirical study.

#### **2.2 Literature Review Theoretical**

The theoretical framework enables a review of a collection of related ideas based on theories. Accordingly, in this section theoretical framework will be covered.

##### **2.2.1 Marketing**

The marketing concept holds that the key to achieving organizational goals consists of determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors. Under marketing concept, the emphasis is on selling satisfaction and not merely on the sale of a product. The objective of marketing is not the maximization of profitable sales volume, but profits through the satisfaction of customers. The consumer is the pivot point and all marketing activities operate around this central point. It is, therefore, essential that the entrepreneurs identify the customers, establish a relationship with them, identify their needs and deliver the goods and services that would meet their requirements (Aaker, 2011).

Marketing process is vital to the business performance of any company, be it large or small because it addresses the core aspects of the competitive market place. The first and the most important role of marketing is to ensure that producers get goods and services to consumers effectively and efficiently. Marketing creates the linkage between manufacturers and consumers (Kotler, 2003). Marketing is also essential in building and maintenance of brand value and awareness among the consumers. Similarly, marketing delivers profitable growth of organizations. This would subsequently increase the shareholders' value in an organization. Marketing does also build the value of customers. In this regard, a company that focuses more on the needs of its customers would definitely perform better than companies that ignore consumers' wants (Merlo, 2011).

### **2.2.1.1 Marketing Strategy Development**

Ranchhod (2007) discussed after testing and selecting a product concept for development, the new product manager must draft a three-part preliminary marketing strategy plan for introducing the new product into the market. The first part will describe the target market's size, structure, and behavioral; the planned product positioning; and the sales, market share, and profit goals required in the first few years the second part will outline the planned price, distribution strategy, and marketing budget for the first year.

The second part will outline the planned price, distribution strategy, and marketing budget for the first year. Third part will describe the long run sales, profit goals, and marketing mix strategy over time. This plan forms the basis for the business analysis that is conducted before management makes a final decision on the new product.

### **2.2.2 Marketing Mix Elements**

Aaker (2011) says that successful marketing depends on key issues including what the company is going to produce, how much it is going to charge, how it is going to deliver its products and services, and even how it is going to inform customers about its products and services. Traditionally, these considerations were known as 4Ps- Product, Price, Place, and Promotion. Indeed, these considerations are what determine the choice of a marketing strategy that a firm should adopt.

McCarthy (1960) Marketing mix involves careful scanning of the internal and external environments. Internal environmental factors include the marketing mix and marketing mix modeling, plus performance analysis and strategic constraints. External environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success.

#### **2.2.2.1 Product Strategy**

According to definition of International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) "pharmaceutical product" means all pharmaceutical or biological products (irrespective of patent status and/or whether they are branded or not) which are intended to be used on the prescription of, or under the supervision of, a healthcare professional, and

which are intended for use in the diagnosis, treatment or prevention of disease in humans, or to affect the structure or any function of the human body (IFPMA 2012).

Product strategy refers to all the goods and services a company offers to the market. When the strategic decisions to be made in the marketing plan the design, development, branding, and positioning of the product are perhaps the most critical. At the heart of every organization lie one or more products that define what the organization does and why it exists. Products fall into two general categories. Products purchased for personal use and enjoyment are called consumer products, whereas those purchased for resale, to make other products, or for use in a firm's operations are called business products (Ferrell & Hartline, 2011).

#### **2.2.2.1.1 Product Positioning Strategy**

Position of a product refers to a relative location in customer's mind among opponent products. Positioning is the development of the image of a product directly against to the competitor products and other products produced by the company's (Mustafa K. 2002). Positioning can be formed according to the specific features, benefits or the usage of the product, and also a positioning can be developed as directly against the major opponent or as being different from the opponent.

#### **2.2.2.1.2 Product Elimination Strategy**

The product elimination decision is a decision of great strategic importance in today's increasingly competitive marketplace (Mitchell .M.A., Taylor.R.D., Faruk Tanyel. F., 2004). An examination of the literature on product elimination suggests that there are two basic strategies which a company may follow once a product has been scheduled for removal according to (Avlonitis, George J., and James, Bert G.S., 1982). In the latter case, the company carries the product at a reduced level of promotion and costs to maximize its remaining value. Certainly, as the current economic environment has shifted the decision to drop unprofitable and obsolete products from an important to a critical position in corporate strategy, the actual disposal of such products in an economical and efficient way will, undoubtedly, demand more attention (George J. Avlonitis ,1983).

### **2.2.2.1.3 New Product Development Strategy**

Products do not remain economically viable forever, so new ones must be developed to assure the survival of an organization. The creation of new products is the lifeblood of an organization. For many firms, new products account for a sizable part of growth in sales and profits. Among possible actions, new products can be a source of competitive advantage because they can be used to reinforce a firm's strategic direction by enhancing its competitive advantage in the market (Thomas, R. J.1993). Operations strategy must be designed to contribute to corporate strategy (Skinner, 1969).

### **2.2.2.1.4 Product Mix Strategy**

A product mix (also called product assortment) is the set of all products and items that a particular marketer offers for sale. The product mix of an individual company can be described in terms of width, length, depth and consistency. The width refers to how many different product lines the company carries. The length refers to the total number of items in the mix. The depth of a product mix refers to how many variants of each product are offered. The consistency of the product mix refers how closely relate the various product lines are in end use, production requirements, distribution channels, or some other way. These four product mix dimensions permit the company to expand its business by (1) adding new product lines, thus widening its product mix; (2) lengthening each product line; (3) deepening the product mix by adding more variants; and (4) pursuing more product line consistency (Aaker & Keller, 1990).

Product strategy consists of elements such as packaging, branding labeling and product attributes that are of good quality, style, features and design. Strong brand preference is an added feature to the product.

Small Business Development Corporation [SBDC], 2011) stated that Products incorporate the following characteristics:

### **2.2.2.1.5 Product attributes**

**Quality** – the major tool in positioning our product. It encompasses two key elements: 1) quality level - how it is made or perceived, and 2) quality consistency - how it performs over its life.

**Features** – the physical or intrinsic characteristics of our product that contribute to the benefits it offers. Design – a combination of how the product looks and how it performs.

**Branding** - A brand is a name, term, sign, symbol or design, or a combination of these elements that identifies the maker or seller of a product or service. Branding is an important part of a product and contributes to its personality and perceived value. The power of a brand cannot be underestimated many people buy on the strength of brand alone with no regard for price or performance.

**Packaging** - Packaging incorporates the wrapper or container for your product. It serves to protect the product, ensuring it reaches the buyer in good condition and also conveys the personality of your brand and important safety and statutory information.

**Labeling** - Labeling incorporates all the written information about our product and usually takes the form of an adhesive sticker, a tie-on tag or a printed piece of packaging.

### **2.2.2.2 Price Strategy**

Goi (2005) claimed that price is the second element of marketing mix, the value attached to a product or service, and it is the only element of the marketing mix that generates revenue to the organization, hence is directly related to profits. Kotler (2007) defines price as a cost of producing, delivering and promoting the product charged by the organization. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well.

Price is one of the positioning methods and should be implemented in relation to target market, product mix, services and competition. Price should involve all the cost; otherwise companies will incur losses. Therefore, the management and the managers should understand how to set the price by considering lost margin and lost sales. Also factors such as demand, competition, distribution channels, internal environment and public authorities affect price setting (Woodward, 2004).

Understanding how to set a price is an important aspect of marketing decision-making because of changes in the competitive market that many believe will act to decrease prices in many countries. Developing a coherent pricing strategy assumes major significance (Jobber 2004).

#### **2.2.2.2.1 Factors to be Considered When Setting Prices**

A company's pricing decision are affected both by internal and external company factors.

