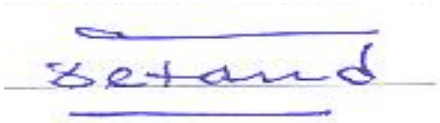
ST. MARY'S UNIVERSITY

BUSINESS FACULTY

DEPARTMENT OF MARKETING MANAGEMENT

THE EFFECT OF PROMOTIONAL MIX PRACTICES ON BUSINESS PERFORMANCE: IN CASE OF ADDIS ABABA PHARMACEUTICAL COMPANIES



MA Research Thesis

BY: Betelhem Damtew Ayele

Advisor: Getie Andualem (PhD)

JULY, 2023
ADDIS ABEBA, ETHIOPIA

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THE EFFECT OF PROMOTIONAL MIX PRACTICES ON BUSINESS PERFORMANCE: IN CASE OF ADDIS ABABA PHARMACEUTICAL COMPANIES

A thesis submitted to the School of Graduate Studies in partial fulfillment of the requirements for the Master of Art Degree in Marketing Management at St Mary's University

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DECLARATION

I, the undersigned, declare that this thesis "The Effect of Promotional Mix Practices on Business Performance: In Case of Addis Ababa Pharmaceutical Companies" is my own work and has never been presented in any other university or institutions for the award of any degree or diploma.

I have carried out the research work under the guidance and supervision of my Advisor **Getie Andualem (PhD)**. All sources of materials used for this thesis have been appropriately acknowledged. The thesis deposited at the University Library to make available to the readers.

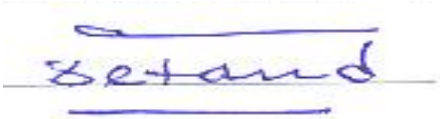
By: **Betelhem Damtew Ayele**

Signature: _____

ADVISOR ENDORSEMENT

This thesis, “The effect of promotional mix practice on business Performance:in in the Case of Addis Abeba pharmaceutical companies by Betelhem damtew, has been submitted to the School of Graduate Studies at St. Mary’s University for examination with my Approval as a university advisor.

.Name of Advisor: **Getie Andualem (PhD)**



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APPROVAL OF THE THESIS

This is to certify that the thesis prepared by Betelhem damtew entitled “The effect of promotional mix practice on business Performance: in the Case of Addis Abeba pharmaceutical companies: and submitted in partial fulfilment of the requirements for the Degree of Masters of Art in Marketing Management complies with the regulations of the St. Mary’s University and meets the accepted standards with respect to originality and quality.

Name of Candidate: Betelhem damtew Signature: _____Date: _____.

Name of Advisor: _____Signature: _____Date: _____.

APPROVAL SHEET

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THESIS FINAL SUBMISSION APPROVAL SHEET

We, the undersigned members of the boarded of the examiners of the final open defense by **Betelhem Damtew Ayele** have read and evaluated his thesis entitled "The Effect of Promotional Mix Practices on Business Performance: In Case of Addis Ababa Pharmaceutical Companies", and examined the candidate. This is therefore to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree of Master of Art in Marketing Management.

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Head, department of Management	Signature	Date
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Direct School of Graduate Student	Signature	Date

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ACRONYMS & ABBREVIATIONS

CVI	:	Content Validity Index
DTC	:	Direct to Consumer
Educ	:	Education Level
Gen	:	Gender
ImAdv	:	Impact of Advertising
ImPSel	:	Impact of Personal Selling
ImSP	:	Impact of Seles promotion
MOH	:	Minister of Health
MOI	:	Minister of Industry
NBK	:	National Bank of Kuwait
PhD	:	Doctor of Philosophy
PLCC	:	Pearson's Correlation Coefficient
ROI	:	Return on Investment
SPSS	:	Statistical package social science
TypPCo	:	Type of Pharmaceutical Company
US	:	United State
VIF	:	Variance Inflation Factor

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ABSTRACT

Currently promotional mix becomes necessary for business success. This study's goal is to examine how promotional mix practices affect business performance in the case of addis Abeba pharmacticul companies, An explanatory and descriptive design was used for the investigation. A mixed research technique was used to select the researcher. Explanatory and descriptive research designs, together with both quantitative and qualitative techniques, were used in the study. Unpublished data indicates that Addis Abeba had about 32,000 doctors. Additionally, one institutional factor that assisted the promotional mix technique to have a successful commercial performance was key informant interviews with a certain type of pharmaceutical company. Additionally, at a significance level of 5%, the impact of advertising has a favorable and significant impact on the growth of the business performance. Business performance and the influence of advertising have a positive and significant association at a level less than 1%, according to the results of correlation and causality regression. The pharmaceutical company's business performance improves by 37.17% as advertising impact increases by 1%. The researcher concluded by advising pharmaceutical companies to improve the look of their packaging to improve recognition. They should also use enticing stimuli during promotions and at work to influence customer perception and increase sales.

Key words: - Business Performance, pharmacticuls, Promotional Mix Practices**,** promotion

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In order to encourage the prescription, supply, purchase, and/or use of medical pharmaceuticals, producers and distributors engage in a variety of persuasive and informational actions known as pharmaceutical product promotion (Mohiuddin et al., 2015). They anticipate getting in-depth, trustworthy, and credible information regarding a specific drug, its uses, dosage, effects, and any side effects. A doctor, pharmacist, brochure, drug box, advertisement, etc. may all offer this information (Pilarczyk, 2010). Therefore, in order to broaden their target areas and offer value-added services to patients and providers, today's pharmaceutical marketers are adapting in the face of changing market pressures and governmental laws (Davis, 2015). The pharmaceutical industry engages in aggressive medical product promotion on a global scale (Mohiuddin et al, 2015).

Mullins, Walker, and Boyd (2012) list the advantages of defining a specific marketing objective as follows. The first goal is to provide the personnel with a clear understanding of where the company is headed and what is expected of them. Second, it helps with gauging the business's success. The third advantage is that it was made sure that all actions and efforts are directed toward achieving the goals. Lastly, it was helped encourage the personnel, including leaders and their teams, and it was helped reward them once the project is finished (Fuerderer et al, 2013).

In 2010, pharmaceutical businesses in the United States spent over 24 billion dollars on various forms of promotional activities, according to estimates that are currently available (Labrie, 2011). This sum is about equivalent to 13% of the industry's annual sales revenue in that nation. Pharmaceutical businesses promote their products in a variety of ways, including through meetings with doctors, the distribution of product samples, advertisements in medical publications, and sponsorship of health conferences and events (Labrie, 2011).

In the past 30 years, there have been significant changes in the pharmaceutical sector. Government regulations, evolving healthcare systems, advances in science and technology, and consumer demand are all to blame for these shifts. Because of this, the industry's players have

had to evaluate their tactics rigorously in order to thrive, expand, and generate income (Kamba, 2010).

According to Saguti (2015), marketing mix is a formula that businesses use to plan and enhance their marketing initiatives. It is utilized to combine several aspects so that the firm may accomplish its goals and satisfy client needs. Palmer (2010) claims that marketing managers utilize the marketing mix as a conceptual framework when developing strategies to target their market and satisfy customer wants. The marketing mix can be utilized to create both long- and short-term objectives. Marketing mix, according to Kiprotich (2012), is a collection of promotional techniques used by businesses to elicit the desired response from their target audience. The four components of the marketing mix are referred to as the 4Ps. Product, cost, location, and promotion.

The Ethiopian healthcare system is undergoing ongoing reforms that are clearly increasing the population's access to health services and raising their standard of living (Ali et al., 2015). Additionally, Ali et al. (2015) noted that due to these increases, the pharmaceutical market's size is predicted to double in less than ten years.

Prior to the current government regime's introduction of a free market economy and the introduction of private enterprises in 1991, the pharmaceutical industry had been long held exclusively by one government entity (Mohammed, 2020). In Ethiopia, there are about 200 imports of pharmaceuticals and medical supplies. Nine of the 22 suppliers and manufacturers in the local pharmaceutical and medical sector are directly engaged in producing pharmaceutical goods (MOH & MOI, 2015). And as stated by MOH & MOI (2015), the majority of manufacturer’s only supplies roughly 20% of the local market and operates below their capacity.

Local pharmaceutical firms supplied goods worth $44.2 million in US dollars in 2014. Only 90 of the more than 380 items on the national essential medications list are estimated to be available from local manufacturers, who have a limited range of products (MOH & MOI, 2015). The contribution of local industry is incredibly small when compared to the public need for important medicines. The majority of pharmaceutical items on the market are imports. From the advantages of implementing the national drug policy, improving resource allocation for regulatory and drug supply operations, increasing the number of local pharmaceutical factories from one to thirteen, as well as the quantity of importers, wholesalers, and retail establishments (Tefera , 2014).

Ethiopia's pharmaceutical sector is thought to be worth between $400 and $500 million annually and is expanding at a remarkable rate of 25% annually. According to a Frost & Sullivan forecast from 2012, the Ethiopian pharmaceutical market might expand at a rate of just over 14%, reaching a rough value of just under $1 billion USD by 2018 (MOH & MOI, 2015). In order to grow prescription share and set items apart from competing options, it is now more crucial than ever to establish a market presence quickly.

The researcher's goal was to close this policy gap and propose a well-organized policy with insightful ideas on the impact of promotional mix methods on the success of Addis Abeba pharmaceutical enterprises' businesses.

1.2. Statement of the Problem

The business environment now differs considerably from that of the past due to the dynamic character of the pharmaceutical industry. In this new era of the pharmaceutical market, promotional mix is becoming more and more crucial. To succeed and go forward with a better future, every pharmaceutical company employs a different advertising mix strategy. Companies employ promotional mix components to clearly communicate their message to the intended audience. Marketing is propelled by promotion. Through promotion, businesses can raise their visibility, draw more customers in, and boost sales and profits (Labrie, 2011).

The promotional mix is also a dynamic lesson that doesn't stay in one place; rather, it changes over time as business performance improves. Through the key tactical components of promotional mix practice, such as direct marketing, advertising, personal sales, and many others, marketers should be able to adapt to changing market conditions in order to affect the product, price, place, and promotion. In this regard, the pharmaceutical businesses in Addis Abeba should place proper emphasis on promotion mix practice because it is crucial for raising company awareness and luring customers. The creation of the ideal promotional mix is by no means simple. The information on the promotional mix approach is frequently delayed as decisions regarding the promotional mix are distributed among numerous decision makers. The aims and broad tactics of the entire promotional mix plan that the organization is about to implement are frequently unknown to decision makers.

Business managers face a significant challenge in making the best strategic decisions and setting their strategy priorities in the context of shifting expectations, customer expectations,

technological discontinuities, and growing environmental uncertainties. This is necessary for the efficient allocation of resources to various functions and the success of the company. To deal with the turbulent and unpredictable circumstances that result in discontinuous changes, managers must create new tools, concepts, strategies, and mind sets for promotion (Kotler, 2015).

Muchohi (2015) carried out research on the marketing mix tactics used by tennis-related organizations to raise competition. The findings showed that marketing mix tactics and competitiveness have a significant positive association. It is clear that the study did not pay particular attention to the marketing tactics used by Kenyan petroleum corporations. Obonyo (2013) assessed the marketing mix tactics used by supermarkets in Kisii Town to remain competitive. According to the study, pricing management rarely draws in clients. The study, however, is unable to establish the proportional level at which each method should be used in order to achieve the best result. Numerous studies have been conducted in other industries to ascertain how the marketing mix affects sales success, but none have been conducted on businesses that manufacture feeds.

In reality, running a pharmaceutical company can be challenging in general; this is true of any business. Mbugua (2014)'s study looked at how the promotional mix affected performance in the case of pharmaceutical enterprises. And come to the conclusion that the pharmaceutical companies' performance was impacted by how aggressively they pursue personal selling tactics. but didn't go too far to look at the remainder for aspects of the promotional mix.

Any company's performance depends on the effectiveness of its promotional mix practices. Everyone is aware that the use of the promotional mix can affect a pharmaceutical company's capacity to build awareness, attract customers, and make money—or even just to stay in business and perform well. Similar issues could arise when Addis Ababa pharmaceutical firms exercise or apply their promotional mix strategy.

Having this idea, many international pharmaceutical companies spend millions of dollars in promoting their goods, service and ideas in this competitive period. But, it does not evaluate the promotional mix activities whether their promotion packages attracts customers or not.