- Internal factors affecting pricing includes company's marketing objectives, marketing Mix strategy, cost and organization.
- External factors affecting pricing includes nature of the market and demand, competition and other environmental factors (economy, resellers, government) (Tellis, G.1986).

#### **2.2.2.2 Pricing Strategies for New Products**

The pricing strategies for new product should be developed so that the desired impact on the Market is achieved while the emergence of competition is discouraged. Two basic strategies that may be used in pricing new products are; skimming pricing and penetration pricing strategy.

##### **Skimming Pricing:**

The strategy of establishing initial price for a product with a view of “skimming the cream of market” at the upper end of the demand curve. It is accompanied by heavy expenditure on promotion. A skimming strategy may be recommended;

- When the nature of demand is uncertain,
- When a company has expended large sums of money on research and development for a new product,
- When a competition is expected to develop and market a similar product in the near

future or when the product is so innovative that the market is expected to mature very slowly.

Under these circumstances, a skimming strategy has several advantages. Premium and umbrella prices are two other forms of price skimming. Some products carry Premium prices (high prices) permanently and build on image of superiority for themselves. Some times higher prices are maintained in order to provide an umbrella for small high cost Competitors. Umbrella prices have been aided by limitation laws that specify minimum prices for a variety of products,

##### **Penetration Pricing:**

The strategy of entering the market with a low initial price so that a greater strategy is used when an elite market does not exist and demand seems to be elastic over the entire demand curve even during early stages of product introduction. High price elasticity of demand is probably the most

important reason for adopting a penetration strategy. The penetration strategy is also used to discourage competitors from entering the market. Penetration pricing reflects a long term perspective in which short term profits are sacrificed in order to establish sustainable competitive advantage (Fifield, 1994).

#### **2.2.2.2.3 Pricing Strategies for Established Products**

An examination of existing prices may lead to one of three strategic alternatives; maintaining the price, reducing the price, or increasing the price.

- Maintaining the prices: If,

The market segment from which the company derives a big position of its sales is not affected by changes in the environment; the company may decide not to initiate any change in its pricing strategy.

- Reducing the prices:

There are three main reasons for lowering prices. First, as a defensive strategy, prices may be cut in response to competition. In addition, to successfully compete in mature industries; many companies reduce prices, following a strategy that is often called value pricing. A second reason for lowering price is offensive in nature. Following the experience curve concept, costs across the board go down by fixed percentage every time experience doubles. Technology advances have made possible the low cost production of high quality electronics gear. The third and final reason for price cutting may be a response to customer needs. During a period of inflation, all types of costs go up, and to maintain adequate profits, an increase in price becomes necessary. How much the price should be increased is a matter of that varies from case to case (Philip K. & Garry A. (2007).

#### **2.2.2.2.4 Price Bundling Strategy**

Under the bundle strategy, not only are costs of hardware and profits covered, anticipated expenses for extra technical sales assistance, design and engineering of the system concept, software and applications to be used on the system, training of personnel and maintenance also include (Philip K. & Garry A. (2007).



#### **2.2.2.2.5 Pricing Adjustment Strategies**

Companies usually adjust their basic prices to account for varies customers' differences and changing situations. Some of the pricing adjustment strategies are; discount and allowance pricing, segmented pricing, psychological pricing, promotional pricing, value pricing, geographical pricing and international pricing. (Philip Kotler, 2007).

#### **2.2.2.3 Promotion Strategies**

The purpose of promotion is to build brand consciousness and reputation that help companies to encourage customers to buy their products (Luo,Roach, & Jiratchot, 2016). In a broader sense, promotion is a method of communication between the organization and consumers to promote what it does and what it can offer (Samani et al., 2017). For most companies the question is not whether to communicate but rather what to say to whom or what often (Peter, 2006). According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. The concept behind promotion is to inform and remind individuals and persuade them to accept, recommend or use of a product or service. Promotion is basically meant for communication. (Rao 1992) points out that it is the process of managing a communication system to improve the image of the company among various groups of the society. It communicates the knowledge about the company, its product, activities, prices and policies.

##### **2.2.2.3.1 Promotional Mixes**

There are two major elements in the promotional mix of a pharmaceutical company. They are Personal communication and non-personal communication. In pharmaceutical marketing, personal communication is the most important element of the promotional mix. It is defined as oral presentation and conversation with one or more prospective purchasers. This part of the person-to-person communication where the sales representative uncovers and satisfies the needs of a customer to the mutual benefit of both (Arens, 2011, Belch and Belch, 2007). Personal selling brings the customer to the organization and in most cases the consumer is interested in buying. The personal selling process leads the consumer through the details of the product offering and aims at closing with an actual sale of the product. Under non personal communication the following are included;

**Advertising:**

Advertising of products and services in some organizations is considered a long-term investment and hence, the allocation of time and resources is shifted to the advertising strategies of the organization. Advertising is costly and its effects often uncertain. It is for these reasons that many companies think it appropriate occasionally to reduce advertising expenditures or to eliminate advertising entirely.

Advertising is preparation of visual aids, leave behind literature, product monographs etc to assist medical representatives in their detailing effort; advertising in specialized media like medical journals and souvenirs; preparing advertising material for seminars and medical symposia, preparing mailers to doctors and dealers, preparing advertising material for print media, and commercials for radio and television in case of over the counter formulations.

**Sales Promotion,**

Sales promotion is defined as all marketing actions focusing on eliciting an immediate response from the target market by offering value incentives to members of the distribution channel and/or the final consumer (Arens, 2011, Belch and Belch, 2007, Ouwersloot and Duncan, 2008). Therefore, the main aim is to acquire a specific response to the offer from the target audience. They are characterized by the provision of some form of reward for a particular behavior; they change the perception of the value of the offering.

**Public Relations Strategy**

Public relations involve a variety of programs that are designed to promote or protect a company's image or its individual products. The wise company takes concrete steps to manage successful relations with its key publics. This involves organization of medical symposia and seminars, conducting of clinical trials, conducting exhibitions, designing and executing product publicity campaigns. Not only must the company relate constructively to customers, suppliers, and dealers, but it must also relate to a large number of interested publics. A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives.

#### **2.2.2.4 Distribution Channels**

Place or distribution strategy involves delivering of products or services to the final user. The channel of distribution is very important to be considered depending on the size of the company and the nature of the product (Strauss, 2006). It should also be estimated on whether to sell directly to the consumer or use intermediaries such as wholesalers and retailers.

Proper distribution planning which means a systematic distribution decision making process is also important for effectiveness and cost reduction (Baron, 2003). The distribution channel needs to be designed and monitored frequently to withstand changes in the market and to reduce channel problems resulting from inefficiency using features such as transportation and storage in the market place (Chaffey 2002). Distribution chain or the channels refer to the stages involved in delivering the product to the market. Each of the elements in these stages has specific needs it meets for both the seller and the end user and are very important to be considered especially by the producer because the main objective is to satisfy the needs of the customers (Strauss, 2006).

There are different types of these channels such as selling direct to the consumer, wholesalers who sell in bulk and retailers who sell the products in smaller units to the customers. There are two basic types of channels, a direct channel of distribution and indirect channel of distribution (Blythe, 2006).

**Direct channels** involve the movement of goods and services from producer to consumers without the use of independent intermediaries. It is mostly preferred by companies that want control over their entire marketing programs, desire close customer contact and have limited target markets.

**Indirect channel** of distribution involves the movement of goods and services from producer to independent intermediaries to consumers and is usually used by companies that want to enlarge their markets, raise sales volume, reduce distribution functions and costs, and are willing to waive some channel control and customer contact (Baron, 2003).

### **2.3 Empirical Literature Review**

Tilahun (2017) made a research on assessment on marketing strategy on the case of Raya brewery S.C. Marketing strategy is commonly defined as a strategy employed by a firm to attain its marketing objectives, which in turn is related to the achievement of the firm's business

objectives. In other words, marketing strategy refers to the marketing goals and action plans that address matters of product/ service price, distribution, communication, and the process of new product development. This study focused on assessing the marketing strategy practices of the Raya Brewery Share Company. The study used descriptive method of research design. Both primary and secondary data collection instruments are used to collect data. To collect the data for this study, the target population of the study is the corporate marketing and sales department of the Raya Brewery Share Company. The study was taken 49 people who are working under corporate sales and marketing department, out of 49 people questionnaires were distributed for 48, and one was interviewed. The Raya Brewery's marketing strategy is practiced moderately by and managers. The company provides quality products with affordable prices by promoting its products using different promotional mechanisms (i.e. media advertisement, sales promotion and public relations). It was finally recommended that the company needs to align its marketing strategies with its vision and mission; the vision and missions of the company must be well addressed to its employees, the marketing and planning team and other stakeholders. The company needs to enhance its communication between corporate sales and marketing departments and other departments for the smooth implementation of its strategy.

Abdi (2012) conducted marketing mix strategy Adopted by pharmaceuticals companies in Kenya. The study describes how the marketing mix strategies were practiced in the country to achieve its goals aligned with marketing mix to satisfy customer requirements. The study was a descriptive cross-sectional. The target population for this study was the staff at the marketing departments of the 43 pharmaceutical companies operating in Kenya. The study carried out a census of all the staff within the department of marketing in 43 pharmaceutical companies. This study utilized a questionnaire as the data collection tool. Data collected was analyzed through descriptive statistics with the help of SPSS.

It was established that quite a number of pharmaceutical companies use marketing mix strategies but on a little extent due to internal and external challenges in the business environment like high costs associated with marketing the pharmaceutical products, inadequate training of staff on customers care relations by the pharmaceutical firms and ineffective policies formulated by the Government and relevant authorities to promote the pharmaceutical industry. Therefore, the study recommends that pharmaceutical companies should embrace strategic marketing practices

for their survival in the dynamic and competitive business environment through embracing information technology.

Abesolom (2013) made a research on assessment of marketing strategy practices in Ethio telecom from the company perspectives on Ethio telecom. The main objective of the study was to assess the marketing strategy practices of Ethio telecom. The study was designed mainly to deal with how marketing mix, market segmentation and target marketing are used in order to enhance, maintain and attract customers and to identify how these tools are aligned with marketing strategy of the company. The author has put dependent variable of the marketing objectives, and the independent variable of target market, Segmentation, Positioning and the marketing mixes. The researcher found out that Ethio telecom exploits all the 4Ps of marketing mix elements to achieve its target. These marketing mix elements are product, price, promotion and Placement. These are vital to implement the marketing strategy effectively inseparable because each mix affects the other. Therefore, all the mixes are essential for the company to achieve its customer requirements.

(Onyango,2012) conducted the study set out to ascertain the strategies employed by pharmaceutical manufacturing companies in addressing marketing challenges in Kenya. The key objective was to determine marketing strategies used by pharmaceutical firms in Kenya and to establish challenges that these pharmaceutical firms experience while marketing their products. The study adopted a descriptive survey and targeted all the pharmaceutical firms in Kenya that are manufacturing human products. Data was collected from senior sales and marketing staff using questionnaires and the collected data was analyzed using descriptive statistics. The findings indicated that the most used marketing mix was product strategy while the least exploited was promotion strategy. The challenges experienced included over-regulation of the industry with regulatory authorities among others and limited technology. It was recommended that the government off-lift its tight grip of the pharmaceutical industry in regard to the promotion of their products. The pharmaceutical industry should also take advantage of the e-marketing and the booming opportunity of social media to showcase their products.

## **CHAPTER THREE:**

### **Research Methodology**

#### **3.1 Introduction**

This section discusses the design and the methodology of the research study. Research design includes some of the major decisions in research methodology that the researcher makes in conducting the study, some of the important decisions included, sampling methods, data collection and data analysis. The methodology includes using logical methods in collecting data, determining a target population, sampling design, data collection methods and techniques and data analysis methods.

#### **3.2 Research Design**

This research is about assessment of marketing strategy practice in Ethiopian Pharmaceuticals Manufacturing Share Company. Therefore, the research design is descriptive methods. The row data presented by according to the nature and purpose of the studies. Different types of the studies require different research methods. Thus, this study is a case study and uses both qualitative and quantitative approach, the desired results of the company and the analyzed data frequencies and percentages presented in form of tables.

#### **3.3 Research Approach**

This study employed quantitative & qualitative research approach since the primary data used in the study is quantitative & qualitative in nature. The questionnaire that asked respondents about their opinion towards the Assessment of marketing strategy practices, ranges on a five –point Likert-type response scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). The quantitative research approach allows to count gathered data aggregating comparing and summarizing to implement statistical analysis. The qualitative data collected using an interview of marketing department manager and senior staff of the company helps the researcher to assess marketing mix strategy of the company through interpretation of the results. The qualitative method helps to interpret ideas which gather through open ended question and allowed to get in-depth information from Interviewees.

### **3.4 Target Population, Sampling Techniques and sample size**

#### **Target Population**

The target population of this study is senior employees of marketing departments and marketing department manager of Ethiopian pharmaceuticals manufacturing Share Company who have a direct exposure to the marketing activity. The study also targeted the customers of Ethiopian pharmaceuticals manufacturing Share Company who are wholesalers and pharmacies.

#### **Sample size**

The population of the study is 11 employees who are marketing manager and senior staff of marketing department and 30 customers of the Ethiopian pharmaceuticals manufacturing Share Company. Therefore, considering small size of the population, the sample size and sample size determination formula is specified by census methods.

#### **Sampling Techniques**

The sampling procedure is non probability and the selection of the respondents determined by using purposive sampling research method because no other departments were concerned about marketing strategies. From the company side, the study took marketing manager and marketing department senior employee as total population. Since marketing strategy is the main concern of marketing department. To see the successfulness of the company's marketing strategy, the researcher has also distributed questionnaires to the customers of the Ethiopian Pharmaceuticals Manufacturing Share Company those who are customers and taken from customer list found in the sales report of the company and which is a convenient and time-effective way for the researcher to distribute questioners.

### **3.5 Source of Data**

It is the fact that, in order to gather the data from the relevant source, both primary and secondary data collection instrument conducted. Primary data was collected using questionnaires and interview an interview with the marketing manager and marketing department senior employee of EPHARM was conducted on the marketing strategy of the company. On the part of the customers, both open ended and close ended Questionnaires were distributed selected wholesalers and pharmacies to obtained detail information from the respondents. The secondary

data will obtain from Ethiopian Pharmaceuticals Manufacturing share company strategic marketing document such as monthly management reports, brochures, and sales kits. 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.

### **3.6 Methods of Data Analysis**

Data Analysis is the way of obtaining significant information from the collected data (Kombo&Trump , 2006). Thus, before dealing out the response, will going to check and ensure the completeness of the questioner which have consistency and clarity. The data which is received from respondents analyzed with the help of statistical software program, Statistical package for social sciences. (SPSS) version 20. Therefore, the data should be edited, classified and coded is convenient to the analysis. The qualitative analyzed using content analysis because it focuses on interpretation of the result rather than quantification. Quantitative data analyzed through the use of descriptive statistics which include frequencies and percentages. The analyzed data then presented in form of tables. The information obtained from the survey questionnaire and from interview were triangulated and presented in the result and discussion section.

### **3.7 Reliability**

#### **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 were tested by cronbach alpha which should above the Acceptable level of 0.7. The Cronbach's alpha value of the whole instrument was 0.806.



### **3.8 Ethical consideration**

The confidentiality of information brought by research Subjects and the anonymity of the respondents will be respected. And also, research participants participated in a voluntary way free from any pressure. Harm to research participants is avoiding and the independence of the research is clear and any conflicts of interest or partiality is explicit.