It is actually very challenging to assess the success of a promotional mix strategy because it may be influenced by other elements. In spite of this, pharmaceutical businesses in Addis Abeba did

not put their all into marketing efforts prior to, or even after, presenting their ideas, products, and services. Additionally, the majority of the time, pharmaceutical businesses in Addis Abeba does not monitor, evaluate, or measure the impact of any promotional mix efforts, whether or not they improved their business performance, particularly in sales (Hailu et al, 2021).

Pharmaceutical firms have enormous obstacles when it comes to promotional mix, particularly for developing nations, despite the fact that it is crucial for maintaining viable pharmaceutical enterprises. This is mostly because of the significant investment costs that are inherently linked to such activities. In this sense, Addis Abeba's pharmaceutical industry has many difficulties. Importers of pharmaceutical products are the subject of this investigation. Ethiopian pharmaceutical businesses are primarily located in one area for operating purposes. Addis Abeba is the city that businesses target first in order to gain their market share because there are numerous state and private hospitals and clinics there.

The purpose of the study is to close the apparent knowledge gap about the impact of promotional mix on pharmaceutical company performance.

1.3. Research Questions

The following research questions have been developed in accordance with the problem's above study in order to fill in the gaps that have been found. More precisely, the study is intended to answer the following fundamental problems.

- What is the current advertising practice on business performance in the study area?
- Is Direct Marketing & Sales Promotion having a significant and positive influence on Business performance of pharmaceutical company?
- What are the major challenges that the pharmaceutical company encountered when implementing Personal Selling?

1.4. Objective of the Study

1.4.1. General objective

The general objective of the study was to examine the "**Effect of Promotional Mix Practices on Business Performance: In Case of Addis Ababa Pharmaceutical Companies"**.

1.4.2. Specific objectives

The specific objectives of the study includes the following

- ✓ To explore the current advertising on business performance in the study area.
- ✓ To assess the significance and positive effect of Direct Marketing & Sales Promotion on the business performance of pharmaceutical companies.
- ✓ To examine major challenges that affects the pharmaceutical company when implemented personal selling.

1.5. Definition of key operational Terms

- Sales Promotion: With the primary goal of generating an immediate sale, sales performance is a direct enticement that provides an additional value or incentive for the product to the sales force, distributors, or customer (Zhang and Tang, 2010)
- Personal Selling: One of the fundamental components of the promotional mix is personal selling or medical detailing. It alludes to the direct exchange of information between a seller and a potential client. In every significant national market, medical detailing is an established, regulated, and authorized method of pharmaceutical marketing communications (Dogramatzis, 2002).
- **Advertising:** The most well-known and often used promotional aspect which is also a successful way to reach a broad audience. You can use advertising to do a variety of things, including: raise awareness of a new product or service; define its features; suggest usage scenarios; set it apart from rival offers; persuade customers to buy it; develop or improve its image 2013 (Cuellar-Healy).
- **Business perforamce**: it is a mesurment system refers to the use of multi-dimensional set of performance meaure of planning and mangment of business 2013 (neely,mills and plats)

1.6. Significance of the Study

Effective business promotional mix practice involves careful, effective performace on the business of pharmacticul industry.Create a tailored promotional mix that includes a variety of promotional strategies to make sure you're getting the most out of your marketing efforts. This

manual describes the essential components of a promotional mix and how to create one that boosts sales at your firm.

Depending on a company's business strategy, ideal client personal, and resource availability, the promotional mix should vary from one business to the other. After all, along with the product presentation, price point, and location, the promotional mix is a crucial component of a company's entire marketing strategy.

Using a promotional mix is an essential component of business strategy since it enables you to be careful with how you allocate resources and spend money on marketing. The most effective promotional tactics inform your subscribers and target market about the goods and services you want to sell. This is just one of the many advantages of raising awareness of your goods, and events through a promotional mix. Your consumer base was learned about the best reasons to work with your firm via a well-planned promotional mix, which was also established you as an authority in your field.

Your marketing mix, which emphasizes various firm activities to diverse audiences based on their preferences and purchasing patterns, is what raises awareness of your many creative marketing campaigns. You can reach a certain type of customer at the ideal point in the purchasing process by combining the correct advertising methods.

This study serves as a roadmap for your marketing initiatives, and by collaborating on a same objective; it helps you avoid wasting time or resources.

1.7. Scope of the Study

Conceptually, this study focuses on the promotional mix practices of pharmacitcul companies.this study takes into account every aspect of a pharmaceutical company's personal data that affects their business performance, including their customer and anyone who works in a related field, the company's history, income, and individual factors like gender, age, and place of residence. The identical surveys are presented to all three responders. And in the current year, 2015, this study focuses on healthcare providers, their patients, and pharmaceutical corporations.

The general intent of this study is to know the effect of promotional mix on pharmaceutical business performance in Addis Ababa. This study was mainly identified and assesses different factors that can affect the present pharmaceutical industries in the eleven sub cities of Addis

Ababa. Also, this study yearn to identify on how can there searchers develop and assist the company to be self-reliant and governance in identifying, dealing with the different components of promotional mix.

1.8. Limitation of the study

While conducting the study; the researcher faced different obstacles such as lack of availability of adequate reference materials on effects of business performance on pharmaceutical company; lack of freedom, respondent behavior, and financial constraints was created difficulty on smooth operation.

1.9. Organization of the Study

To give a clear and concise understanding to the reader this study is wrapped up as follows. The framework of this study consists of four chapters. The first chapter was contained an introduction. In the second portion, utilizing both theoretical and empirical data, the relationship between inflation and economic growth was covered in greater detail. In chapter three, the subject of research methodologies was explored; chapter four was data analysis and result while chapter five was conclusion and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

Today's business organizations use a variety of promotional mix strategies to research the contemporary business market. A company uses a promotion mix, which is a combination of communication gimmicks, to carry out the promotion process and directly engage with target markets. Advertising, internet direct marketing and commerce, sales promotion, event sponsorships, periodicals, and personal selling are some of the promotional mix tactics. Marketing strategies, according to Stewart Dunlop, founder of Link Builder. Io, are long-term, forward-looking methods to planning with the primary objective of gaining a competitive edge.

A company has a competitive advantage when it offers a product or service better than one or more of its competitors. According to the marketing concept, identifying and meeting the requirements and desires of target markets is essential to achieving organizational marketing activities.

Promotional strategies aid in boosting product or service sales. The promotion mix in the pharmaceutical sector is very different from that in the consumer product industries because most of the promotional efforts are focused on physicians rather than end customers. Pharmaceutical corporations focus on physicians and market their medicines because of the doctors' role as gatekeepers (Hailu et al, 2021).

2.2. Theoretical Review

According to studies (e.g. Kremer, Bijmolt, Leeflang, & Wieringa, 2008; Tsakiridou, Boutsouki, Zotos, & Mattas, 2008), there is a strong positive correlation between product exposure to a community and physicians and pharmacists prescribing behavior. As a result, the right promotion mix is essential for pharmaceutical companies. In order to maintain their growth and make up for lost revenue, pharmaceutical businesses struggle to identify new treatments. In addition, new goods have shorter product life cycles (Spiller & Wymer, 2001). Additionally, the comprehensive literature analysis conducted by Stros and Lee (2015) revealed that the promotion "p" is crucial to the pharmaceutical industry, possibly even more so than the other Ps (price, product, and physical distribution). Not only review research, but empirical studies as well have found that promotion is essential for the market expansion of pharmaceutical companies. For

instance, the study conducted by Hurwitz and Caves (1988) notes that "the pharmaceuticals industry promotes its products heavily" (p. 302) and that these marketing activities can aid in product differentiation, strengthen loyalty, and restrain price competition (Rizzo, 1999). Therefore, a key function of promotional inputs is to support the development of equity (Osinga, Leeflang, Srinivasan, & Wieringa, 2011).

In the ensuing subsections, each aspect of the promotional mix is also covered independently.

- Personal selling

According to Bhasin (2017), personal selling is a component of the promotional mix that entails one-on-one interaction between buyers and clients (either potential or existing customers). The main benefits of personal selling, according to Cuellar-Healy (2013), include: a high degree of persuasion, options for customization of the promotional message, opportunities for immediate feedback, and the ability to choose the audience while providing difficult information.

- Advertising

The most well-known and often used promotional aspect is advertising, which is also a successful way to reach a broad audience. You can use advertising to do a variety of things, including: raise awareness of a new product or service; define its features; suggest usage scenarios; set it apart from rival offers; persuade customers to buy it; develop or improve its image 2013 (Cuellar-Healy). According to Lake (2017), one of them is advertising, which is defined as the paid promotion and presentation of concepts, services, and products to a mass audience by a particular sponsor. Advertising, according to Dogramatzis (2002), is a non-personal, compensated method of communication by known sponsors. Advertising thus promotes awareness, interest, assessment, and recurrent usage in the context of pharmaceutical marketing. A clinical degree of creative and imaginative advertising has always aided in accomplishing sales goals.

- Demographic Factors

One of the main objectives of any business is to perform exceptionally well in terms of output or profitability. To accomplish this, businesses use a variety of inputs, one of which is human resources (labor force). As a result, demographic factors like gender, education level, and age also have a significant impact on how well a business performs (Lucas, 2017). Researchers

frequently include the effects of demographic aspects in their research. Age and gender are two demographic variables that are frequently used.

- Gender

According to Lucas (2017), gender has an effect on business performance as well as entrepreneurial success. In the sales force, men and women share more similarities than differences, according to Moncrief et al. (2000). On the other hand, according to Kalleberg and Leicht (1991), female entrepreneurs face disadvantages compared to their male counterparts. Additionally, Lucas (2017) has demonstrated that businesses run by men perform better than those run by women. However, Moncrief et al. (2000) suggested that the proportion of women in the sales team and the customer base's gender diversity may be potentially significant factors in reducing the gender issue.

- Age

Age boosts one's ability and power because it is a stage of life. asserts that a person's skills get better with age (Lucas 2017).Organizations in industrialized countries all over the world are observing changes in the age makeup of their workforces as the nature of work is fast changing (Burlacu, 2011). Although most organizations are experiencing an increase in age diversity, its possible impacts on age discrimination, commitment, and performance are still not completely known (Kunze, Boehm, & Bruch, 2011). Some developmental theorists support theories that have a very optimistic perspective of aging, while others support theories that emphasize on the drawbacks and losses brought on by aging (Burlacu, 2011). Jobs where outstanding job performance depends on general cognitive talents, visual-perceptual abilities, and psychomotor abilities, and where these abilities decline with age (Thomas W. H, 2008). Avolio and Waldman (1994) have suggested that age is negatively related to job performance.

In social science studies, age is used to categorize people and highlight their differences (Aapola 2002). Age differences relate to the group-level differences between people of one age and people of a different age (Ng & Feldman, 2008).

2.3. Empirical Review

The impact of promotional mix components on the overall success of pharmaceutical enterprises has been studied in several journal papers in the marketing and medical literatures. Pharmacies

target doctors by restricting drug promotion to the general public. The findings of the Ahmed et al. (2004) study showed that the information provided to the doctor by the business' sales team initiates the prescription chain. Promotional activities either inside the clinic or outside the clinic are used to spread the information. According to Ahemed et. Al (2014), the doctor may prescribe a product if he or she is persuaded, and the patient may then purchase the product, completing the basic marketing goal of bringing together the product chain and prescription chain. In pharmaceutical marketing, it has been found that the effective communication mix forms the core of the whole promotional mix. These are significant debts related to pharmaceutical firms' advertising. Pharmaceutical advertising is frequently criticized for increasing prescription drug consumption unnecessarily (Balay- Karperien et al., 2007). However, there is disagreement among empirical studies about the effect of pharmaceutical promotion on the quantity of pharmaceuticals 14 that physicians prescribe. Furthermore, there is no evidence to suggest that the population's wellness would suffer if doctors issued more prescriptions (Rubin, 2004). According to the findings of a factor analysis conducted for the study by Negash and Adamu (2017), physicians classified various types of promotional tools into six categories: public relations, advertising, personal selling, sales promotion, and image education.

Numerous studies have looked at the impact of the various promotional mix components that businesses use. In their study, Biswas & Ferdous (2016) discovered that public relations was the most successful strategy for significantly influencing a doctor's prescription, while pharmaceutical product advertisements in journals or other printed materials failed to capture the attention of doctors. Contrarily, Naikuni's study (2001) discovered that sales promotions and personal selling are the most frequently employed elements of the promotional mix by multinational pharmaceutical companies. These two are the primary components of drug promotion employed by the majority of global pharmaceutical companies. The least used promotional tactics are advertising, public relations, and publicity. According to Sara et al. (2008), journal advertising (12%), direct to consumer (DTC) advertising (20%) and detailing (32%) are the three instruments that have received the most research. Depending on the type of condition, promotional tools have varying degrees of success. In the categories of inflammations, heart and vascular disorders, and skin diseases, detailing is more effective than medical journal advertising; however, the situation is the opposite for the hypersensitivity category.