## **CHAPTER FOUR:**

### **DATA ANALYSIS AND INTERPRETATION**

#### **4.1 Introduction**

This study attempted to examine the assessment of marketing strategy practices of Ethiopian pharmaceuticals manufacturing Share Company. Therefore, the findings of the study are presented and discussed in this chapter. The questionnaire was developed in five scales ranging from five to one; where 5 represents strongly agree, 4 agree, 3 Neutral, 2 disagree, and 1 strongly disagrees. Frequency proportions were used to determine the extent of adoption of Marketing Strategy practices of Ethiopian pharmaceuticals manufacturing company.

The analysis of data is processed in line with the basic research questions and objectives of the study. This part the study presents detailed analysis and discussion of data collected through obtained from administered questionnaires and interview with key informants in the sector. The details are presented in the upcoming sections.

#### **4.2 Response Rate**

From the study, the study totals population were 30, 26 respondents responded and returned the questionnaires. The 26 respondents were customers of Ethiopian Pharmaceuticals Manufacturing Share Company Pharmacy and wholesales. Only 26 questionnaires were obtained valid and used for analysis and this makes a response rate of 86%. This percentage was considered sufficient for this study. The 20% who never returned the questionnaires cited busy schedules as the main reason for lacking time to fill the questionnaires.

### 4.3 Result of Demographic Questions

**Table 4.1 Result of Demographic Data of Customers**

Variables	Frequency		Percentage
Sex	Female	14	53.8
	Male	12	46.2
	Total	26	100.0
Age	25-35	13	50
	36-45	10	38.5
	>46	3	11.5
	Total	26	100.0
Educational Level	Diploma	3	11.5
	Degree	14	53.8
	Master	9	34.6
	Total	26	100.0
Work Experience	2-5 Years	4	15.4
	6-10 Years	13	53.8
	> 10 Years	8	30.8
	Total	26	100.0

Position	Pharmacist	15	57.7
	Technical Manger	11	42.3
	Total	26	100

Source: Research Survey 2020

According to the result of the study, out of the total respondents, 14(53.8%) of them are female Whereas the rest 12(46.2%) are male. This shows that majority of the respondents are female. Concerning the age of the respondents 13(50%) 25-35 age group, 10(38.5%) are from 36-45, 3(11.5%) are above 46. In general, the respondents were in the age groups of 25 up to 35 years old and this shows that majority of the respondents are within the productive age. Regarding the educational level of the respondents, from the total sample 3(11.5%) are diploma holders, 14 (53.8%) respondents have first degree and the remaining 9(34.6%) respondents have master's degree and above. This shows that majority of the people who are working in the pharmaceuticals sectors are educated.

When we come to the respondent's service year, 14 (53.8%) have experience of 6- 10 years 8(30.8%) have more than 10 years of experience, the rest 4(15.4%) respondents are 4 years. Here we can judge that as majority of the respondents have long years of experience, this implied that they were confident enough to respond in depth issues on the firm 'marketing strategies practices.

## **Questions Related to The Marketing Mix of the Ethiopian Pharmaceuticals manufacturing share Company.**

### **4.3.1 Product Related Issues**

Product is one of the major elements of marketing mix frame work, respondents were asked to rate the extent of using product strategies within their pharmaceutical companies. These results are presented in Table 4.2

**Table 4.2 Customer responses on Product related issues**

NO	Product related Issues	Respondents	
		No	100%
<b>1</b>	The firm has a consistency quality of products		
	1) Strongly Disagree	3	11.5
	2) Disagree	-	-
	3) Neutral	-	-
	4) Agree	16	61.5
	5) Strongly agree	7	26.9
	Total	26	100
<b>2</b>	The firm maintains a strong brand /image identification of the products		
	1) Strongly Disagree	3	11.5
	2) Disagree	-	-
	3) Neutral	-	-
	4) Agree	11	42.3
	5) Strongly Agree	12	46.2
	Total	26	100

<b>3</b>	The firm product packages are branded and attractive to increases customers 'confidence and satisfaction.		
	1) Strongly Disagree	3	11.5
	2) Disagree	11	42.3
	3) Neutral	2	7.7
	4) Agree	4	15.4
	5) Strongly agree	6	23.1
	Total	26	100
<b>4</b>	The firm frequently develop new products		
	1) Strongly Disagree	11	42.3
	2) Disagree	14	53.8
	3) Neutral	-	-
	4) Agree	1	3.8
	5) Strongly Agree	-	-
	Total	26	100
<b>5</b>	The firm offers a broad product range to satisfied customer needs.		
	1) Strongly Disagree	4	15.4
	2) Disagree	11	42.3
	3) Neutral	-	-
	4) Agree	7	26.9
	5) Strongly agree	4	15.4
	Total	26	100

**Source: Research Data 2020**

### **The firm has a consistency quality of products**

Product is one of the 4Ps of marketing as had been proposed by Kotler (2003). Therefore, it was required to determine the product strategies. The study enlisted five common main points that the firm is likely utilize.

As shown on the table 4.2 16(61.5%) of respondents agree with the firm has a consistency quality of products, and 7(26.9%) of respondents strongly agree with this idea. 3(11%) of the respondents strongly disagree with the quality of products. There was no response obtained for Neutral and disagree. For the above result majority of the respondents believe that EPHARM products have a consistency quality of products. This shows that production of high quality products with consistency is a key strategy of the marketing mix employed by pharmaceutical businesses as a means of enhancing competitiveness.

The interview from marketing manager and employees also witnessed about the company's product quality, products are produced with excellent qualities because in almost all stages of production, the company gives a high emphasis for quality, safety and efficacy of all products. In each stage of the production, there are quality controllers who control the quality of the products. Quality control continually monitor incoming raw material and finished products to ensure compliance with compositional standards checked at every phase of production process. The product quality perspectives align with quality safety and efficacy; customers have positive perception towards Ethiopian Pharmaceuticals Manufacturing Share Company.

### **The firm maintains a strong brand /image identification of the products**

The study findings further showed that 12(46.2%) of the respondents strongly agreed with the fact that the firm maintains a strong brand /image identification of the products 11(42.3%) agree with this idea and 3(11.5%) of the respondent strongly disagree. This is an indication that the concept of product branding is hardly embraced as a strategy to increase in response to the change in consumer buying behavior. The above result implies that the firm applies product branding strategy.

**The firm product packages are branded and attractive to increases customers 'confidence and satisfaction.**

The study showed that 11(42.3%) of the respondents disagreed the firm product packages are branded and attractive 3 (12%) strongly disagree with the idea. The rest 2(7.7%), 4(15.4%) & 6(23.1%) Neutral agree and strongly agree respectively. From the above result can conclude that majority of the customers are not satisfied with packaging of the product. When the packaging of the product is not attractive consumers may not prefer the product though it has quality in it.

**The firm frequently develops new products**

The study findings showed that 11(42.3%) and 14 (53.8%) respondents are responded strongly disagree and disagree respectively and implies the firm do not frequently develop new products.1 (3.8%) respondent rated agree. As the result indicated that the firm didn't develop new product frequently.

**The firm offers a broad product range to satisfied customer needs**

The study further established that 4(15.4%) and 11(42.3%) respondents are strongly disagree and disagree respectively that the firm offers a broad product range to satisfied customer needs. 7 (26.9%) and 4(15.4%) the respondents agreed and strongly agree respectively. With the observation that total 60% of the respondents agreeing the firm couldn't meet the customer needs.

**4.3.2 Price Related Issues**

The second objective sought to establish the effect of the price management strategies on EPHARM Customers wholesales and pharmacies were asked to state whether they strongly agreed, agreed, Neutral, disagreed or strongly disagreed with provided statements. The results are as presented on Table 4.3.