Companies that offer comparable goods or services and compete in the same market use various promotional mix components to gain market share and improve business success. According to research conducted by Aliata et al. (2012) in the Kenyan banking industry, improving performance at National Bank of Kenya Limited (NBK) was not significantly impacted by increasing individual spending on the various promotional methods. However, the performance of the NBK greatly improved when the sum spent on promotional techniques was done concurrently for all of them. The return on investment (ROI) of pharmaceutical promotional mix components has also been the subject of some research. For example in the ROI study of Neslin (2001) finding reveals that in terms of medical journal advertising, have the highest overall ROI among all four of the marketing activities. Because of this study and its low budget share, journal advertising appears to be underutilized and may require a little more attention from businesses. The results of another ROI study by Narayanan et al. (2004), which used monthly observations from April 1993 to March 2002 and examined market shares, prices, and promotional spending of three (Claritin, Zyrtec, and Allegra) in a subcategory, show that detailing primarily affects the share positively; in contrast, DTC (Direct to Consumer) has a significant, positive effect on both share and category sales, and detailing ROIs are higher than DTC ROIs. Additionally, there is a synergy between the two promotional variables' effects on selling.

The success of a pharmaceutical company depends on building its goods because there are many different prescription medications available. As a result, the promotional mix can significantly contribute to product distinction (Moss 2016). The importance of promotional mix in the pharmaceutical sector is underscored by the fact that it raises consumer awareness of product differentiation in the sector (Moss 2016). A crucial component of any product or service is the promotional mix, which also aids in creating a competitive advantage. The development promotional mix is a pharmaceutical company's main means of introducing its name. Information about items that aids in differentiating the product or service from those of competitors can be provided through the promotional mix in conjunction with the marketing process. However, the product positioning of a drug was depend on its properties, such as the indications for which the drug is used, safety, efficacy, and tolerability (Schuiling & Moss, 2004). Pharmaceutical companies must find ways to explain the advantages of the drug to consumers, and this can typically be done by a variety of promotional inputs, including drug

samples, conference participation, continuing medical education, journal advertisements, and conference participation (Nath Sanyal, Datata Saroj, & Banerjee Asok, 2013).

Thus, a salesperson who receives a variety of promotional mix inputs might aid in good development. In general, the five components can be used alone or in combination to create the promotional mix for other sectors. Additionally, these elements of the promotional mix are aimed at the customer as well as at both consumers and the trade. Much more so than, instance, the role of a plumber in deciding on a bathroom equipment, the doctor or anybody else in this line of work plays a very significant role. As a result, the promotion mix can only be adjusted to virtually entirely target the doctor. Pharmaceutical firms should also invest billions of dollars in both drug development and marketing. As a result, the product or service's promotional mix plan needs to be developed and strengthened. Giving promotional inputs to the market and customer is the only approach to construct the promotional mix (apart from evaluating its effectiveness).

World healthcare is significantly impacted by the pharmaceutical industry. Because it drives companies to provide greater quality goods and services at cheaper costs, promotional mix is advantageous. While encouraging generic firms to provide less priced options, promotional mix in the pharmaceutical industries might encourage companies to explore new and improved therapies. The pharmaceutical sector is one of the most profitable and innovative in the world; it is a reliable industry that is not susceptible to economic downturns, but it still needs to address human needs in terms of social and global health problems (Hailu et al, 2021).

The most significant problem facing the products of local pharmaceutical companies is competition. Ethiopia's medical and pharmaceutical industries are increasingly accepting of foreign pharmaceutical corporations. Many significant international pharmaceutical businesses have developed strong and are concentrating on forging connections with doctors. One of the pillars of pharmaceutical companies is promotion.

Numerous factors, including public awareness of health issues and available treatments, as well as the standard of care, affect the demand for pharmaceuticals. The cost of therapy, publicity, and market recognition and the pharmaceutical industry is actively promoting medications all around the world in an effort to modify how doctors write prescriptions and persuade patients to self-administer medication.

By encouraging medical professionals to use the most effective treatment choice available, pharmaceutical promotion improves the health of individuals, families, communities, states, and the country. On the other side, it can have a negative impact because it might raise the likelihood of overtreatment, encourage subpar replacements, and encourage drug abuse.

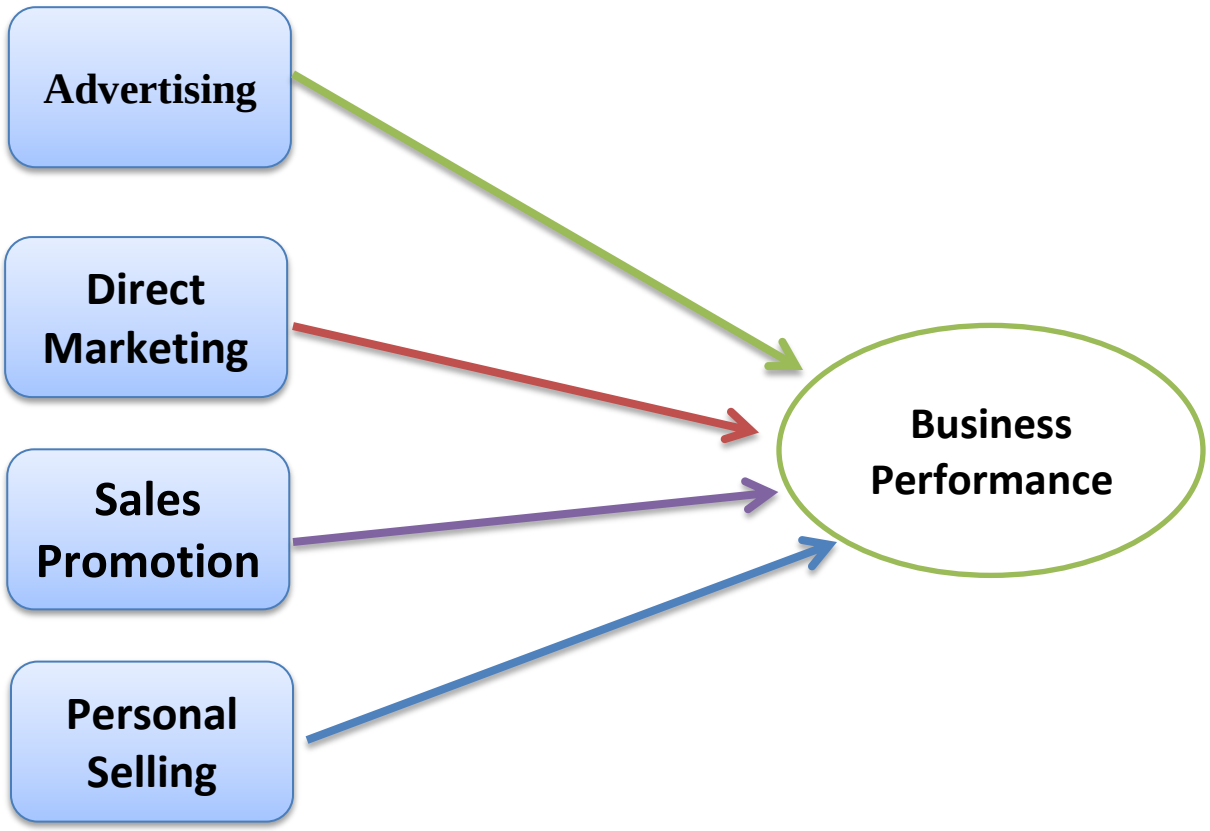
2.4. Conceptual Framework

The competitiveness of the pharmaceutical business in Ethiopia has improved with the introduction of numerous pharmaceutical enterprises, both domestic and foreign. In addition to dealing with obstacles related to ethics and compliance in pharmaceutical marketing, the sector is also having trouble remaining competitive. As a result, it's crucial for pharmaceutical companies to assess how well their promotional mix contributes to the attainment of their overall sales and marketing goals while also adhering to ethical promotion standards.

The following conceptual framework is constructed for this research after examining several empirical findings. The conceptual framework of the study is created by fusing ideas from several authors. The theoretical foundation for the impact of the promotional mix: in the instance of the pharmaceutical firms in Addis Abeba.

When used effectively, the promotional mix frequently raises short-term sales figures, profits, and good awareness. This explains why businesses tend to spend a significant portion of their budgets on various forms of promotion. However, there are differences in evaluations of promotions based on how appealing the relevant goods (Hanssens & Risso, 1999).

Figure 1: Conceptual Framework



Author own computation (2023)

Promotional mix techniques are effective demand-boosters that mitigate the risk associated with new product introductions. While social context, purchasing habits, free samples, price decrease, and amount of discounts are dependent variables on the promotional mix, promotion is an independent variable.

CHAPTER THREE

METHODOLOGY

3.1. Introduction

As you might have guessed, the research approach is significantly influenced by the research aims and objectives. Therefore, before making technique decisions, take a step back and consider the overall scope of the research. This was serving as the starting point for building this research methodology.

The lack of an information hub, reluctance to share company information, and a dearth of pharmaceutical companies meant that while one method may have been more appropriate in my case, the quality and quantity of the data collected using various methods was varied.

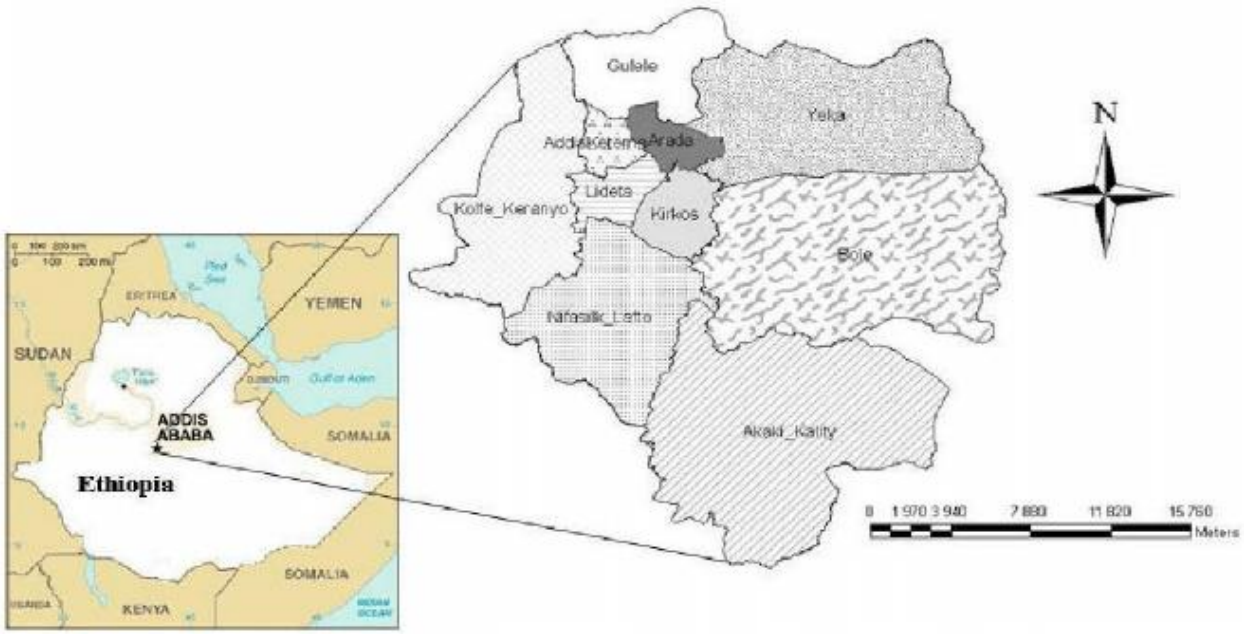
This chapter of the study presents the research method and approach along with its sampling and data analysis methods. It also presents its primary and secondary sources, data collection methods such as questionnaires and interviews, including ethical consideration and test instruments.

3.2. Location of the Study Area

With a height of 2,665 meters above sea level, Addis Abeba ranks as the third-highest capital in the world. Since the Ethiopian Emperor Menelik created it in 1892, this city has always displayed its heart on its sleeve.