Table 4 3 **Customers responses on Price Related issues**

No.	Price Related Issues	Respondents	
		No	100%
1	The firm set fair prices than competitors		



	1) Strongly Disagree	9	34.6
	2) Disagree	7	26.9
	3) Neutral	5	19.2
	4) Agree	5	19.2
	5) Strongly Agree	5	19.2
		-	-
	Total	26	100
2	The firm has good credit repayment Period for the clients.		
	1) Strongly Disagree	8	30.8
	2) disagree	13	50
	3) Neutral	5	19.2
	4) Agree	-	-
	5) Strongly Agree	-	-
	Total	26	100
3	Consumers are satisfied with the current overall pricing system of the company		
	1) Strongly Disagree	19	73.1
	2) Disagree	-	-
	3) Neutral	-	-
	4) Agree	-	-
	5) Strongly Agree	7	26.9
	Total	26	100

4	The price of the firm is affordable compare to other competitors.		
	1) Strongly Disagree	8	30.8
	2) Disagree	7	26.9
	3) Neutral	3	11.5
	4) Agree	6	23.1
	5) Strongly Agree	2	7.7
	Total	26	100
5	The firm has a price list in place on which Prices are often altered to attract customers.		
	1) Strongly Disagree	16	61.5
	2) Disagree	-	-
	3) Neutral	7	26.9
	4) Agree	3	7.7
	5) Strongly Agree	-	-
	Total	26	100

Source: Research Data 2020

### **The firm set fair prices than competitors**

Customers were asked to suggest the firm set fair price than competitors. As can be seen from the above table 4.3, 9(34.6%) of the respondents are strongly disagree to the statements. 7(26.9%) respondents are answered disagree. 5(19.2%) and 5 (19.2%) respondents are replied neutral and agree respectively. From the response given above the firm prices are not fair than competitors.

### **The firm has good credit repayment Period for the clients.**

With regard to credit sales to the consumers the survey shows most of the respondent 8(30.8%) strongly disagree the firm has applied credit repayment period for clients. 13(50%) respondents disagree with the statements. The remaining respondents are in dilemma whether agreed or disagree yielding 5(19.2%). The credit repayment period can encourage customers purchasing capacity and most preferred strategy used to enhance competitiveness. The result implies that the firm doesn't have a credit prepayment strategy for customers.

### **Customers are satisfied with the current overall pricing system of the company**

The respondents replied about the overall pricing system of the company. As shown in the above table 4.3 majority of them 19(73.1%) replied they are not satisfied and disagree with the current overall pricing system of the company. Whereas 7(26.9%) of them said they are satisfied and strongly agree with the current pricing system. Pricing systems that satisfy the customers will help for the survivals of the company. But as shown the above result EPHARM overall pricing system is not Satisfying customers.

### **The price of the firm is affordable compare to other competitors.**

As shows in the above table majority of the respondents 8 (30.8%) and 7(26.9%) strongly disagree and disagree respectively that EPHARM products are affordable compare to other competitors. 2(7.7%) and 6(23.1) respondents are replied strongly agree and agree to the statements .3(11.5%) respondents are neutral to the issue. The above result it indicated that EPHARM products are not affordable price compare to other competitors.

### **Prices are often altered to attract customers.**

As shows in the above table majority of the respondents 16(61.5%) strongly disagree that EPHARM prices are often altered to attract customers .7(26.9%) respondents are neutral to the issue. 3(11.5%) respondents are strongly disagree. The above result indicated that EPHARM products don't alter the price often to attract customers.

As the marketing manager replied, the pricing strategy is not in a single way because there is a highly turbulent environment and the price will change according to the conditions. As far as the theory concerned, a large number of internal and external factors are examined before prices can be Set. The Company like any other organization, prices its products to maximize its profits or the price must cover the whole costs and should gain some profits. As the manger indicated

EPHARM determine the selling prices based on the cost of raw materials and also applied competitive price.

### 4.3.3 Promotion Related Issues

Hamper and Baugh (1998) argued that promotion strategy is equally a very essential component of market mix since it is the only way that a firm communicates to its customers what it actually does and offers. Consequently, the study also sought to establish various promotional strategies that the pharmaceutical firms have been using. Customers were asked to state whether they strongly agreed, agreed, were Neutral, disagreed or strongly disagreed with provided statements. The results are as presented on Table 4.4.

**Table 4.4 Customers responses on Promotion Related issues**

No	Promotional Related Issues	Respondents	
		No	100%
<b>1</b>	The company use Product sample as promotional tools.		
	1) Strongly Disagree	14	53.8
	2) Disagree	7	26.9
	3) Neutral	-	-
	4) Agree	5	19.2
	5) Strongly Agree	-	-
	<b>Total</b>	26	100
<b>2</b>	The promotion strategies of the company are ethical.		
	1) Strongly Disagree	6	23.1
	2) Disagree	7	26.9
	3) Neutral	5	19.2
	4) Agree	8	30.8

	5) Strongly Agree	-	-
	Total	26	100
<b>3</b>	The company use different strategy to promote for wholesaler and pharmacy		
	1) Strongly Disagree	15	57.7
	2) Disagree	6	23.1
	3) Neutral	-	-
	4) Agree	5	19.2
	5) Strongly Agree	-	-
	Total	26	100
<b>4</b>	The company use promoter to make sure fair distribution of the product.		
	1) Strongly Disagree	16	61.5
	2) Disagree	-	-
	3) Neutral	-	-
	4) Agree	6	23.1
	5) Strongly agree	4	15.4
	Total	26	100
<b>5</b>	The company use Gift to pharmacists and wholesaler's promotional tools.		
	1) Strongly Disagree	5	19.2
	2) Disagree	19	73.1
	3) Neutral	2	7.7

	4) Agree	-	-
	5) Strongly Disagree	-	-
	Total	26	100
<b>6</b>	The company uses the different strategy to promote new product		
	1) Strongly Disagree	6	23.1
	2) Disagree	15	57.7
	3) Neutral	-	-
	4) Agree	5	19.2
	5) Strongly Agree	-	-
	Total	<b>26</b>	<b>100</b>
<b>7</b>	The company use Promotional material as promotional tools.		
	1) Strongly Disagree	-	-
	2) Disagree	8	30.8
	3) Neutral	1	3.8
	4) Agree	17	65.4
	5) strongly Agree	-	-
	Total	26	100

Source: Research data 2020

### **The company use Product sample distribution promotional tools**

As indicated in the above table most of the respondents 14(53.8%) showed their strongly disagree that the company use a product sample distribution promotional tools.7 (26.9%) respondents showed their disagreement the company use a product sample distribution promotional tool. Only 5(19.2%) of the respondents were agree to the company use product

sample distribution promotional tools. This implies that the firm didn't apply products samples distribution promotional tools.

### **The promotion strategies of the company are ethical**

From the above finding, the majority of the respondents 12(46.2%) replied neutral .6 (23.1%) and 5 (19.2%) respondents strongly disagree and disagreed that the promotion strategies of the company are ethical. The remaining 3(11.5%) respondents are agreeing that the firm promotion strategies are ethical. The majority of the respondents replied Neutral that implies the company doesn't conduct a promotion strategy regularly.

### **The company use different strategy to promote for wholesaler and pharmacy**

According to the response of consumers, 15(57.7%) respondents are replied strongly disagree that the firm doesn't have different promotion strategies for pharmacies and wholesale. 6 (23.1 %) of them disagree to company doesn't apply different promotion strategy to pharmacy and wholesales. The remaining 5(19.2%) respondents are agreeing that the firm apply different strategy to promote for whole sale and pharmacies.

As the marketing manager of the company replied, the company does not conduct frequent promotion. EPHARM doesn't support its products through promotion in the market. Most of the times EPHARM promote their product by sponsor annual conference of big associations like Ethiopian Pharmaceutical Association and Ethiopian Medical Associations. In these conferences the companies will display their product on exhibition and promote it. The Study revealed that EPHARM's promotional activities were rated weak don't conduct different promotional strategies.