The nation's commercial and cultural center is Addis Ababa, Ethiopia's enormous metropolis located in the hills bordering the Great Rift Valley. About 11 pharmaceutical businesses manufacture generic drugs on a large scale in Ethiopia. Ethiopia's pharmaceutical market, according to the government, is worth $400–$500 million annually and is expanding at a rate of 25%. The introduction of social health insurance coverage across the nation, steady economic growth, and improvements in the delivery of healthcare all contribute to an increase in drug use.

Figure 2: Map of Addis Abeba



Author own computation

3.3. Research Approach

The data collecting was combined both qualitative and quantitative methods. The researcher was chosen a mixed research strategy for the reasons listed below.

To collect the desired data from the sample population, the researcher used a quantitative research strategy. Because of this, the attitudes and perceptions of the employees concerning the current marketing strategies used by the pharmaceutical industry were better understood through this study. The research questions about the current state of new product development and marketing performance were established by this study.

The researcher applied a quantitative research approach to gather the needed data from the sample population. As a result, through the survey, it was possible to better understand the attitudes and perceptions of the employees toward the present marketing techniques employed by the pharmaceutical business. This study established the research questions regarding the state of new product development and marketing effectiveness at the moment.

3.4. Research Design

The study was employed a descriptive and explanatory design. A research design is the organization of parameters for data collection and analysis with the aim of balancing procedural economy with relevance to the study goal (Khotari, 2004).

To characterize the current situation, descriptive research included surveys and fact-finding enquiries. As a result, this design was made an effort to pinpoint, investigate, and characterize circumstances or problems connected to the traits of independent variables and dependent variables. Similar to hypothesis testing, explanatory research entails gathering data to address issues with the current state of the study's subject.

3.5. Sampling Design

The study was utilized a descriptive and explanatory approach. According to Khotari (2004), a research design is the setting up of parameters for data collection and analysis with the intention of balancing procedural economy with relevance to the research's goal.

For the purpose of describing the current situation, descriptive research comprised surveys and fact-finding enquiries. As a result, this design was made an effort to pinpoint, probe, and describe circumstances/problems associated with the traits of independent variables and dependent variables. Similar to hypothesis-testing research, explanatory research entails gathering data to address issues with the current state of the study's subject or to test the hypothesis.

3.5.1. Target Population

Any physicians and pharmacist that related to pharmacticuls who is licensed to practice medicine in Addis Ababa and actively engaged in patient care was considered eligible, as were patients and any potential customers, as well as the private and governmental owned pharmaceutical companies. The population of the study is practicing pharmaceutical companies, physicians from the public and private sectors in the eleven sub cities of Addis Abeba.

As a result, in order to compile a sample, you need both a supply of and a list of every member of the target population from which to select a representative sample, as well as a method for doing so. Any source that possesses the information necessary to connect with every member of the target audience qualifies.

One of the first phases in creating this research study is deciding which modules and cases the researcher wishes to examine. Individuals, groups, and preexisting data can all be considered units. The population under investigation includes a wide range of units. Every aspect is taken into account when describing the population.

The promotional mix analyzes numerous market segments within the target audience in order to adapt advertisements, emails, and other content. It creates a feedback loop that enables you to understand your customers better and provide them with specialized marketing materials that can maintain their interest in your products and encourage them to continue interacting with the company's promotional mix materials.

3.5.2. Sampling Frame

A comprehensive list or sample collection, from which the sample participants were selected in a deliberate manner. The structure of the list was determined by age, gender, and occupation. In other words, each member of a population was having a special identification and a way to communicate with others. As a result, the researcher was able to categorize and arrange the segmentation features data that was already available.

The study was adamant about including only those on the lists that adhere to the norms of the target population and rejecting everyone else. The file contains factual information regarding the impact of promotional mix on pharmaceutical companies and their level of financial performance.

A comprehensive list or sample collection, from which the sample participants were selected in a deliberate manner. The names on the list was be categorized by age, gender, and occupation. In other words, each member of a population was a special identification and a way to communicate with others. As a result, the researcher was able to categorize and arrange the segmentation features data that was already available.

One of the first phases in creating this research study was deciding which modules and cases the researcher wishes to examine. Individuals, groups, and preexisting data can all be considered units. The population under investigation includes a wide range of units. As much information as is possible on the population is provided.

The study was aggressive in selecting lists that are inclusive of everyone in the target population and exclude everyone else, are broad enough to achieve the objectives. Accurate information on the effects of promotional mix on pharmaceutical enterprises and their financial success is provided in the document.

3.5.3. Sampling Technique

Pharmaceutical firms, practicing physicians, and patients who were available and keen to engage in the study were contacted and invited to take part. After outlining the goals of the study, the participant who consented to participate was given the questionnaire. For more information on the study, a participant information sheet was given.

The respondents' information was gathered using a cross-sectional survey design. In order to choose Addis Abeba, purposive sampling approaches were used, taking into account the effects of promotional mix practices on business performance. The required number of samples (100), which were purposefully chosen from the sampling frame or the entire population found in the towns, was taken from the total number of young people who are actively seeking employment. From representative respondents among young people and from various sources, both primary data and secondary data were gathered. Selected respondents in the study region were having their data collected through interviews, questionnaires, and discussions with key informants.

3.5.4. Sampling Size

The sample size for this responder research was determined using the 95% confidence level of the (Yamane, 1973) formula. The Yamane formula was used to calculate the sample size. By using this technique, a sample size that is representative of the total population was created, guaranteeing the validity of the research results. According to unpublished data; there were around 32,000 physician is Addis Abeba. The study's sample included 32,000 doctors, who are thought to be present in Addis Abeba. Details on how to determine sample size using Yamane's algorithm are provided below.

$$\boldsymbol{n} = \frac{\mathbf{N}}{\mathbf{1}+\boldsymbol{N}(\boldsymbol{e}\mathbf{2})} \qquad \boldsymbol{n} = \frac{\mathbf{32{,}000}}{(\mathbf{1}+32{,}0\mathbf{00}(\mathbf{0.1})^{\mathbf{2}})} = \mathbf{100}$$

3.5.5. Sampling Procedure

Sampling is a method or technique for picking a subset of a population to take part in a study; it is the process of choosing a number of people so that they accurately reflect the larger group from which they were chosen.

3.5.5.1. Probability Sampling Procedures

In this sample of probability, everyone had an equal chance of getting chosen. Every unit in the population has a chance of being chosen for the sample under this plan.

- ✓ **Simple Random Sampling Procedure**

The researcher offers the foundation for additional, more advanced sampling approaches by using simple random sampling. The researcher initially created an extensive list (sampling frame) of every member of the population of interest in order to conduct a basic random sample. Each person or organization has an equal chance of getting picked during each selection round because the sample is drawn from this list.

To impartially choose the members of the population to be sampled, a straightforward random sample can be drawn without the use of random number tables. By randomly selecting subjects from the population, either using a random number table or another method, each person left in the population has the same chance of being chosen for the sample.

3.6. Source Data

For this project, we are acquiring, gathering, extracting, and storing a substantial amount of data from sources including online, published materials, questioners, observational data, and interview files that was used in the data analysis process later on. "Data collection" is the first phase in the big data analysis process before beginning to examine the patterns or usable information in the data. The information that was analyzed must be gathered from various reliable sources.

3.6.1. Primary Data Source

Primary data were primarily utilized by the researcher. To obtain sufficient and accurate information, primary data was gathered using a structured and semi-structured questionnaire. Additionally, there were quantitative and qualitative data kinds. The alternative method of

gathering data involved conducting an interview based on a structured interview to allow for in-person discussions with the respondents. Data were gathered by conducting a field assessment of pharmaceutical company in Addis Abeba. For the purposes of this study, the researcher mostly used primary data types for data analysis and result interpretation.

3.6.2. Secondary Data Source

A thorough literature review serves as the foundation for the study's theoretical framework and provides context. This is significant because qualitative studies, particularly case studies, must be understood in the context, and it is crucial for the reader to comprehend the context of the topic before the analysis and discussion.

Numerous scientific databases, university libraries, and search engines were employed to locate a sufficient number of pertinent materials. Google Scholar and the Google search engine were among the resources used in this search. The theoretical foundation is developed using a variety of sources, including conference papers, books, scholarly journals, and Google. However, if discovered to be pertinent to the study, books and papers outside of these databases have also been used as references.

3.7. Method of Data Collection

Due to being simple and taking less time for both the researcher and the responders, closed and open-ended questionaries' was used to obtain the data. In order to obtain in-depth information, data was also gathered through structured interviews.

3.8. Data Collection Instrument

The chiefs of the sampled organizations must first provide their assent, and potential participants were also asked. In collaboration with the willing participant, the most convenient date and time for the interview were chosen. Key informants were interviewed in-depth one-on-one or face-to-face in order to get information from many of the participants. Some of the interviews were place over the phone, via email, and via telegram. The research team discussed the study's goals and methodology to the interview subjects prior to the start of the actual interviews. The participant information sheets were read to the key informants (or read to them in the case of telephone interviews) and they were encouraged to ask questions regarding the research, which were appropriately answered. The search was authorized verbally by the participants.

By listening to the recordings of the interviews and making recommendations for the following ones, analysis of qualitative studies was monitored the interview process. The offices of the participants were also used for the in-person interviews. Each interview lasted about ten to fifteen minutes. A semi-structured interview guide was used to conduct the interviews in Amharic. Probing questions were asked as necessary to get more information on the problems at hand and to further the study's objectives.

The decision about the method to use for collecting research data is based on the general goals and objectives of the study, as well as on practical considerations and financial limitations. In this study, the researcher argues that collecting precise and organized data is essential to carrying out scientific research. We are able to gather the data we need for our study objectives using data gathering tools. Data gathering techniques can involve document review, observation, questionnaires, measuring, or a combination of other techniques, depending on the sort of research. A questionnaire makes up the other component of the data collection tool. This method of data collecting uses a sequence of questions and other prompts to ask respondents questions and collect information.

3.9. Method of Data Analysis

Data was gathered from a questionnaire by first entering a code or recording variables in the SPSS application. Frequency, percentage, means, standard deviation, and graphic representation were made based on descriptive data analysis methodologies. Regression analysis was used to run hypothesis testing. To examine the data gathered, the researcher was then utilized further suitable statistical techniques as follows.

3.10. Model Specification and Variable definition

3.10.1. Model Specification

The multiple linear regression model of the study is based on the theoretical regression model as indicated follows

The full Model specification can be written as follows:-

Y (**Business Performance**) = β_0 + β_1 PrMx + β_2 Gen + β_3 Age + β_4 Educ + β_5 TypPCo + β_6ImPSel + β_7 ImSP + β_8 ImDAdv + ε - (1)

3.10.2. Variable definition

Dependent Variable

- ✓ **Business Performance (BussP)**: - has a significant impact on lowering a nation's unemployment rate. The type, quantity, and quality of food offered at places, the degree of consumption and unemployment, and how much business owners are willing to spend are all impacted by cost increases.

Independent Variables

- ✓ **Promotional Mix (PrMx)**: - The term "promotional mix" in marketing refers to a combination of promotional factors that marketers have chosen to aid a company in achieving its objectives. This factor is anticipated to have a favorable impact on the implementation of the business performance.
- ✓ **Gender (Gender**): - The biological variable of gender is determined by traits that are encoded in DNA, such as the reproductive system and other physiological and functional traits. Social, cultural, and psychological characteristics that are connected to human men and females through social context are referred to as gender. If the graduate student is a male, the dummy variable is 1, and if a female, it is 0. In comparison to overworked and disadvantaged female graduates, male graduates had greater employment opportunities (Abebe, 2008). As a result, male graduates are predicted to perform better than female graduates and to have a positive or negative impact on Business performance.
- ✓ **Age (Age)**: - Age is the period of time that a being or thing has endured; it also refers to a being or thing's life or existence up to the moment that has been mentioned or alluded to: trees of unknown age. It is a span of human existence, measured in years from birth that is typically characterized by a certain stage or level of mental or physical development and involves the potential for legal responsibility. This variable was affected the execution of the dependent variable either favorably or unfavorably.
- ✓ **Education level (Educ):** - The developmental disparities among pupils and the design of the learning environments determine educational levels. The four basic educational stages are early childhood education, primary education, secondary education, and higher education. Educational stages are divisions of formal learning. The factor influences business performance implementation favorably.