### **The company use promoter to make sure fair distribution of the product.**

From the above finding, the majority of the respondents 16(61.5%) replied strongly disagree that the firm use promoter to create fair distribution of the product. 6(23.1%) and 4(15.4%) respondents are agree and strongly agree that the company have promoter to make sure fair distribution of the products. The result implies that EPHARM doesn't have promoter and they are not doing promotion through promoter.

The manager of company answered that foreign pharmaceutical companies are doing intensive face to face promotions for physician and pharmacists; In this case they are building their brand image in depth.

The manager replied that EPHARM is not doing promotion through Promoter or a medical representative this has become a challenge is getting tougher as days come and go.

**The company use Gift to pharmacists and wholesaler's as a promotional tool.**

The study also found that 5(19.2%) respondents strongly disagreed with the firm use Gift to pharmacist and wholesaler for promotional tools. 19(73.1%) also disagree company use of gift to pharmacies and wholesales for promotional tools. The remaining respondents 2(7.7%) and agree that the company use gift to pharmacist and wholesalers. We can understand that providing gifts to pharmacist and wholesalers can increase the purchasing power of the customers but from the above respondents response showed EPHARM's are not applying promotional tools of using gifts to pharmacist and wholesaler.

**The company uses different strategy to promote new product**

From the above finding, the majority of the respondents 15(57.7%) replied disagree that the firm use different strategy to promote new products. 6(23.1%) respondents also replied strongly disagree to the idea of the firm uses different strategy to promote new products. 6(23.1%) respondents are agree that the company apply different strategy to promote new products. The result showed that all of respondents rated EPHARM's promotional activities strength for new products are very weak which accounts 57.7 % respondent.

**The company use Promotional material as promotional tools.**

The study also found that promotional tools are promotional material it includes brusher, pen, note book, demonstration sample and stand. As table 4.4 shows that 8(30.8%) of respondent strongly disagree with the company use promotional material tools and 1(3.8%) of respondent answered neutral. 17 (65.4%) respondents replied agree. It indicates that the company applies promotional material as promotional tool.



#### 4.3.4 Place or Distribution Related Issues

**Table 4.5 Customers responses on Distribution or place related issues**

No	Item	Respondents	
		No	100%
<b>1</b>	Company products are consistency available in retailer, wholesaler and hospitals.		
	1) Strongly Disagree	12	46.2
	2) Disagree	2	7.7
	3) Neutral	-	-
	4) Agree	11	42.3
	5) Strongly Agree	1	3.8
	<b>Total</b>	<b>26</b>	<b>100</b>
<b>2</b>	The firm sells the products direct to wholesalers & retailers.		
	1) Strongly Disagree	9	23.1
	2) Disagree	16	30.8
	3) Neutral	1	3.8
	4) Agree	-	-
	5) Strongly Agree	-	-
	<b>Total</b>	<b>26</b>	<b>100</b>
<b>3</b>	The firm has an efficient distribution channels.		
	1) Strongly Disagree	10	38.5
	2) Disagree	12	46.2
	3) Neutral		

	4) Agree	-	-
	5) Strongly agree	4	15.4
		-	-
	Total	<b>26</b>	<b>100</b>
<b>4</b>	The company has enough delivery resource which facilitates the distribution of product safely and timely.		
	1) Strongly Disagree	8	30.8
	2) Disagree	7	26.9
	3) Neutral	-	-
	4) Agree	11	42.3
	5) Strongly Agree	-	-
	Total	<b>26</b>	<b>100</b>

**Source: Research Data 2020**

#### **Company products are consistency available in Pharmacies and wholesaler**

From the above finding, the majority of the respondents 14(53.8 %) replied strongly disagree that the firm products are consistency available in Pharmacies and wholesaler. The remaining 12(48.2%) respondents answered agree to the idea of products are consistency available in Pharmacies and wholesaler. The result implies that EPHARM's products don't consistency available in Pharmacies and wholesaler.

The marketing manager and employees also responded that huge opportunity for EPHARM is the commitment of the Ethiopian pharmaceutical supply agency (EPSA) which provide huge support tenders from government exclusively. As they replied that almost 50% of EPHARM products are deliver to the public through Ethiopian pharmaceutical supply agency (EPSA). This Opportunity given from EPSA has been a big privilege for EPHARM to make its products consistency available in Pharmacies and wholesaler. But the result of this study indicates products are not consistency available in Pharmacies and wholesaler.

**The firm sells the products direct to wholesalers & pharmacies.**

The findings also revealed that 9(34.6%) of the respondents strongly disagreed that the firms sell the products direct to wholesalers & pharmacies.16 (61.5%) disagree the statement. The remaining respondent 1(3.8%) replied Neutral.

Concerning the distribution channels, the marketing manager indicated that EPHARM sales the product is not directly to the wholesaler and the pharmacies. According to the basic supply chain model pharmaceutical manufacturing companies distribute the products through agents. Wholesaler obtain the products through the distributors or agents, which sell it to pharmacies. Pharmacies represent in most cases the ultimate contact to the patient / consumer. The study found out EPHARM doesn't sell the products direct to wholesales and pharmacies.

**The firm has an efficient distribution channels.**

According to the response of customers, 10(38.5%) respondents are replied strongly disagree that the firm have an efficient and low cost distribution channels. 12 (46.1 %) of them disagree to the statements. The remaining 4(15.4%) respondents are agreeing that the firm have an efficient and low cost distribution channels. This implies that the company distribution channels are not efficient.

**The company has enough delivery resource to facilitate the distribution of product safely and timely.**

The findings also revealed that 8(30.8%) of the respondents strongly disagreed that the firms have enough delivery resource which facilitate distribution of product safely and timely.7 (29.9%) Followed by 7(29.9%) of respondent disagree with this statement, the remaining majority of respondents 11(42.3) replied agree. It implies that the company delivery resource is enough to facilitate the distribution of product safely and timely.

**Table 4. 6 Mean and standard Dimension marketing Mix Practice**

<b>Dimension</b>	<b>Mean</b>	<b>Standard Deviation</b>
Product	3.1	1.1
Price	2.4	1.28
Promotion	2.27	1.1
Distribution/Place	2.16	1.2

**Source: Research Data 2020**

#### **4.4 Discussion of Findings**

The objective of the study was to assess the existing marketing strategy practices of Ethiopian pharmaceuticals manufacturing Share Company. Marketing strategy practices are often described as 4P's: Product, Price, Promotion and Place and recommends improvements for the problems identified by the study. The study was conducted gathering both primary and secondary data fully get the intended data to meet the objectives of the study and to provide possible recommendations for identified gaps. Accordingly, this part tries to discuss the findings of the study by triangulating the information gathered from Ethiopian pharmaceuticals manufacturing share company customers, marketing department manager and senior employee of this Department. In this part of the study result will be evaluated and discussed in elaborative and meaningful Way.

##### **4.4.1 Product Related**

Product is one of the major elements of marketing mix frame work. From this study it was observed almost all respondents the marketing department staff and majority of the customers believe that EPHARM products have a consistency quality of products. This shows that production of high quality products with consistency is a key strategy of the marketing mix employed by EPHARM businesses as a means of enhancing competitiveness. Packaging play as significant 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. As per EFDA requirement Packaging should contain all the necessary information regarding the product profiles manufacturing date, Batch number and expiry date of the product However, as the researcher observed some EPHARM product doesn't have secondary (outer) packaging. This decreases customer choice and affects buying behavior. Kotler (2012) has considered product package is the buyer 's first encounter with the product and good package draws the consumer encourages product choice; Packaging affects consumers buying behavior and should be attractively displayed.