- ✓ **Type of Pharmaceutical Company (TypPCo)**: - A corporation, often known as co., is a legal entity that stands for a group of people with a certain goal who are either natural, legal, or a combination of the two. Members of the company work together for a shared cause in order to accomplish clearly stated objectives. The variable affects the use of Business performance either favorably or unfavorably.
- ✓ **Impact of Personal Selling (ImPSel)**: - Personal selling, commonly referred to as face-to-face selling, is a sales technique where a single salesperson tries to persuade a consumer to purchase a product. It is a type of advertising where the salesperson employs their knowledge and talents in an effort to close a deal. Business performance is positively impacted by the impact of personal selling variable.

Table 1: Summary of Independent Variable

Variable code	Description	Categorical	Expected Sign
PrMx	**Promotional Mix**	1 = Yes 0 = No	
Gender	Gender	0 = Female,1= Male	+/-
Age	Age	1 = 18 to 30 years old 2 = 31 to 45 years old 3 = 46 to 55 years old 4 = 56 to 75 years old 5 = More than 75 years	+/-
Educ	Education Level	1 = No Schooling 2 = High school graduate 3 = Preparatory graduate 4 = Bachelor's degree 5 = Masters degree 6 = PhD degree	+
TypPCo	Type of Pharmaceutical company	1. Clinic 2. Wholesaler 3. Pharmacy 4. Hospital 5. Patient	+/-
ImPSel	Impact of Personal Selling	1 = Yes, 0 = No	+/-
ImAdv	Impact of Advertising	1 = Yes, 0 = No	+
ImSP	Impact of Seles promotion	0 = No, 1 = Yes	+/-
ImDmkt	Impact of direct Advertising	0 = No, 1 = Yes	+/-

Author own Computation

- ✓ **Impact of Sales Promotion (ImSP)**: - Sales promotion is a marketing strategy used by companies to increase demand from customers for a good or service. Discounts, coupons,

giveaways, free samples, and other types of incentives that motivate customers to buy a good or service can all fall under this category. One component of the promotional mix is sales promotion. Advertising, personal selling, direct marketing, and publicity/public relations make up the bulk of the promotional mix. Business performance is positively impacted by the variable of sales promotion.

- ✓ **Impact of Direct Advertising (ImDAdv)**: - The act of presenting an offer directly to a target client and providing them with a way to respond immediately is known as direct marketing. It is sometimes referred to as direct response marketing among practitioners. In direct marketing, a potential customer is given a marketing message directly. Typically, this is done through mail, email, telemarketing, or door-to-door solicitation. Business performance is positively impacted by the impact of direct advertising variable.

3.11. Validity and Reliability of the instruments

3.11.1. Validity

The researcher was gather quantitative data from survey respondents in order to ensure the statistical validity of the study. The data was then be analyzed using the appropriate statistical tools, such as descriptive statistics, correlation and regression analysis, chi-square, mean, and variable influence factor, to show how the variables are related and draw conclusions.

Validity, according to Collis and Hussey (2009), is the degree to which the outcome or findings fairly depict the topic under investigation. Since the only main information gained for this study is qualitative in nature and depends on the country and experience level of the interviewees, the data collected is highly subject to interpretation. It would be challenging to discover a better confirmation to the interviewee selection or interviewee sample selection, which would boost validity even better, though, given that the phenomena is not extensively used in the context.

In order to calculate the content validity index (CVI), a compilation of the raters' responses was used following the expert evaluations. The instruments was regarded as genuine if the coefficient is 0.7 or above, but if it is less, the instruments was regarded as invalid, and new ones was need to be produced.

3.11.2. Reliability

The research was either utilizes the test-retest method or the cron batch alpha method, and the results were examined using the Pearson's correlation coefficient (PLCC) and the T-test for

PLCC. This was guaranteed that the content reliability. For the T test, an instrument was trustworthy if the significance is equal to or less than 0.05; otherwise, it was reliable if the significance is equal to or more than 0.05.

In addition to validity, reliability also considers the research's trustworthiness. In the event that the study was to be replicated, Collins and Hussy (2009) define this as the absence of differences in the findings. The research's initial reliability can be viewed as being rather poor because it combines qualitative and quantitative elements. This was due to the difficulty of arguing for a single reality where results was evaluated and are not impacted by the researcher's viewpoints.

3.12. Ethical considerations

The researcher was thinking about their ethical responsibilities to ensure that the research questionnaire is kept private and only used for academic purposes. Without being intimidated, survey participants have the choice to decline to answer any questions they feel are inappropriate. The promise that their comments won't reveal their identities was given to respondents. Generally speaking, ethical concerns include the assurance that the respondents' names and personal information won't be revealed; the respondents also guaranteed anonymity.

3.13. Research Ethics

3.13.1. Right to Choose

The research subjects was always have the right to opt out of the study process, with the exception of certain covert observation situations when it is not practical to let everyone being observed know what you are doing. At any point during the research process, participants should also have the option to participate or withdraw. If a person chooses to cease participating or withdraw from the study process, they won't be pressured or coerced in any manner to try to prevent it.

3.13.2. Right to Safety

Participants won't suffer any emotional, physical, or psychological harm as a result of my study (dissertation research). A researcher was provide a case for why there is no chance that participants was suffer harm or be uncomfortable in certain situations. However, it is unnecessary in this instance.

3.13.3. Right to be informed

The concept of informed consent is one of the pillars of research ethics. In this study, informed consent simply implies that participants should be aware of the requirements of the research and that they are participating in it. This information may include the study's objectives, the methodology, potential findings, as well as any demands, discomforts, inconveniences, or risks that volunteers may experience.

The idea that subjects gave their informed consent voluntarily, without being forced or misled, is another aspect of informed consent. If you are unable to get participants' informed permission, you must explain why. We are aware that there are situations in which informed consent is not required or can be relaxed. These include specific institutional, business, and field study contexts.

We are constrained by ethical guidelines as researchers. Without the consent of their parents or guardians, we do not collect data from children. All research participants must consent to participate in a study, and they must be provided with relevant information so they may offer "informed" consent. All the information regarding the study that my research subjects require to make a "informed" decision about taking part in your study has been made available to them. Prior to engaging with the participant or if the individual is the subject of the study, the researcher secured the participant's consent.

3.13.4. Right to Privacy

The researcher was upholding people's integrity, respect their right to privacy, and shield them from prying eyes and unauthorized disclosure. Information concerning illnesses and health, as well as their political or professional convictions, is all included in this area of research ethics' right to privacy. When researching intimate matters, the researcher takes great care to avoid putting subjects under undue pressure. Individuals, organizations, cultures, eras, and times may all have different definitions of what constitutes sensitive knowledge. It could be challenging to tell the private from the public. However, I can take into account disparities in what people deem to be sensitive, private, or public because I'm a researcher.

3.13.5. Confidentiality

Another useful aspect of research ethics is preserving the confidentiality and anonymity of participants. Because of this, participants are frequently only prepared to provide information, particularly material that is private or sensitive, provided the researcher pledges to keep it confidential. While it is feasible that research participants could suffer injury as a result of insensitive data gathering techniques, the risk of harm occurring after data has been obtained may actually be larger. This happens when data is not handled discreetly, whether during data collection, storage, analysis, or publication. This does not imply that all information gathered from research participants must be kept secret or anonymous, though. At certain points throughout the research process, it can be possible to reveal the identities and opinions of specific people. However, authorization should be obtained before disclosing such sensitive information.

When writing up the research; the research was removed identifiers (such as names, geographical clues, and vernacular phrases) to safeguard the confidentiality of the participants.

Potential respondents were asked for permission by the researcher. The researcher was guarantee participants' free was consent. The respondents' names or other identifiers were kept anonymous, and the data the researcher collected from them was handled with the utmost discretion.

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CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1. Introduction

In this chapter the results was discussed which can be obtained from the respondents of Addis Ababa Pharmaceutical Companies. The results were explained using descriptive statistics and inferential statistics. In descriptive statistics the result was explained by using tables. In inferential statistics the results were explained through logistic regression to determine the relationship between Promotional Mix Practices on Business Performance level in the study area.

4.2. Response Rate

The information about collected data and the related response rated are presented and summarized in the below here.

Table 2: Response Rate

Respondent	Sample size	Returned Questionnaire	Response Rate
Health officer	75	72	96%
Customer	25	20	80%
Total	100	92	92%

Source: Survey result, 2023

Having respondents from a cross-section of health officer and customers was important to ensure that the sample was representative of the population of staffs of the pharmaceutical company. Although this study distributed 100 questionnaires in the study area, only 92 questionnaires were correctly filled and returned which makes the responses rate as 92%. The following sections represents the demographic profile of respondents based on gender, age and income and others and responses analysis.

4.3. Descriptive Statistics

4.3.1. Socio- Demographic characteristics

As indicated in table 3 below, the analysis of the socio- demographic characteristics about 70 (76.09%) of respondents were performing the business. About 22 (23.91%) were not in the business. As shown in table 2 below, the gender characteristics of sampled as, 40 (43.48%) of the

sampled were female and 52 (56.52%) of them were male. This indicates that from the sample of the study the majority of were male.

Table 3: Summary results of demographic respondents

Variables		Frequency	Percent
Business Performance	Yes	70	76.09
	No	22	23.91
Gender	Female	40	43.48
	Male	52	56.52
Age	18 to 30 years old	16	17.39
	31 to 45 years old	18	19.57
	46 to 55 years old	10	10.87
	56 to 75 years old	40	43.48
	More than 75 years	8	8.7
Education level	No Schooling	-	-
	High school graduate	9	9.78
	Preparatory graduate	29	31.52
	Bachelor's degree	36	39.13
	Master's degree	18	19.57
	PhD degree	-	-

Source: Own data computation (2023)

Findings of this study based on educational level revealed that all of the respondents have higher than high school graduate and less than PhD graduated. From the respondent; about only 9 (9.78%) are high school graduate, 29 (31.52%) of the sample are preparatory graduate, from the total sample size 36 (39.13%) were Bachelor's degree graduate while 18 (19.57%) was master's degree graduate. So, from the Pharmaceutical Companies majority of the respondent was Bachelor's degree holder. This indicated that increased educational attainment has helps a Pharmaceutical Companies to understand much about the importance of collective action of respondents, due to that the educational background of the sample Pharmaceutical Companies is believed to be an important feature that determines the readiness of company to accept new ideas and innovations about their employment status.

Regarding to Age of the respondent, years of the respondent was continues which lie between 18 to 30 years has a frequency 18 (19.57).

4.3.2. Results of Institutional Factors

These studies used access to health services as their measure of economic activity. For the society especially for the patient, having access to health center is essential. Some patient was used as a crucial input for their promotional mix practice on business performance. According to table 4, only 48 sample houses out of a total of 92 respondents (52.17%) had access to health services, while the other respondents (44, or 47.83%) did not. Although health was open to and available for impoverished farmers in the study area to build assets and guarantee their food supply by purchasing the various packages created by the regional government, there is little focus on accessing and utilizing health services for graded society.

Table 4: Respondents related to institution services and Infrastructural facilities

Variable	Category	Frequency	Percent
		n=92	
Type of Pharmaceutical company	1. Clinic	27	29.35
	2. Wholesaler	28	30.43
	3. Pharmacy	37	40.22
	4. Wholesaler	-	-
Impact of Personal Selling	Yes	74	80.43
	No	18	19.57
Impact of Sales promotion	Yes	78	84.78
	No	14	15.22
Impact of direct Advertising	Yes	71	77.17
	No	21	22.83
Access to Promotion mix	Yes	78	84.78
	No	14	15.22

Source: Own data computation (2023)

Type of Pharmaceutical Company is one institutional aspect that was helped promotional mix practice to have a great business performance. Table 4 shows that only 27 sample out of 92 respondents (29.35%) had categorized in clinic, 28 (30.43%) categorized in wholesaler, while the rest samples were collected from pharmacy and its frequency were 37 (40.22%).

Access to promotional mix was the institution activity to be discussed for these investigations. For Access to promotional mix 78 (84.78%) have an access to the mix while 14 (15.22%) respondents doesn't have a promotional mix. From the Impact of personal selling around 74

(80.43%) of them have a personal selling capacity while 18 (19.57%) doesn't. This makes it more likely for them to choose to obtain the position they desire.

It is essential for Business performance to have direct advertising to the health sector because it helps them increase promotional mix and facilitates the flow of information and the application of knowledge and scientific findings. Promotional mix practice that have impact to direct advertising services in the health sector become more knowledgeable and ultimately decide to take a chance on better promotional mix practice. Among the total respondents in the sample houses of business performance, Table 4 shows that about 71 (77.17%) of the promotional mix practice reported having direct advertising to the health sector, whereas 21 (22.83%) of the promotional mix practices reported having not participate in direct advertising to the sector. This showed that even though the majority of respondents had used direct advertising to the health sector, most of the respondents relied on their prior work experience as recent not to promote their business performance because the experts' contact frequency was not closely monitored.