#### **4.4.2 Price Related**

Price is an important component of market mix which determines the organizations budget and profit margin. Drug pricing is influenced by a variety of factors. Before price setting enormous external and internal factors have to be examined, and based on the available data proper pricing decision can be made. The study found that the marketing department staff and manger agreed that their products are affordable. This implies that the company pricing strategy is reasonable which enable for customer's affordable price. However, customers are against and consider EPHARM products are expensive and increasing day to day bases. As per the interview response most of the products pricing decisions are made based on the competitor's market and cost of raw materials. The study also established that EPHARM didn't allow credit repayment period for clients. The credit repayment period can encourage customers purchasing capacity and most preferred strategy used. As per the findings EPHARM overall pricing system is not Satisfying customers.

#### **4.4.3 Distribution/ Place products**

EPHARM distribute their products through wholesalers or intermediary agents which ultimately deliver the products to wholesales, pharmacies and drug stores. The pharmacies and drug stores are the Place where the consumers/patients come to get the products. Product availability is the most determining aspect of marketing. The study found that most of the time EPHARM's, Products not available in the market. The Manger strongly agreed and stated most EPHARM products are not available frequently due to raw materials supply and problem of foreign currency which decrease growth of the companies' market share. The study also found that huge opportunity for EPHARM is the commitment of the Ethiopian pharmaceutical supply agency (EPSA) which provides huge

support tenders from government exclusively and almost 50% of EPHARM products are delivered to the public through Ethiopian pharmaceutical supply agency (EPSA). EPHARM product somehow not available frequently and not covers the demand in the market.

#### **4.4.4 Promotion**

Promotion is the communication element of a business to reach its product or service to its target audiences which includes personal and non-personal communication activities. Each promotional tool has its own unique characteristics and costs. These strategies may be designed around advertising, personal selling, sales promotion and publicity. These tools create a good image for the company product to gain popularity. Though advertising pharmaceuticals publicly is not allowed in pharmaceuticals industries and as the study found out the company not used various form of promotional tools, such as doctor detailing, product sample distribution, gift for pharmacist and wholesaler. The study established that EPHARM didn't conduct rigorous promotion effectively. Hence, it is critical to apply promotion which is crucial to introduce its product, increase sales, and inform its availability in certain location.

The manager supported this study and found that EPHARM is not doing promotion through Promoter or medical representatives. On the other hand, EPHARM sponsor annual conference of big associations like Ethiopian Pharmaceutical Association and Ethiopian Medical Associations. In these conferences the companies will display their product on exhibition.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5 INTRODUCTION**

In this final chapter, based on the results found and discussion made, the summary of the findings, conclusion and finally recommendations is drawn.

##### **5.1 Summary of the Major Findings**

- Based on the survey result of the researcher 61.5% of respondents agree with the firm has a consistency quality of products. 26.9% of respondents strongly agree with this idea. 11% of the respondents strongly disagree with the quality of products. For the above result majority of the respondents believe that EPHARM products have a consistency quality of products. As the result indicated company have production of high quality products with consistency is a key strategy of the marketing mix employed by the company as a means of enhancing competitiveness.
- The study findings showed that 42.3% and 53.8% respondents are responded strongly disagree and disagree respectively and implies the firm do not frequently develop new products. 3.8% respondent rated agree. As the result indicated that the firm didn't develop new product frequently. The marketing manager also shows that the company new product development strategy is not sufficient due to shortage of raw materials and foreign currency unavailability.
- With regard to company's product price the survey result showed majority of the respondents 30.8% and 26.9% strongly disagree and disagree respectively that EPHARM products are affordable compare to other competitors. 7.7% and 23.1 respondents are replied strongly agree and agree to the statements .11.5% respondents are neutral to the issue. The result it indicated that EPHARM products are not affordable price compare to other competitors.
- The majority of the respondents 61.5% strongly disagree that EPHARM prices are often altered to attract customers. 26.9% respondents are neutral to the issue. 11.5% respondents are strongly disagree. The result indicated that EPHARM products didn't alter the price to attract customers and price is same to all customers. As the manger

indicated EPHARM determine the selling prices based on the cost of raw materials and also applied competitive price and similar to all customers.

- The studies showed that 42.3% of the respondents disagreed the firm product packages are branded and attractive 12% strongly disagree with the idea. The rest 7.7%, 15.4% & 23.1% Neutral, agree and strongly agree respectively. From the result can conclude that majority of the customers are not satisfied with packaging of the product. When the packaging of the product is not attractive consumers may not prefer the product though it has quality on it. From this finding observed some EPHARM product doesn't have secondary (outer) packaging and is not attractive to customers.
- From the finding, the majority of the respondents 53.8 % replied strongly disagree that the firm products are consistency available in Pharmacies and wholesaler. The remaining 48.2% respondents answered agree to the idea of products are consistency available in Pharmacies and wholesaler. The result implies that EPHARM's products are not consistency available in Pharmacies and wholesaler.
- 57.7% respondents are strongly disagree that the firm doesn't have different promotion strategies for pharmacies and wholesale. 23.1 % of them disagree to company doesn't apply different promotion strategy to pharmacy and wholesales. The remaining 19.2% respondents are agreeing that the firm apply different strategy to promote for whole sale and pharmacies. From the finding, it is clear promotional activities are under effective. As the marketing manager of the company replied that the company does not conduct frequent promotion.

## **5.2 Conclusions**

The findings and discussion part of this study are concluded as follows.

EPHARM exploits all the 4Ps of marketing mix elements to achieve its objectives. These marketing mix elements are product, price, promotion and place/distribution strategy. These are vital to implement the marketing strategy effectively inseparable because each mix affects the other. Therefore, all the mixes are essential for the company to achieve its customer requirements.

The company marketing mix strategy is mainly based on its product. Thus, modifying and maintaining the existing products were the appropriate product mix strategies practiced in



Ethiopian Pharmaceuticals Manufacturing Share Company. The company produces different type's products such as, Capsules, Tablets, injection, liquid syrup, Dry powder for injection, and the qualities of the products are very good and meet the customer's requirement. Hence, improving its product quality is the primary measure to be taken by the company to meet the marketing objectives and goal of the organization. The qualities of the products are the main reason for the consumers to prefer the EPHARM products.

EPHARM setting the price is based on competitors' pricing method and cost of raw materials. The majority of the respondents agreed that the company selling price is Expensive. The pricing strategy may change because of a dynamic environment & the price may change according to the conditions in the market. Hence, the company has to set a price strategy as a base to determine price which will help it to be competitive & to maximize its profits.

Promotion strategy is an essential marketing strategy tool. When a quality product is supported with promotion the market share of the company will be better than competitors. However, the study established that EPHARM didn't conduct rigorous promotion effectively and doesn't have a Promoter or medical representatives. However, EPHARM sponsor annual conference of big associations like Ethiopian Pharmaceutical Association and Ethiopian Medical Associations. In these conferences the companies will display their product on exhibition.

According to the basic supply chain model pharmaceutical companies like EPHARM distribute their products indirectly through intermediary agents, then the wholesaler takes the product from the agent and distributed for retail pharmacies and Drug stores. The retail pharmacies are the places where the consumers come to get the products; Pharmacies represent in most cases the ultimate contact to the patient. Majority of wholesalers and pharmacies believe that most of the time EPHARM's, Products not available in the market. The marketing department staffs and Manger agreed and currently most EPHARM products are unavailable due to raw materials supply and problem of foreign currency. The finding shows that EPHARM's products most of the time not available frequently and which decrease growth of the companies' market share.

### 5.3 Recommendations

This section presents researcher's recommendation based on the finding and conclusion of the study. Therefore, based on the above sections the researcher recommends the following:

- It is advisable to improve EPHARM products packaging standards and should take action for those products which sold without outer packaging. Since good Packaging products can attract consumers and increase the products acceptance. Thus, Ethiopian Food and drug administration authority should pay special attention for the products packaging standards and should inspect thoroughly and take measurements.
- It is also advisable to reduce the price of EPHARM products significantly to achieve its customer requirements and meet the objective of the company.
- It is worth for to use frequent promotions of the products are not only stimulating sales but also create customer loyalty and hence market expansion.
- EPHARM companies should also increase their production portfolio and amount of production by expanding their capacity so that they will be able to take the biggest share of the market.
- The government should continue to make special support for EPHARM to facilitating access of foreign currency.
- The availability of the product in the market is very important for the effectiveness of the marketing strategy. EPHARM product somehow not available frequently and not covers the demand in the market. The company should increase the production capacity and distribution channels to fill the gap.
- The Marketing Mix Analysis has the dignity to help the company to implement the right marketing strategies to satisfy and penetrate the company's customer groups, Therefore, the company should constantly modify the sub elements of each marketing mix to successfully compete with its competitors and offer the greatest value to its customers.

#### **5.4 Limitations of the Study**

In the research project, the researcher this study focused on assessing the marketing strategy practices of the Ethiopian pharmaceuticals manufacturing Share Company with respect to marketing mixes (Product, Pricing, Promotion, and Place (distribution)) based on marketing department manager and marketing department senior staff of the Ethiopian pharmaceuticals manufacturing Share Company and customers of the company. The researcher recommends for future research to see the overall marketing strategy of practices of Ethiopian pharmaceuticals manufacturing Share Company.

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Khalid Sudian Al Badi1,1Ministry of Health, Head of Internal Audit Department , Faculty

Member, Al Buraimi College University, Sultanate of Oman \* *Management and Organizational Studies Vol. 2, No. 1; 2015*

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**ST. MARY’S UNIVERSITY COLLEGE SCHOOL OF GRADUATE STUDIE**

**APPENDIX I: QUESTIONNAIRES**

***ASSESSMENT OF MARKETING STRATEGY PRACTICES IN***

***ETHIOPIAN PHARMACEUTICALS MANUFACTURING SHARE COMPANY***

**Questionnaires to be filled by customers of Ethiopian pharmaceuticals Share Company.**

Dear Respondents:

I am Masters of business administration in General (MBA) graduating class student at ST. Marry University. Presently I’m conducting a study entitled “**Assessment of Marketing Strategy Practices In the case of Ethiopian Pharmaceuticals Manufacturing Share Company**”. In this regards I’m asking for your precious time and effort to answers all the questions in the questioner that are important and helpful for the completion of the study. The Rest assured that all data gathered from you will kept in the highest level of confidentiality. Your positive response in this request will be valuable contribution for the success of the study and will highly appreciate.

***General Instructions:***

- ▶ No need to write your name.
- ▶ You are kindly asked to read carefully and respond to each question in the questionnaire.
- ▶ Please make tick mark ( √ ) in the appropriate box for answer options that are provided.
- ▶ This questionnaire will take approximately 20 to 25 minutes based on your answers.

**Thank you for your cooperation in advance!**



**PART I: GENERAL INFORMATION**

1. Gender

Male

Female

2. Age

Under 25

36-45

Above 55

26-35

46-55

3. Educational Background

Diploma

Degree

Master

If any other please specify ...Degree.....

4. Work experience in the company:

Under 2 years  2-5 years  6-10 years  over 10 years

5. Department/work unit Marketing department -----

***PART II: ITEMS ON MARKETING STRATEGIES PRACTICES***

For each statement, please indicate the degree to which you agree or disagree with the associated statements. If you think that the particular practice does not apply to your company, please make tick mark ( √ ) under the "Not Applicable" response. Specifically, the scale with the following response formats may be used in providing your perception pertaining to these practices of your employer company.

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

No.	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1.	The firm has a consistency quality of products					
2.	The firm maintains a strong brand /image identification of the products.					
3	The firm product packages are branded and attractive to increases customers' confidence and satisfaction.					
4	The firm frequently develop new products					
5	The firm offers a broad product range to satisfied customer needs.					
	<b>Price Related Issues</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6	The firm set fair prices than competitors					
7	The firm has good credit repayment Period for the clients.					
8	Consumers are satisfied with the current overall pricing system of the company.					
9	The price of the firm is affordable compare to other competitors.					

10	The firm have a price list in place on which- Prices are often altered to attract customers.					
	<b>Promotion Related Issues</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
11	The company use Product sample as promotional tools					
12	The promotion strategies of the company are ethical.					
13	The company use different strategy to promote for doctors, wholesaler and pharmacy					
14	The company use promoter to make sure fair distribution of the product.					
15	The company use gift to wholesaler and pharmacists as promotional tools.					
16	The company uses the different strategy to promote new product and existed product in the market.					
17	The company use Promotional material as promotional tools.					
	<b>Distribution Related Issues</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
18	Company products are consistency available in retailer, wholesaler and hospitals.					
19	The firm sells the products direct to wholesalers & retailers.					

20	The firm has an efficient distribution channels.					
21	The company has enough delivery resource which facilitates the distribution of product safely and timely.					

22. If you have other opinions regarding the marketing strategy practices of the company please specify here.

A. Comments and suggestion on company's product.

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B. Comments and suggestion on company's price strategy.

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C. Comments and suggestion on company's promotion strategy.

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D. Comments and suggestion on company's distribution strategy.

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**Thank You!**

**ST. MARY'S UNIVERSITY COLLEGE SCHOOL OF GRADUATE STUDIES**

**APPENDIX II:  
INTERVIEW QUESTIONS FOR MARKETING  
DEPARTEMENT MANGER AND  
SENIOR STAFF OF  
ETHIOPIAN PHARMACEUTICALS SHARE COMPANY**

Interview questions for Marketing Managers and employees of the marketing department, which includes sales team of Ethiopian Pharmaceuticals Share Company.

The purpose of this interview question is to carry out a research for the partial fulfillment of master's degree in business administration (MBA). The research focuses on of Ethiopian Pharmaceuticals Share Company "**Assessment of Marketing Strategy Practices of Ethiopian pharmaceuticals Manufacturing Share Company**". A Marketing strategy interview questions are tools used to collect data from people regarding marketing. Hence, to gather information, I kindly request your assistance in responding to the questions listed below. Any information you present will be kept confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

**Thank You!!**

1. Do you think that all the 4ps marketing strategy has been practiced in Ethiopian Pharmaceuticals Share Company? (Product, price, promotion, Placement If your answer is no, please list the factors for not implementing all 4 PS.
2. What is the customers' perception towards your product quality?
3. What factors do you consider in setting pricing strategy? Or what are the bases for your pricing strategy?
4. Which promotional mix the company mostly uses? What are the reasons for using it?
5. What type of distribution channel does the company use?
6. What are the major problems encountered in implementing marketing mix strategies?

### APENDEX III

#### Ethiopian Pharmaceuticals manufacturing share company Customers list

No	List of Customer	No.	List Of Customer
1	ZAF Pharmaceuticals	17	Densons Pharma
2	Pharma Birbir	18	Sheker Pharma
3	Habesha care	19	cura cure :-
4	Menona pharma	20	ABR Pharma
5	Get-as Plc	21	Ashura pharma
6	Bilham Pharmacy	22	Cartina Pharma
7	Hillas Pharmacy	23	Etab Intermedica
8	Hiowt Pharmacy	24	Etmedix
9	Fugugu	25	Getmaz
10	Bokisha pharma	26	Century Pharmaceuticals
11	Zewetra plc	27	Century Pharmaceuticals
12	Mike r&d	28	Kenema Pharmacy
13	Jemal seid	29	Roze Pharmacy
14	Tizeta Hailu w/s	30	Medtec Ethiopia PLC
15	Leyet Pharma		
16 58	Quarit Pharma		

Source; -  
From Sales  
report (2020)