Access to promotional mix and impact of personal selling has financial benefits, particularly when it accords preferential attention to promotional mix practice. Almost 78 (84.78%) promotional mix practice respondents in the study areas have access to promotional mix, while 14 (15.22%) respondents do not. The accessibility of efficient personal selling is crucial since it establishes the product's uses in the market. According to the survey's findings, 74 (80.43%) of the promotional mix practice has a direct impact because of personal selling.

4.3.3. Level of Advertising

When evaluating product quality, businesses performance considers several key factors, including whether a product have enough advertising. Table **5,** around 26 (28.3%) promotional mix practice respondents in the study areas have agreed that advertising introduce new product & can increase performance, while 40 (43.5%) respondents were neutral but 12 (13%) were disagreed. From the total of 92 respondents on advertising to reach large target market 31 (33.7%) agreed, 8 (8.7%) was strongly disagreed and 13 (14.1%) were disagreed. Out of the total of sample size on advertising on television will increase performance 39 (42.4%) was neutral, 21 (22.8%) was strongly agreed and 17 (18.5%) were disagreed. Subsequently, it can be concluded that the mean scores for all latent variables are significantly different. This implies that sampled employees more aware

about the performance of advertising, this firm always satisfies various criteria for its functioning for the consumer and even it has proper finishing without rough edges or poor visual quality.

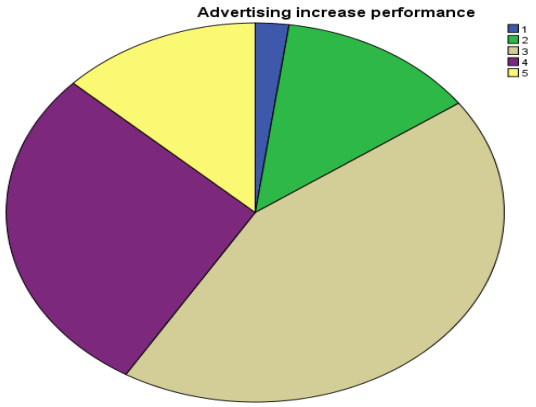
Table 5: Respondents' Reponses on Product Quality (N = 92)

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	N	%	N	%	N	%	N	%	N	%
Advertising introduce new product & can increase performance.	2	2.2%	12	13%	40	43.5%	26	28.3%	12	13%
Advertising to reach large target market	8	8.7%	13	14.1%	21	22.8%	31	33.7%	19	20.7%
Advertising bring back pharmaceutical product	2	2.2%	14	15.2%	36	39.1%	32	34.8%	8	8.7%
Advertisement can persuade your customer to buy your product	2	2.2%	13	14.1%	39	42.4%	26	28.3%	12	13%
Advertising on television will increase performance	3	3.3%	17	18.5%	39	42.4%	21	22.8%	12	13%
Advertising on radio will increase performance	2	2.2%	13	14.1%	41	44.6%	24	26.1%	12	13%

Source: Survey Result, 2023

As per the findings in the above table, the respondents indicated that majority of the respondent were neutral on advertising and also the same as their expectations and the percent for neutral in all of the questions for advertising were neutral. 39 (42.4%) out of the total sample size of the respondent becomes neutral on "advertisement can persuade your customer to buy your product" while 41 (44.6%) in "advertising on radio will increase performance" respond neutral.

Figure 3: Level of Advertising



Author own computation, 2023

From the pie chart result, majority of the respondent were neutral on “advertising can increase the performance of the pharmaceutical company”. According to Kebede, K., Yadete, F. D., & Kant, S. (2023); majority of the findings are helpful in pinpointing the crucial elements of the marketing mix, and they will aid in creating a more effective marketing mix. Davari, M., Khorasani, E., & Tigabu, B. M. (2018); studied Factors Influencing Prescribing Decisions of Physicians: A Review and have got Physicians’ personal attributes, cost of the medicine and pharmaceutical industries’ marketing and promotion strategies were mostly mentioned to influence prescribing decision. The identified factors showed that prescribing is not only geared for patient benefit, but also towards personal interest.

4.3.4. Level of Personal Selling

Personal selling is also known as face-to-face selling in which one person who is the salesman tries to convince the customer in buying a product. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale.

It is understood that personal selling is the cover of the product that is used for storing, handling and protecting the product from external factors like sunlight, moisture, breakage etc Subsequently, out of 92 respondents, on the personal selling help the company to increase performance 3 (3.3%) was strongly disagreed while 24 (26.1%) were agreed that personal selling can increase the business performance. This table also shows that personal selling deals with direct contact 25 (27.2%) were agreed and 12 (13%) were strongly agreed that personal selling could be deal with direct contact. This implies that sampled respondent more aware about personal selling could agree on motivates customer purchase.

According to Negash, M., & Adamu, A. (2019); the first factor is Sales Promotion. The rotated matrix has disclosed that respondents have perceived this factor to be the most important factor (set of promotional tools which fall under the factor) with the highest explained variance of (14.811%). The second factor is Personal selling with the rotated matrix has revealed that personal selling to be the second most important communication strategy in pharmaceutical sales with explained variance (13.645%).

Table 6: Respondents' Reponses on Product Packaging (N=92)

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	N	%	N	%	N	%	N	%	N	%
Personal selling help the company to increase performance	3	3.3%	13	14.1%	40	43.5%	24	26.1%	12	13%
Personal selling is an efficient way of increasing sales	2	2.2%	13	14.1%	41	44.6%	24	26.1%	12	13%
Personal selling deals with direct contact	2	2.2%	14	15.2%	39	42.4%	25	27.2%	12	13%
Personal selling motivates customer to purchase	1	1.1%	10	10.9%	35	38%	33	35.9%	13	14.1%
Personal selling will easily persuade pharmaceutical product	2	2.2%	8	8.7%	27	29.3%	42	45.7%	13	14.1%

Source: Survey result, 2023

This study found that among respondents 35.9 % of them agreed that Personal selling motivates customer to purchase while 10.9 % couldn't agree on personal selling motivates purchasing. It means these requirements are in place to ensure that labels accurately reflect the product.

Additionally, 42% of them agreed that personal selling will easily persuade pharmaceutical product, 1.2 % was strongly disagreed while 14.1 % were strongly agreed that personal selling will easily persuade pharmaceutical company.

4.3.5. Level of Sales Promotions

According to Negash, M., & Adamu, A. (2019); the purpose of this study was to investigate the effect of promotion mix elements on consumers buying behavior. To achieve the purpose of the study three basic research questions were proposed to investigate the effect of promotion mix elements on consumers buying behavior and to answer the stated basic questions. From the findings of the study it can be concluded that the entire research objective for this study was attained; the general objective of this study was to examine the effect of Promotion mix elements on customer buying behavior: Selected promotion mix elements have significant effect on customers buying behavior.

Table 7: Respondents' Reponses on Perceived Quality (N = 92)

Item	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	N	%	N	%	N	%	N	%	N	%
Addis Ababa pharmaceutical company can use sale to correct misconception about the product and service.	2	2.2%	12	13%	43	46.7%	26	28.3%	9	9.8%
Sales promotion is the first choice for Addis Ababa pharmaceutical company.	2	2.2%	12	13%	40	43.5%	28	30.4%	10	10.9%

Source: Survey result, 2023

This study found that among respondents 26 % of them agreed respondents Sales can help the pharmaceutical company to engage effectively, while 37% of them agreed and 9.8% disagreed.

Additionally, 46.7 % of them neutral on Addis Ababa pharmaceutical company can use sale to correct misconception about the product and service while 9.8 % were strongly agreed that sales will correct misconception about the product.

4.4. Inferential Analysis

4.4.1. Regression Analysis

Multiple regression exhibits how much of the variance in the dependent variable can be explained by the independent variables. It also gives an indication of the relative contribution of each independent variable. Tests allow determining the statistically significant of the results, both in terms of the model itself and the individual independent variables (Stephanie, 2018). A multiple linear analysis was conducted to see the Effect of Promotional Mix Practices on Business Performance. The assumption test was done based on theoretical and empirical multiple regression concepts. This section contains diagnostic tests for testing the regression assumptions such as multi collinearity test, and Ramsey test for parameter stability were performed.

4.4.2. Regression Model Diagnosis

i) Correlation and regression Model

A positive correlation coefficient indicates that an increase in the first variable would correspond to an increase in the second variable, thus implying a direct relationship between the variables. A negative correlation indicates an inverse relationship whereas one variable increases while the second variable decreases.

In statistics, correlation or dependence is any statistical relationship, whether causal or not, between two random variables or bivariate data. Although in the broadest sense, "correlation" may indicate any type of association, in statistics it usually refers to the degree to which a pair of variables are *linearly* related.

Table 8: Results of Correlation and Causality regression

pwcorr BusiP ImAdv ImPSell ImSP ImDMkt AcPmx AcH, star(0.05) sig

	BusiP	ImAdv	ImPSell	ImSP	ImDMkt	AcPmx	AcH
BusiP	1.0000						
ImAdv	0.3717*	1.0000					
	0.0003						
ImPSell	-0.1480	-0.1251	1.0000				
	0.1591	0.2347					
ImSP	-0.0247	0.0228	0.4776*	1.0000			
	0.8154	0.8291	0.0000				
ImDMkt	-0.1227	-0.1292	0.5152*	0.4185*	1.0000		
	0.2437	0.2198	0.0000	0.0000			
AcPmx	-0.2375*	-0.2241*	0.6302*	0.4103*	0.5627*	1.0000	
	0.0226	0.0318	0.0000	0.0000	0.0000		
AcH	0.3305*	0.8123*	-0.1431	0.0184	-0.2096*	-0.2239*	1.0000
	0.0013	0.0000	0.1736	0.8615	0.0449	0.0319	

Source: Author own Computation Survey, 2023

*, **, *** indicated 1, 5, 10 percent level of significant

From the above table 7, the correlation findings revealed a cause and effect relationship between the independent variable and business performance (the dependent variable) at a significance level of less than 1%, 5% & 10% (Table 8).

From the result of correlation and causality regression, business performance and impact of advertising have a positive and significant relationship at less than 1% level. As impact of

advertising increases by 1%; the business performance of the pharmaceutical company increases by 37.17%, Ceteris *paribus*.

From table 7, business performance and access to promotional mix have a negative and significant relationship at less than 5% level. As promotional mix increases by 1%; the business performance of the pharmaceutical company decreases by 23.75%, Ceteris *paribus*.

From the result of correlation and causality regression, business performance and health have a positive and significant relationship at less than 1% level. As access to health increases by 1%; the business performance of the pharmaceutical company increases by 33.05%.

From table 11, impacts of personal sell and Impact sales promotion have a positive and significant relationship at less than 1% level. As impact of sales promotion increases by 1%; the impact of personal sales of the pharmaceutical company increases by 47.76%.

From the result of correlation and causality regression,

- ✓ Impact of direct marketing and access to promotional mix was having a positive relationship. An increase in access to promotional mix by one present was increase impact of direct marketing by 56.27%.
- ✓ Impact of personal sell and impact of direct marketing was having a positive relationship. An increase in impact of direct marketing by one present was increase impact of personal sales by 51.52%.

ii) Multi-collinearity test

Anytime an independent variable in a multivariate regression equation has a high correlation with one or more additional independent variables, multicollinearity exists. Only variables with a VIF below 5 were included in the model, which has a default VIF cutoff value of 5. Yet it should be noted that some publications claim a VIF of less than 10 is acceptable (IHS, 2021). There was no evidence of multicollinearity between the variables because the mean of the VIF is less than 10 (James G, 2013) but from the econometric analysis the VIF value of the study was 2.68 as shown below from table 8. Variance Inflation Factors (VIF) and the contingency coefficient for dummy variables are used to analyze associations between continuous explanatory variables (Gujarati, 2003).

Table 9: Result of Multicollinearity

Variable	VIF	1/VIF	Variable	VIF	1/VIF
ImAdv	4.81	0.208027	**ImSP**	2.09	0.478406
ImDMkt	3.59	0.278654	**AcPmx**	2.06	0.486122
Age	2.33	0.42827	**ImPSell**	1.94	0.515745
TypPCo	2.24	0.447056	**Gender**	1.54	0.650315
			Educ	1.41	0.709801
Mean VIF			**2.68**		

Source: Own Survey, 2023

iii) Omitted Variable

A confounding variable that is connected to both the study's purported cause and effect is called an omitted variable. Hence, it has a relationship with both the independent and dependent variables. Any variable that isn't used as an independent variable in the regression but could have an impact on the dependent variable is referred to as an omitted variable. The model was free of missing variables because the likelihood of the outcome was less than 5%.

Results of Ramsey RESET test using powers of the fitted values of Employment Status

Ho: model has no omitted variables

F(3, 376) = 8.78

Prob > F = 0.0000

iv) Results of Model Reliability

Cronbach's alpha examines reliability by determining the internal consistency of a test or the average correlation of items (variables) within the test. In Stata, the alpha command conducts the reliability test.

From the result of reliability alpha examine in the stata, the result become 0.8097 meaning that a value greater than 0.7 was good to report the result of Cronbach's alpha command for reliability.

Test scale = mean (unstandardized items)
Reversed items: Employment Status Age MART WOREXP FPL CORP RUMS ACCH SGOV
Average inter item covariance: .0112729
Number of items in the scale: 15
Scale reliability coefficient: 0.8097

4.5. Regression Test Results

The first table of interest is the model summary (Table 8). This table offers the R, R^2, adjusted R^2, and the standard error of the estimate, which can be used to determine how well a regression model fits the data:

Table 10: Regression Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.967[a]	.934	.932	1.385
a. Predictors: (Constant), DirectMkt, SalePerformance, PersonalSalling, Advert				

Source: Author own computation, 2023

In this test, R can be considered to be one measure of the quality of the prediction of the dependent variable; in this case, marketing performance. The "R" column represents the value of R, the multiple correlation coefficients. A value of .967 in this study indicates a good level of prediction. This study found the value of .934 that this study's independent variables explain 93.4 % of the variability of this study's dependent variable, marketing performance. And 6.4 % (100% - 93.4 %) of the variation is caused by factors other than the predictors included in this model.

The F-ratio in the ANOVA (See Table 9) tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(3, 88) = 416.805$, $p(.000) < .05$ (i.e., the regression model is a good fit of the data).

Statistical significance of each of the independent variables tests whether the unstandardized (or standardized) coefficients are equal to 0 (zero) in the population (i.e. for each of the coefficients, H0: $\beta = 0$ versus Ha: $\beta \neq 0$ is conducted). If $p < .05$, the coefficients are statistically significantly different to 0 (zero). The practicality of these tests of significance is to investigate if each explanatory variable needs to be in the model, given that the others are already there (Frost, 2017).

Accordingly, standardized coefficients are called beta weights, given in the "beta" column. The beta weight measure how much the outcome variable increases (in standard deviations) when the

predictor variable is increased by one standard deviation assuming other variables in the model are held constant. These are useful measures to rank the predictor variables based on their contribution (irrespective of sign) in explaining the outcome variable.

Table 11: Regression Coefficient

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2398.79	3	799.597	416.805	.000[b]
	Residual	168.819	88	1.918		
	Total	2567.609	91			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), DirectMkt, SalePerformance, PersonalSalling

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
(Constant)	3.637	.545	.545		6.675	.000
Advert	.015	.079	.079	.080	.196	.005
PersonalSalling	.098	.072	.072	.417	1.354	.019
SalePerformance	.077	.105	.105	-.191	-.738	.002
DirectMkt	-.094		.118	-.208	-.795	.429

a. Dependent Variable: Business Performance

Source: Author own computation, 2023

Assumed that, the t-value and corresponding p-value are in the "t" and "Sig." columns (Table 9), respectively, in this study, the tests tell us that product quality (β= .563) p(.00)<0.05 is significant. This means that the explanatory variable personal selling is more useful in the model; it implies that personal selling has positively more adds a substantial contribution to explaining Business performance.

The F-ratio in the ANOVA (See Table 9) tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, F (3, 88) = 416.805, p (.00001) < .05 (i.e., the regression model is a good fit of the data).

Presumed that, the t-value and corresponding p-value are in the "t" and "Sig." columns (Table 16), respectively, in this study, the tests tell us that product packaging (β = .644) p(.00)<0.05 is

significant. This means that sale performance in the model, it has more adds a substantial contribution to explaining business performance.

Based on the t-value and corresponding p-value are in the "t" and "Sig." columns (Table 16), respectively, in this study, the tests tell us that product (β = .567) p(.0001)<0.05 is significant. This implies that the explanatory variable direct marketing is in the model, it has more adds a substantial contribution to explaining business performance.

4.6. Discussion

Using correlation analysis, this study established the relationship between business performance and advertising (r=.0.3717, .000), and tested the influence product quality on marketing performance in pharmaceutical company (Sig, 0.001) by applying multiple regression analysis. Then, the result of the regression analysis displays that it has insignificant effect on dependent variable. In furtherance, the test of hypothesis indicated in table 9 showed that personal selling has a significant relationship with business performance (0.000 <0.05). According to Mahabubur Rahman et. al (2018); the findings of the study demonstrate that DTE advertising efficiency does vary between firms and, furthermore, that the higher the level of efficiency, the better is firm profitability.

This implies that face to face are important to consumers because they are the ones that deliver the benefits that consumers are seeking from the products.

From the result of correlation and causality regression, business performance and impact of advertising have a positive and significant relationship at less than 1% level. As impact of advertising increases by 1%; the business performance of the pharmaceutical company increases by 37.17%, Ceteris *paribus*.

From table 7, business performance and access to promotional mix have a negative and significant relationship at less than 5% level. As promotional mix increases by 1%; the business performance of the pharmaceutical company decreases by 23.75%, Ceteris *paribus*.

This study also employed correlation analysis and established the relationship between personal selling and sells performance (r=.4776, .000), and tested the influence personal selling on sells performance in pharmaceutical Company (Sig, 0.000) by applying multiple regression analysis.

Then, the result of the regression analysis displays that sells performance has a positive and significant effect on dependent variable, business performance; this assures that the hypothesis is accepted. Pramudana, K., Yasa, N., Ekawati, N., & Setiawan, P. (2023); operational control plays a significant role in moderating sales strategy and the performance of operational. The theoretical implication of this research is to enhance The Contingency Theory, which claims that the business environment, strategy, and control are three major contingency elements that are linked. According to Albers, S., Mantrala, M. K., & Sridhar, S. (2010) concluded that there exists a positive significant effect of personal selling pharmaceutical company on business performance.

From the result of correlation and causality regression, business performance and health have a positive and significant relationship at less than 1% level. As access to health increases by 1%; the business performance of the pharmaceutical company increases by 33.05%.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary of major finding

The main topic of this research was "The Effect of Promotional Mix Practices on Business Performance: In Case of Addis Ababa Pharmaceutical Companies." In Addis Abeba, it sought to discover the factors that contribute to Business performance. The 92 respondents were participated and also not participated in pharmaceutical company.

In order to identify the "The Effect of Promotional Mix Practices on Business Performance: In Case of Addis Ababa Pharmaceutical Companies" in order to accomplish the three main objectives, descriptive analysis such as percentage, frequency, mean, and standard deviation as well as inferential analysis such as Logistic regression were used. The outcome of the descriptive statistics demonstrated the significance of collective action among respondents in the study area.

Table 2 below shows; from the respondent only 9 (9.78%) are high school graduate, 29 (31.52%) of the sample are preparatory graduate, from the total sample size 36 (39.13%) were Bachelor's degree graduate while 18 (19.57%) was master's degree graduate.

About 22 (23.91%) were not in the business. As shown in table 2 below, the gender characteristics of sampled as, 40 (43.48%) of the sampled were female and 52 (56.52%) of them were male.

Among the total respondents in the sample houses of business performance, Table 4 shows that about 71 (77.17%) of the promotional mix practice reported having direct advertising to the health sector, whereas 21 (22.83%) of the promotional mix practices reported having not participate in direct advertising to the sector.

Gender: - A one percent increase in gender was increasing the status of business performance by 161.98%.

Age (Age): The findings of the study confirmed that Age was positively influenced business performance status decision to impact on promotional mix at 10% significance level, as it was expected (Table 5). As the Age increases by 1%; the business performance decision increases by 49.59%, ceteris paribus.

Education Level (EDUL): As Educational level increases the probability of Business performance by 63.99%.

Type of Pharmaceutical Company (TypPCo): As Type of Pharmaceutical Company level of the country increases the probability of getting a better business performance decreases by 9.9%, Ceteris *paribus*. The possible reason is that, Type of Pharmaceutical Company on Business performance and level of the economy of the country was decreased and the Type of Pharmaceutical Company level of the country was affected countries economy.

Impact of Advertising (ImAdv): As impact of advertising of the respondent increases; the business performance of the pharmaceutical company increases by 626.61%, Ceteris *paribus*.

Impact of Personal sell (ImPSell): As predicted, the econometric findings revealed not favorable and significant association between Impact of personal sell and business performance at a significance level of less than 5% (Table 5). As Impact of personal sell of the respondent increases; the business performance of the pharmaceutical company decrease by 18.23%, Ceteris *paribus.*

From table 6, variables like Marital Status (MART), Education level (EDUL), Work Experience (WOREXP), Corruption (CORP), Job Energy (JOPERGY), and Subsidy from Government (SGOV) have an odd ratio of greater than one. So, the variables are more likely to occur because of greater than one odd ratio value.

The marginal effect of this variable shows that the probability of growth for male owned Business performance increase by 4.4% as compared to female owned business performance. Therefore, the first hypothesis that is "Male owned business performance are more likely to grow faster as compared to women owned business performance." is accepted.

There was no evidence of multicollinearity between the variables because the mean of the VIF is less than 10 (James G, 2013) but from the econometric analysis the VIF value of the study was 2.68 as shown below from table 7.

5.2. CONCLUSION

The following are conclusion from the summary of the study: -

Business performance and access to promotional mix have a negative and significant relationship at less than 5% level. As promotional mixincreases by 1%; the business performance of the pharmaceutical company decreases by 23.75%

There is a strong positive correlation between product exposure to a community and physicians' prescribing behavior. As a result, the right promotion mix is essential for pharmaceutical companies.

Advertising is well-known and often used promotional aspect is also a successful way to reach a broad audience. Advertising; according to Dogramatzis (2002), is a non-personal, compensated method of communication by known sponsors.

Numerous studies have looked at the impact of the various promotional mix components that businesses use. In their study, Biswas&Ferdous (2016) discovered that public relations was the most successful strategy for significantly influencing a doctor's prescription, while pharmaceutical product advertisements in journals or other printed materials failed to capture the attention of doctors.

Personal selling, commonly referred to as face-to-face selling, is a sales technique where a single salesperson tries to persuade a consumer to purchase a product. It is a type of advertising where the salesperson employs their knowledge and talents in an effort to close a deal.

In the event that the study was to be replicated, Collins and Hussy (2009) define this as the absence of differences in the findings. The research's initial reliability can be viewed as being rather poor because it combines qualitative and quantitative elements.

Type of Pharmaceutical Company is one institutional aspect that was helped promotional mix practice to have a great business performance. Table 4 shows that only 27 sample out of 92 respondents (29.35%) had categorized in clinic, 28 (30.43%) categorized in wholesaler, while the rest samples were collected from pharmacy and its frequency were 37 (40.22%).

Levell of sales promotion found that among respondents 26 % of them agreed respondents Sales can help the pharmaceutical company to engage effectively, while 37% of them agreed and 9.8% disagreed.

In statistics, correlation or dependence is any statistical relationship, whether causal or not, between two random variables or bi-variate data. Although in the broadest sense, "correlation" may indicate any type of association, in statistics it usually refers to the degree to which a pair of variables are *linearly* related.

5.3. Recommendation

The following suggestions are made based on the findings of this study in order to be taken into account in future intervention methods to make Business Performance more efficient and goal-oriented. As a result, the researcher was suggested the following things:

Due to intense market competition, it is advised that pharmaceutical companies enhance their packaging design to raise good identification and product exposure. Enhance their nice approach. The company was able to improve business performance through this.

To enhance customer purchase intent and boost sales volume, pharmaceutical companies should employ price promotion strategies such price cuts, free samples, and bonus packs.

According to the report, pharmaceutical companies should employ enticing stimuli during promotions as well as in the workplace to affect customer perception and boost sales.

The study concentrated on how the marketing mix affected sales results. But according to our research, the one factor that significantly impacted sales performance was promotion. As a result, it is necessary to perform comparable research in other firms to identify additional elements that influence sales promotion.

The findings' summary showed that sales promotion had an effect on organizational performance. The impact of sales promotion on organizational performance has not yet been determined. Therefore, this review's executive summary provides guidance for further research to demonstrate whether the sales promotion's impact on organizational performance is favorable or negative.

The summary of summery suggests that advertising affects organizational performance. It is not clear from the review's findings what kinds of advertising have a significant impact on organizational performance. In order to determine whether forms of advertising have a significant impact on organizational performance, future research on the topic might be guided by this synthesis of key concepts.

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Appendix –I

Research Questionnaire

Dear respondents

My name is Betelhem Damtew Ayele. I am a student of masters of marketing management at St.mary's university. This questioner is prepared for gathering information for thesis done on the effect of promotional mix practices on business performance: in case of Addis Ababa pharmaceutical companies for the partial fulfillment of master's degree. As I try to mention earlier, the main and only purpose of this questioner is for academic purpose, please I really want to ask you respectfully to fill with the information and feel secured that your paper isn't seen by other individuals and never be cause for a problem. I thank you deeply for your cooperation.

Personal Information

1. **Full Name :-** _____ **Occupation:-**_____
2. **Gender** Male ☐ Female ☐
3. **Age** **1.** 18 to 30 years old **2.** 31 to 45 years old ☐
   3. 46 to 55 years old ☐ **4.** 56 to 75 years old ☐
   5. More than 75 years ☐
4. **Educational Level**

☐No Schooling ☐ Bachelor's Degree

☐High School Graduate ☐ Master's Degree

☐Preparatory Graduate ☐ Doctorate /PHD

5. **Which type of pharmaceutical company business do you have a relationship with?**

☐ Clinic ☐ Pharmacy

☐ Wholesaler ☐ Hospital ☐ Patient

6. Do you have access to information? Yes No
7. If "yes" for question 7; please list

   _____

   _____
8. Do you have access to information? Yes No

9. If “yes” for question 8; please list

_____

_____

Section A: the impact of advertising on Business performance of Addis Ababa pharmaceutical companies

Please indicate your opinion as per the level of disagreement or agreement with the online statement using 1 to 5 scale guidelines 5=Strongly Agree 4= Agree 3=Neutral 2= Disagree 1= Strongly Disagree

No	**Advertising**	1	2	3	4	5
1	You can use advertising to reach target market to introduce new product or service and appropriately launching new product can increase performance.					
2	You can use advertising to reach large target market to introduce new product feature or application.					
3	By launching old product image as new image appeal you can introduce or bring back pharmaceutical product or service					
4	Advertisement can persuade your customer to buy your product or service this may raise the company performance.					
5	Most pharmaceutical company use to advertise their product on television and increase their performance more than any other advertisement.					
6	Most pharmaceutical company use to advertise their product on radio and increase their performance more than any other advertisement.					
7	Most pharmaceutical company use to advertise their product on print media and increase their performance more than any other advertisement.					
8	Most pharmaceutical company use to advertise their product on social media television and increase their performance more than any other advertisement.					
9	Any kind of media Advertising can raise pharmaceutical company business performance					
10	Tv and Radio Advertising can raise pharmaceutical company business performance by raising customer trust in the product					
11	Any kind of non-personal communication about a company can be called advertisement but it affects performance negatively.					
12	To raise performance of the company each and every Addis Ababa pharmaceutical company use different kind of promotional method					
13	By choosing the best method to convey your message					

	and extracting the most value from your financial and creative resources you can devise an integrated marketing communications program that reinforces your company's distinct character in your customers' mind					

Section B: the impact of Personal selling Business performance of Addis Ababa pharmaceutical companies

Please indicate your opinion as per the level of disagreement or agreement with the online statement using 1 to 5 scale guidelines 5=Strongly Agree 4= Disagree 3=Neutral 2=Agree 1= Strongly Disagree

No	**Personal Selling**	1	2	3	4	5
1	Personal selling is the one to one interaction between a company representative that help the company increase in performance					
2	Personal selling an efficient way of increasing sales using in person interaction.					
3	Deals with a direct contact with the customer (Person to person selling) can affect the company performance positively.					
4	Personal selling motivates and persuades the customer to purchase and create a loyal customer.					
5	By understanding the customers need the company sales person can easily persuade them about the pharmaceutical product.					
6	Even if the company used in trade and retail sales we can consider a business to business selling technique one way of affecting companies' performance.					
7	By educating the customer you can raise the business performance of the pharmaceutical company					
8	Sales person can increase performance by forcing person to person or two ways communication.					
9	Personal selling can help the pharmaceutical company building long term relationship with the customer affect continuous decision making process.					
10	Personal selling isn't just about informing about pharmaceutical company or product it can also making people accept seller point of view and take a particular action.					

Section C: the impact of Sales Promotions Business performance of Addis Ababa pharmaceutical companies

Please indicate your opinion as per the level of disagreement or agreement with the online statement using 1 to 5 scale guidelines 5=Strongly Agree 4= Disagree 3=Neutral 2=Agree 1= Strongly Disagree

No	**Sales Promotions**	1	2	3	4	5
1	Addis Ababa pharmaceutical company can use sale to correct misconception about the product and service.					
2	Sales promotion is the first choice for Addis Ababa pharmaceutical company.					
3	Many Addis Ababa pharmaceutical company use Press release that include press conferences, special appearance, tour, speeches.					
4	The type of media the company use to announce the sales promotion depends on the company target market.					
5	Sales promotion tends to run for short period of time to boost the product name					

Appendix -2

SPSS Statistical Out Put

I. Table 3: Summary results of demographic respondents

Variables		Frequency	Percent
Business Performance	Yes	70	76.09
	No	22	23.91
Gender	Female	40	43.48
	Male	52	56.52
Age	18 to 30 years old	16	17.39
	31 to 45 years old	18	19.57
	46 to 55 years old	10	10.87
	56 to 75 years old	40	43.48
	More than 75 years	8	8.7
Education level	No Schooling	-	-
	High school graduate	9	9.78
	Preparatory graduate	29	31.52
	Bachelor's degree	36	39.13
	Master's degree	18	19.57
	PhD degree	-	-

Source: Own data computation (2023)

II. Table 4: Respondents related to institution services and Infrastructural facilities

Variable	Category	Frequency	Percent
		n=92	
Type of Pharmaceutical company	1. Clinic	27	29.35
	2. Wholesaler	28	30.43
	3. Pharmacy	37	40.22
	4. Wholesaler	-	-
Impact of Personal Selling	Yes	74	80.43
	No	18	19.57
Impact of Seles promotion	Yes	78	84.78
	No	14	15.22
Access to health sector	Yes	48	52.17
	No	44	47.83
Impact of direct Advertising	Yes	71	77.17
	No	21	22.83
Access to Promotion mix	Yes	78	84.78
	No	14	15.22

Variable	Category	Frequency	Percent
		n=92	
Type of Pharmaceutical company	1. Clinic	27	29.35
	2. Wholesaler	28	30.43
	3. Pharmacy	37	40.22
	4. Wholesaler	-	-
Impact of Personal Selling	Yes	74	80.43
	No	18	19.57
Impact of Seles promotion	Yes	78	84.78
	No	14	15.22
Access to health sector	Yes	48	52.17
	No	44	47.83
Impact of direct Advertising	Yes	71	77.17
	No	21	22.83
Access to Promotion mix	Yes	78	84.78
	No	14	15.22

Source: Own data computation (2023)

III. Descriptive result

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	59	64.1	64.1	64.1
	Male	33	35.9	35.9	100.0
	Total	92	100.0	100.0	

Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No Schooling	2	2.2	2.2	2.2
	High school graduate	21	22.8	22.8	25.0
	Preparatory graduate	35	38.0	38.0	63.0
	Bachelor's degree	25	27.2	27.2	90.2
	Masters degree	9	9.8	9.8	100.0
	Total	92	100.0	100.0	

Advertising

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	4.3	4.3	4.3
	Disagree	9	9.8	9.8	14.1
	Neutral	6	6.5	6.5	20.7
	Agree	53	57.6	57.6	78.3
	Strongly Agree	20	21.7	21.7	100.0
	Total	92	100.0	100.0	

Direct Marketing helps to establish a direct sale

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	1.1	1.1
	2	10	10.9	10.9	12.0
	3	29	31.5	31.5	43.5
	4	33	35.9	35.9	79.3
	5	19	20.7	20.7	100.0
	Total	92	100.0	100.0	

Direct Marketing will decrease cost salling

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.2	2.2	2.2
	2	11	12.0	12.0	14.1
	3	37	40.2	40.2	54.3
	4	30	32.6	32.6	87.0
	5	12	13.0	13.0	100.0
	Total	92	100.0	100.0	

Direct Marketing helps to increase media connection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	1.1	1.1
	2	8	8.7	8.7	9.8
	3	35	38.0	38.0	47.8
	4	33	35.9	35.9	83.7
	5	15	16.3	16.3	100.0
	Total	92	100.0	100.0	

IV. Table 6: Results of the Odds ratio and marginal effect

V. Variable	VIF	1/VIF		Variable	VIF	1/VIF
ImAdv	4.81	0.208027		**ImSP**	2.09	0.478406
ImDMkt	3.59	0.278654		**AcPmx**	2.06	0.486122
Age	2.33	0.42827		**ImPSell**	1.94	0.515745
TypPCo	2.24	0.447056		**Gender**	1.54	0.650315
				Educ	1.41	0.709801
Mean VIF	**2.68**					

Source: Own Survey, 2023

VI. Results of Ramsey RESET test using powers of the fitted values of Employment Status

Ho: model has no omitted variables

F(3, 376) = 8.78

Prob > F = 0.0000

VII. Regression Model and Coefficient

Table 12: Regression Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.967[a]	.934	.932	1.385

a. Predictors: (Constant), DirectMkt, SalePerformance, PersonalSalling

Source: Author own computation, 2023

Table 13: Regression Coefficient

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2398.79	3	799.597	416.805	.000[b]
	Residual	168.819	88	1.918		
	Total	2567.609	91			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), DirectMkt, SalePerformance, PersonalSalling

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.264	0.697		-3.248	0.002
	PersonalSalling	0.563	0.077	0.462	7.286	0
	SalePerformance	0.644	0.124	0.306	5.189	0
	DirectMkt	0.567	0.147	0.243	3.846	0

a. Dependent Variable: Business Performance

Source: Author own computation, 2023

VIII. Results of Reliability test

Test scale = mean (unstandardized items)
Reversed items: Employment Status Age MART WOREXP FPL CORP RUMS ACCH SGOV
Average inter item covariance: 0.0112729
Number of items in the scale: 15
Scale reliability coefficient: 0.8097

IX. Results of Correlation Analysis

```
pwcorr BusiP ImAdv ImPSell ImSP ImDMkt AcPmx AcH

             |   BusiP    ImAdv  ImPSell    ImSP   ImDMkt    AcPmx     AcH
-------------+------------------------------------------------------------------
      BusiP |   1.0000
      ImAdv |   0.3717   1.0000
    ImPSell | -0.1480  -0.1251   1.0000
      ImSP |  -0.0247   0.0228   0.4776   1.0000
     ImDMkt |  -0.1227  -0.1292   0.5152   0.4185   1.0000
      AcPmx |  -0.2375  -0.2241   0.6302   0.4103   0.5627   1.0000
       AcH |   0.3305   0.8123  -0.1431   0.0184  -0.2096  -0.2239   1.0000


pwcorr BusiP ImAdv ImPSell ImSP ImDMkt AcPmx AcH, star(0.05) sig

             |   BusiP    ImAdv  ImPSell    ImSP   ImDMkt    AcPmx     AcH
-------------+------------------------------------------------------------------
      BusiP |   1.0000

      ImAdv |   0.3717*  1.0000
            |   0.0003

    ImPSell | -0.1480  -0.1251   1.0000
            |   0.1591   0.2347
            |
      ImSP |  -0.0247   0.0228   0.4776*  1.0000
            |   0.8154   0.8291   0.0000
            |
     ImDMkt |  -0.1227  -0.1292   0.5152*  0.4185*  1.0000
            |   0.2437   0.2198   0.0000   0.0000
            |
      AcPmx |  -0.2375* -0.2241*  0.6302*  0.4103*  0.5627*  1.0000
            |   0.0226   0.0318   0.0000   0.0000   0.0000
            |
       AcH |   0.3305*  0.8123* -0.1431   0.0184  -0.2096* -0.2239*  1.0000
            |   0.0013   0.0000   0.1736   0.8615   0.0449   0.0319
            |
```